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ALPS INDUSTRIES LTD.

CORPORATE DIRECTORY

Unit I

Eco-Friendly Yarn Spinning & Dying Mill
Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar,
Uttarakhand- 249403
Email - commlharidwar@alpsindustries.com

Unit IV

Vista Window Covering & Awnings Division
A-2, Loni Road Industrial Area, Opp. Mohan
Nagar, Ghaziabad – 201 007 (U.P.)
Email - sales@alpsindustries.com

Unit VII

Yarn Spinning Mill
Jaspur Spinning Mills, Afzal Garh Road,
Jaspur, Udham Singh Nagar,
Uttarakhand – 244 712
Email – alpsjaspur@alpsindustries.com

Unit X

Showroom and Fashion Accessories Division
B-2, Loni Road Industrial Area, Opp. Mohan
Nagar, Ghaziabad – 201 007 (U.P.)
Email - b2alps@alpsindustries.com

REGISTERED OFFICE

B-2, Loni Road Industrial Area,
Opp. Mohan Nagar, Ghaziabad - 201 007 (U.P.)
Ph : 0120-2657 649
Fax : 0120-2657 540
Email - b2alps@alpsindustries.com

STATUTORY AUDITORS

P. Jain & Co., Chartered Accountants

Unit II

High Quality Compact Yarn Spinning Mill
Plot No. 1B, Sec. 10, I.I.E., SIDCUL, Haridwar,
Uttarakhand- 249403
Email - commlharidwar@alpsindustries.com

Unit V

Home Furnishing Made-Ups division
A-16/2, Site IV, Industrial Area,
Sahibabad, Distt Ghaziabad – 201 010 (U.P.)

Unit VIII

Vista Window & Floor Covering Division
A-3, Loni Road Industrial Area
Ghaziabad – 201 007 (U.P.)
Email – vista@alpsindustries.com

Unit XI

Home Furnishing Made ups Division
57/2, Site-IV Industrial Area, Sahibabad,
Ghaziabad - 201010 (U.P.)
Email - info@alpsindustries.com

CORPORATE OFFICE, SALES OFFICE & SHARE DEPTT.

57/2, Site-IV Industrial Area, Sahibabad,
Ghaziabad - 201010 (U.P.)
Ph : 0120-4161700
Fax : 0120-2895299, 2896041
Product Enquiry No. - +91 9560 55 66 55.
Email - info@alpsindustries.com

COST AUDITORS

Neeraj Sharma & Co., Cost Accountants

Unit III

Automotive, Technical And Cotton Fabric Weaving and Processing Mill
Village - Aminagar, Bhoor Baral, Meerut Delhi
Road, Meerut – 250103 (U.P.)

Unit VI

Yarn Spinning Mill
Kashipur Spinning Mills, Near Govt. Degree
College, Kashipur Bazpur Road, Kashipur,
Udham Singh Nagar, Uttarakhand – 244 713
Email – alpskashipur@alpsindustries.com

Unit IX

Vista Window Covering Division
B -160-161, Industrial Estate, Mettupalayam,
Pondicherry - 605009

R&T AGENT

Alankit Assignments Ltd.
Alankit House, 2E/21, Jhandewalan Extn.,
New Delhi – 110 055 (INDIA)
Ph : 91-11-4154 0061-63,
Fax : 91-11-4154 0064, 4254 1201
Email: alankit@alankit.com

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ajay Gupta
Ph (D) : 0120-4161716
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Email : ajaygupta@alpsindustries.com
investorsgrievance@alpsindustries.com

REGIONAL & MARKETING OFFICES - VISTA DIVISION

BANGALORE : 303, Ahuja Chambers of
Commerce, 3rd Floor, Kumara Krupa Road,
Bangalore – 560 001
Ph.: 080-40914620
Telefax: 080-41136070
Email : vista-bangalore@alpsindustries.com

KOLKATA : Room No. 8 & 9, M.A. Business
Centre, Poddar Point Rear Street, 113, Park Street
Kolkatta – 700016
Mob: 09831545591
Email: vista-kolkata@alpsindustries.com

CHENNAI : No. 36/25, Premises No.36, Krishna
Arcade, First Floor, Raja Bathar Street, T. Nagar,
Chennai – 600 017
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Email : vista-chennai@alpsindustries.com

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PUNE : 122 and 123, Patil Plaza Near
Mitramandal Chowk, Parvati, Pune -411009.
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Fax: +91-20-66066296
E-mail: vista-pune@alpsindustries.com

LUCKNOW : 193, G.B. Marg Bansmandi, La
touché Road,
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Tel : 0522 -3015452, Fax : 0522-3015453
Mob: 9839013683
E-mail: vista-lucknow@alpsindustries.com

DELHI NCR : 57/2, Site IV Industrial Area,
Sahibabad, Ghaziabad – 201010
Tel: 0120- 4161822, 0120 – 4161700
Fax: 0120- 2896134
E-mail: sales@alpsindustries.com

Hyderabad : 2-3-531/19/A1 First Floor, Kachi
Colony, D.V. Colony Minister Road,
Secunderabad
Hyderabad-500003
Tel: 040-30688452
Email: vista-hyderabad@alpsindustries.com

MUMBAI : Flat No. 3116-3117, C-Wing,
Oberoi Estate, Chandivali Farm Road,
Chandivali, Andheri (E), Mumbai-400 072
Tel/Fax: 022-28472111
Email: vista-mumbai@alpsindustries.com

BOARD OF DIRECTORS**Mr. K.K. Agarwal, Non Executive Chairman**

Mr. K.K. Agarwal is a qualified Textile Technologist from Government Central Textile Institute, Kanpur (UP) and has received many awards from Central/State Governments and various Export Promotion Councils for his valuable guidance. He has also enjoyed prestigious positions in various organizations like, Chairman-North Zone AIMO, Executive Member of FICCI, FIEO, CII & HEPC. He had been nominated as Sr. Vice-President- NITMA. He is Executive Member of CITI and member of Cotton Yarn Advisory Board & Vice Chairman of NITRA. Textile Association (India) at the National Textile Seminar has also awarded "Life Time Achievement Award" in recognition of his immense services to textile industry for creating jobs for Textile graduates. Mr. Agarwal is also involved in various social activities through educational organizations, for a long time. He is actively involved in the family charitable trust for helping under privileged children and providing free education, books etc. to them under the name and style of CDK Foundation. He is also the President of Chaudhary Chhabil Das Junior Public School, a reputed institution in education in Ghaziabad having approx 2500 students.

He is currently the Non Executive Chairman and Promoter Director of the Company.

Mr. Sandeep Agarwal, Managing Director

He is in the textile industry since long time and under his acumen and dynamic leadership, the company had floated various Indian and overseas subsidiary companies. The company had also obtained significant recognitions/certifications from different organizations. He is very meticulous in diversifying into value added products in domestic Home Furnishing business segment of the company. Under his leadership, the Company has set-up a nationwide distribution system for the Company's products. This has helped the Company in marketing its brands such as "Vista" throughout the country. Under his acumen leadership and strong patience, the company is able to sail smoothly even in testing times.

Mr. Pramod Kumar Rajput, Executive Director

He is the Executive Director of the company and has been associated with it since a long time. He has experience in handling Commercial and Administrative affairs with prominent groups related to Textile Industry.

Mr. Prabhat Krishna, Director

He is a B. Tech (Chem.) from IIT, Delhi. He has retired from State Bank of India as Assistant General Manager. He has a long and outstanding experience in the areas of Banking, Forex & Corporate Finance. He is presently advisor to various Companies for Technical Consultancy & Rehabilitation. He is an independent and non executive director.

Mr. Tilak Raj Khosla, Director

He is an Arts Graduate with Subordinate Accounts Services (S.A.S). He is retired from the post of Dy. Controller of Defence Accounts under the Controller General of Defence Accounts in the Ministry of Defence. He has vast experience in the areas of accounts and auditing of Defence Accounts in various positions like Auditor, Section Officer, Accounts Officer, Sr. Accounts Officer, Asstt. C.D.A. and Dy. C.D.A. He is an independent and non executive director.

Mr. Pradyuman Kumar Lamba, Director

He is an Arts Graduate with qualified Subordinate Accounts Services (S.A.S.). He retired from the post of Dy. Controller of Defence Accounts under the Controller General of Defence Accounts in the Ministry of Finance (Defence). He has wide experience of about four decades in accounts and auditing of Defence Accounts at various positions like Auditor, Section Officer, Accounts Officer, Asst. Accounts Officer, Asstt. C.D.A. and Dy. C.D.A. He is an independent and non executive director.

Mr. Sonalal Datta, Nominee Director

He has retired from State Bank of India as Assistant General Manager and possesses vast experience in the areas of Banking, Forex & Corporate Finance. He is the Nominee Director appointed by State Bank of India.

Mr. Mohan Lal Sharma, Special Director

He is a Law Graduate from Delhi University and possesses vast experience in the areas of legal and company law/tax matters. He is Advocate-On-Record for Supreme Court of India and standing Counsel for the State of Himachal Pradesh and also member of Bar Association of Supreme Court of India and Indian Council of Arbitration, New Delhi. He has been appointed as Special Director by Hon'ble Board of Industrial and Financial Reconstruction (BIFR) in your company as well as in various other companies.

DIRECTORS' REPORT

To,
The Members,
Alps Industries Limited

Your Directors have pleasure in presenting the 41st Annual Report together with the Audited Statements of Account of the Company for the financial year ended on March 31, 2013.

The Financial performance of the company, for the year ended March 31, 2013 is summarized below :

FINANCIAL RESULTS

(Rs. in Millions)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Total Income	7002.26	6686.09
Operating Earnings/Losses before Financial Expenses, Depreciation & Amortization and Tax	425.14	(1286.31)
Finance Cost	1012.00	1009.91
Depreciation	449.51	456.04
Profit/Loss Before Tax	(1036.37)	(2752.26)
Provision for Tax	-	-
Deferred Tax	-	-
Profit/Loss After Tax	(1036.37)	(2752.26)
Exceptional Items	(116.61)	(22.78)
Surplus of last year Add:	(6931.23)	(4156.19)
Surplus available for appropriation	(8084.21)	(6931.23)
Appropriations		
Surplus carried to Balance Sheet	(8084.21)	(6931.23)
Surplus available for appropriation	(8084.21)	(6931.23)

OPERATING ENVIRONMENT

India has a long history in weaving. During the Industrial Revolution, technology stole a march over a tradition in textiles production for the first time and our dominance in weaving has come down almost steadily ever since. Competitiveness in textiles production has travelled from country to country during the last several decades depending on technology and cost of production in the respective countries. Even after losing its tradition based dominance, India has been able to retain a significant presence in textiles sector over these decades by adopting a blend of tradition and technology. But even countries like Pakistan, Bangladesh and Sri Lanka which share the same textile heritage as ours, have been relying more on technology than on tradition in their textile production during the last few decades and they have all achieved higher growth than ours, especially in fabrics by Pakistan. In India, technology has played its due role in textiles production only in the case of spinning. Where our production facilities are truly world class and nearly 90 percent of production is in the organized sector. In fabric, over 95 % of our production is in the decentralized sub sector and in garments & home textiles, over 80% of our units continue in the SME sector. Exports of textile product during April, 2012 – January, 2013 over the same period of previous year saw a decline of 4.7 %. Total export of textiles product were worth US \$19,987 million during ten months of fiscal year 2012-13. Textile product exports have increased from Rs.99,786 crore of Apr-Jan 2011-2012 to Rs.1,08,869 crore in the same period of 2012-2013.

In the Fabric export segment, the next fiscal year will be a significant period in terms of consolidation in various markets for fabric by roll exports. US market has been developing well both on the residential fabric and contract business viz. hotel and hospitality industry. Middle East has shown significant jump on the volumes. Your company has spread its wings in most of the markets now like US, UK, South East Asia, Australia, NZ and Middle East. It was planned to avoid Europe and Latin America for sometime till the worst is over there. Your company have emerged in last few years as a serious supplier of blackouts cotton and natural upholstery fabrics. We expect the upward trend in export business. Company has also introduced some of the new product in export segment like Multi-head embroidered fabrics which has higher value proposition, outdoor fabrics etc. This range is expected to have lesser competition, is highly technical and with a higher value.

To contribute in the turnover of the company, the value added made ups division had been started some time back. The division had been facing some teething problems but same have been addressed and corrective actions were taken. This is a high fashion category which needs innovation and creativity all the time to create a new design. Your company foresees growth in this segment and is hopeful to achieve the targets during the next fiscal year.

As a part of efforts to revamp Fashion Accessories Division, your company has initiated holistic changes in this segment. Your company has introduced various intimate blends to provide innovative products including metallic based fabrics, intricate jacquard patterns using ancient ethnic patterns, Persian motifs and contemporary geometrical patterns, humungous range of printed scarves, stoles, shawls & sarongs to our product range. FAD has also introduced new products with spectacular array of specialized weaves and patterns using electronic dobby machines, intricate jacquard patterns using ancient ethnic patterns. In this division, your company has introduced around 360' varieties in embellished products including Aari, Dabka, Jardosi, sequin, bead work along with the variety of hot fix studs and crystals, various varieties of tassels, laces, fringes etc. Your company is also striving to tap the new buyers of USA & Europe. The printing facilities have also been arranged to avail an edge with other suppliers.

In the Anti-Bacterial "Sleep Dry" Baby product, your company has reached the Brand category. To enjoy maximum reach to valued consumers, the company participates in exhibitions, magazine etc. apart from other promotional efforts towards domestic market, promoting through various promotional materials and hopeful to have better profitability in coming years. In one of the most important and major segment i.e. Yarn, your company is focusing on some of the key markets like domestic, South America and China. To penetrate the market with only sizeable buyers, the market friendly terms of supply are being offered. Your company is also taking various steps to strengthen the buyer base domestic as well as overseas. Efforts are also made to introduced various variety of value added yarn. Your company have also plan to add more value added yarn like Core Spun Lycra, Slub Yarn, Multi fold & Multi count Yarn etc. in the product range. We are also striving to take a balanced approach towards all premium paying markets, increasing the share in most contributing count. Besides above, your company has also to expand the exporting of yarn.

One of the major brands of the company i.e. Vista, in domestic market has earned an enviable reputation and is the market leader in window dressing range of products, which are well known in the domestic market for its world class quality & continuous innovations in the segment. Under this product range, which are crafted with absolute focus towards customer's needs and desire, company has introduced various new products like Hardwood Flooring, Hospital Curtain Tracks & Monsoon Blinds, Lexus, Murano & Folliage, Naturons- Roll-up & Roman Blinds Scontour, Cellular & Sheer Dimout Blinds

under the new variety of fabric for Roller Blinds. To expand the product range for open spaces like large windows, terraces, balconies, Glass houses etc. new range of Awnings, FTS & Skylight systems have also been introduced. During the period under review, company has also commenced operational activities partly at the company's unit situated at 57/2, Site IV, Industrial Area, Sahibabad to expand the production of CMT to meet out the new buyers demands.

The financial performance of the company is on improvement trend which is evident from the fact that the EBITA has increased to Rs. 425.14 millions during the financial year under review in comparison to Rs. (1286.31) million in previous year. However, company has incurred net loss of Rs. (1036.37) millions in comparison to Rs. (2752.26) millions in the previous period. The loss has decreased due to various reasons like increase in the margin of yarn, down trend in cotton prices and betterment of utilization of capacity of Meerut unit which is further expected to improve in current year.

FUTURE OUTLOOK – TECHNICAL AND EXPANSION GROWTH

In the Fashion Accessories division, impressive collection of hand as well as machine embellished products have been developed during the period under review. The production Capacity has also been increased and printing facility proposed to be implemented during the current financial year. In Haridwar unit, Yarn Dyeing vessel capacity have been increased after modification of spindle height. In view of the deteriorating conditions of plant and machineries and acute labor shortage at Kashipur unit, the utilization capacity have been reduced.

WEAVING AND PROCESSING PLANT AT MEERUT

Under the furnishing fabric segment range, various products are being produced at the Meerut unit. It has created a niche for itself in terms of its products, which are in a much different league from those of other Indian exporters, who are producing mainly polyester and polyester blends. It is more into cotton and organic products, cotton fabrics, cotton linen, viscose linen blends and other natural fibers, as the worldwide demand for natural fiber curtains and upholstery is increasing. There are very few suppliers of this range in India. Globally, the main suppliers are from Europe, but they are not as competitive as Indian suppliers.

It has introduced few innovative products which have received very good response across the markets. Washable cotton & brushed cotton, pigment dyed, washed look upholsteries are some of them, to name a few.

This is the only unit of the company with blackout coating facility in India. Blackout curtains have a very big market in residential and contract business. The unit has been very successful in creating value added products in jacquard blackout and cotton blackouts. Contract and Hospitality business (Hotels, Guest houses and public areas) has good requirement of blackout curtains, and the unit is catering to that market well.

The feature of automotive fabric market is such that to ensure standardization of quality worldwide, the international car makers source fabric from only those companies that have relationships / technical tie-ups with one of their worldwide suppliers. This is largely driven by the vendor-customer relationships at parent plants / head offices of the international car makers. To overcome this feature of the OEMs, and to win long term business, it has put a great deal of thrust on the after sale market for seat covers and the bus segment. These two segments are not bound by any requirement of a foreign collaborator. It has made a noticeable headway with leading car manufacturers.

FINANCIAL OUTLOOK

The company was sanctioned a restructuring scheme under CDR mechanism by CDR Empowered Group on August 31, 2009 and as amended from time to time. The package comprised of conversion of unsustainable debt into OCCPS/CRPS, funding of Interest and reduction of interest to 9% among other reliefs. However, the Company could not achieve the projected Operating Profit level in subsequent year i.e. 2010-11, mainly due to higher cost of raw materials and delay in implementation of Meerut Plant. These adverse situations demanded the reworking of existing sanctioned CDR package. The CDR-EG reworked its existing package accordingly by issuing of LOA dated 04.05.2011 and allowed some additional reliefs to the Company like Conversion of additional unsustainable portion of Term Loan into equity, reduced and step-up Rate of Interest and Realignment of the balance Term Loan installments. However due to unprecedented situation of cotton and cotton yarn market company could not achieve the estimated profit and incurred a negative EBIDTA resulted into the depletion of working capital. However, the company honored its due liabilities towards secured lenders up to June' 2011. With a view to tide over the above difficulty arising out of the industry situation, the company had approached SBI and other lenders to commensurate the debt obligations of the company in line with the expected operating profits of the company based on the recommendations on restructuring of Textile loans forwarded by Government of India to the RBI for their consideration. The CDR scheme has been withdrawn by CDR cell of RBI w.e.f. November 16, 2012.

DECLARATION OF SICK INDUSTRIAL UNIT UNDER SECTION 3(1) (O) OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985.

Due to erosion of total Net worth of the company as per Audited Accounts as of 31st March 2010, the Company has filed a reference with Hon'ble BIFR under Section 15(1) of Sick Industrial Companies Act. The company was registered vide Case No. 32/2010 as per BIFR's letter dated June 29, 2010 and subsequently after the hearings and finding justifications, BIFR declared the company as "Sick Industrial Company" under Section 3 (1) (o) of the SICA vide their order dated 06.12.2010. In the same order of Hon'ble BIFR, the State Bank of India, was appointed as the Operating Agency (O.A.). In terms of the directions of the BIFR, company had prepared the Draft Rehabilitation Proposal and submitted to State Bank of India and BIFR. After due consideration in the joint meeting held on 15th June' 2011 (with Lenders) and 5th July' 2011 (with Statutory agencies, from whom company sought some reliefs and concessions), State Bank of India has filed the Draft Rehabilitation Scheme (DRS) with BIFR on 07.07.2011. On the directions of Hon'ble BIFR, company has also filed amended DRS with O.A. and Hon'ble BIFR during the month of March' 2013 which is under consideration of O.A. & Hon'ble BIFR."

CREDENTIALS

With the contribution and efforts of all concerned the various credentials have been awarded to the company during the period under review viz.:

- Certificate for ISO/TS 16949:2009 for manufacturing seat fabrics for the automotive application.
- Certificate for Oeko-Tex for Hohenstein Textile Testing Institute, Germany
- Membership of BCI (Better Cotton Initiative) from BCI, Switzerland.
- Certificate for ISO 9001 :2008 and ISO 14001:2004 for the management system implemented renewed by Afnor Certification for the period 2013 to 2015 covering the manufacturing activities i.e. Spinning, Weaving and Processing of yarn, Fabric and Home furnishing and Coating (fire retardant curtain fabric, upholstery and stain proof fire retardant upholstery cloth for the company's unit situated at Haridwar and Meerut.

MEASURES TO REDUCE/CONTROL COST

During the crisis phase running in the company, the acute measures are being taken to control the cost, increase the efficiency and best utilization of resources of manpower. On technical front, your company is trying to achieve the reduction in raw material cost by making different composition of mixing for best use of Polyester Fiber, increase in machine productivity, better yarn yield with optimum use of raw material, control waste generation to bare minimum and best use of work force, best utilization of capacity with lowest Raw Material Cost and good quality of end product to fetch best yarn price at the company unit located at Kashipur/Jaspur. The major units located at Meerut and Haridwar have taken various important steps which includes buying of raw material in bulk quantity directly from suppliers after proper negotiation and studying market prices, reducing the fixed overheads, increase the utilization and efficiency of machineries to reduce the cost, standardize the production process flow chart to avoid the rejection, maintain the inventory Level as per the requirement, constant check on power consumption, controlling / reducing rejections & re processing, reusing / recycling all possible items, strict follow up on regular maintenance schedule to avoid major break downs, increasing overall efficiency to reduce production cost, using low consumption LED lights. In order to reduce the substantial logistic cost the company is opting for land ports nearest to the units. The company is also purchasing capital goods & other items under EPCG authorizations and saved substantial duties.

STATUS OF HOLDINGS OF SUBSIDIARY COMPANIES

During the year under review, there is no change in the status/holding of subsidiaries companies.

FINANCIAL STATEMENTS OF SUBSIDIARIES COMPANIES

The company has three subsidiaries at the end of the financial year. The Ministry of Corporate Affairs, Government of India, vide General Circular No: 2/2011:51/12/2007-CL-III dated February 8, 2011 has granted general exemption from the requirement to attach various documents in respect of subsidiary companies, as set out in Sub-Section (1) of Section 212 of the Companies Act, 1956. Accordingly, the Balance Sheet and Profit & Loss Account and other documents of subsidiary companies are not being attached with the Balance Sheet of the company. However, the summarized financial information of the subsidiary companies, as required by the said circular is disclosed in the Annual Report. The company will make available in the Annual Accounts and related details upon request by any member of the company. These documents will also be

available for inspection at the Registered Office of the company during business hours. The Consolidated Financial Statements presented by the company includes financial results of its subsidiary companies.

GOVERNMENT INITIATIVES - TEXTILE SECTOR

The Textiles is the second largest sector which provides employment after agriculture. It contributes about 14% to industrial production, 4% to the GDP, and 17% to the country's export earnings. It provides direct employment to over 35 million people, which includes a substantial number of SC/ST, and women, keeping in line with the policy of inclusive growth Union Budget for 2013-14, provided strong support to the sector. Apart from continuing major schemes, the budget has taken many measures to assure affordable credit, technology up gradation, skill development and duty relief has been envisaged to safeguard the livelihood of the weavers and keep the industry competitive. The Budget has made an additional provision of Rs. 96 crores for 2013-14 for providing interest subvention to make working capital and term loans available at a concessional interest rate of 6% (earlier this was 11% with 3% interest subvention available under the Comprehensive Handloom Package). The existing packages, namely Comprehensive Handloom Package of Rs. 3884 crores and Revival, Reform and Restructuring Package of Rs. 2350 crores. Technology Up gradation Fund Scheme (TUFS) has been continued in the 12th Plan with major focus on modernization of the power loom sector for which Rs. 2400 crores has been allocated in 2013-14. Scheme for Integrated Textile Parks (SITPs) have been continued. A new scheme called the Integrated Processing Development has been introduced. The customs duty on raw silk has been enhanced from 5% to 15%. Zero excise duty routes in addition to CENVAT route are now available to the cotton and manmade sector and spun yarn at the yarn, fabric and garment stages. In case of cotton, there will now be zero duty at the fiber stage and in case of spun yarn, there will be a duty of 12% at the fiber stage. This is in keeping with the Textiles Ministry's initiative for ensuring a Fiber Neutral Textile Policy. All the excise duty relief measures will restore competitiveness of Indian exports which are under stress due to favorable treatment given to the new competitors in major markets like EU.

Zero Central Excise Duty Route as existed prior to 01.03.2011 is being restored on Branded Ready Made Garments & Made-Ups by the current Union Budget 2013-2014. Products falling under Made-Ups/Garments are now exempted from payment of Central Excise Duty provided the CENVAT Credit is not taken on inputs. Now the Zero Duty EPCG benefits are made available to all sectors, though in the past it was available under certain restrictions to some sectors. Now we may work under Zero Duty Scheme as announced by the Minister for Commerce, Industry & Textiles on 18.4.2013. The quantum of specific Export Obligation (EO) in the case of domestic sourcing of capital goods under EPCG authorizations has been reduced by 10%. Duty Credit Scrips issued under Focus Market Schemes, Focus Product Scheme and Vishesh Krishi Gramin Udyog Yojana can be used for payment of service tax on procurement of services within the legal framework of service tax exemption notifications under the Finance Act, 1994. Some more countries have been added under focus market scheme. The Government has also announced Incremental Export Incentivisation Scheme on 26.12.12 for the exports made during January 2013 to March 2013. Some additional items are included in the list of items which are allowed duty free within the existing limits up to 5% FOB value of exports of handloom made ups in preceding year or within the existing limit of up to 1% of FOB value of exports of cotton/man-made ups in preceding year.

DIVIDEND

Due to the operational loss suffered by the company, your directors do not propose any dividend for the current financial year.

SHARE CAPITAL

In terms of the Scheme of Financial Restructuring sanctioned by the Corporate Debt Restructuring Empowered Group (CDR-EG) on August 31, 2009 and as amended from time to time and in terms of the approval from the shareholders at the Annual General Meeting held on September 30, 2011 and from the stock exchanges, vide letter Reference No. DCS/PREF/AK/PRE/357/12-13 dated 17/08/2012 from Bombay Stock Exchange Limited & Ref. no. NSE/LIST/174591-4 dated 11/07/2012 and NSE/LIST/178703-W dated 21/08/2012 from National Stock Exchange of India Limited, company has allotted 26,934,146, 6% Optionally Convertible Cumulative Preference shares (OCCPS) on August 22, 2012 against the approval of 27,520,000 OCCPS. The aforesaid 26,934,146, 6% OCCPS may be converted into 24,892,926 equity shares at a conversion price of Rs. 10.82/- per equity shares, as approved by the stock exchanges, at the option of the bankers on or before February 21, 2014. The necessary approval from the members of the company, as required by stock exchanges for amendment in the MAP from Rs. 6.69 to Rs.10.82 for conversion of OCCPS into equity share have been obtained at the Annual General Meeting held on September 29, 2012.

Further, in terms of the CDR Scheme dated August 31, 2009 and as amended from time to time, including re-work of CDR scheme and in terms of the approval from the shareholders at the AGM held on September 29, 2012 & deed of settlement

dated September 17, 2012, the company has also allotted 11,661,448, 1% Cumulative Redeemable Preference Shares under category 'C' (CRPS) on November 21, 2012 against the approval of 14,960,419 CRPS at an issue price and face value of Rs. 10/- each in favor of Development Credit Bank Ltd. In pursuant to the approval of the shareholders at the Annual General Meeting held on 11th December, 2009 and approval from the stock exchanges, vide letter reference no. DCS/PREF/SR/PRE/767/10-11 dated 16/11/2010 from Bombay Stock Exchange Limited & Ref. no. NSE/LIST/16331-Q dated 15/04/2011 from National Stock Exchange, under the CDR scheme, the Company had allotted 12,84,87,790, 6% OCCPS under Category 'A', on August 19, 2011 at an issue price and face value of Rs. 10/-. As none of the allottees had exercised the option to convert the OCCPS into Equity shares within 18 months from the date of allotment i.e. latest by February 18, 2013, it has been reclassified into 6% Cumulative Redeemable Preference Shares, under Category 'A' instruments at an issue price and face value of Rs. 10/- each, w.e.f. February 19, 2013. The necessary circular have been notified by NSDL vide their letter Ref. :II/CA/COM/82966/2013 dated 25.03.2013, w.e.f. March 23, 2013.

The reclassification of authorized share capital which was approved at the AGM held on September 29, 2012 to accommodate the conversion of OCCPS into equity shares could not be utilized as none of the OCCPS got converted into equity shares during the period under review.

AWARENESS FOR INVESTORS

The management of the company is fully committed and accountable to the valued investors, who has reposed the confidence in the company by investing their hard earned money in the company and supported the management in such a crucial time.

The relationship with the investors continues to be cordial. Your company's management is fully aware and dedicated for survival of the company and committed to take all efforts to resolve the investors' grievances received during the year to the satisfaction of the investors within a reasonable time. Alankit Assignments Limited, the R&T Agent of the company, continued to extend their positive contribution to resolve the Investors' grievances efficiently and effectively, whenever they arose. By contribution from all concerned, the investor grievances have been resolved to the fullest satisfaction of investors. We sincerely place on record, the appreciation for our valued investors who have contributed and reposed the confidence in the company at this difficult time. Your company not only believes in legal compliance related to the investors, but also morally protects their interest, and treats them as part of Alps Group family. In its endeavor to improve investor services, your Company has created an investor section, and designated exclusive E-Mail ID for the purpose of registering complaints by investors and necessary follow up action by the company / compliance officer in compliance with Clause 47(f) of the Listing Agreement. The e-mail ID is: investorsgrievences@alpsindustries.com

MANPOWER – VALUABLE ASSETS

As the company is expanding in size, systematic thinking and working in a more transparent environment, is the need of the hour. Hence the company is working upon re-building the culture of professional management by making it more system dependent rather than people dependant. To cater to this, the company has organized training and skill development programs for the employees.

The company is committed for treating its employees with value for human dignity, integrity, openness and fairness. The company has continuously been promoting the welfare and motivational activities for further strengthening the employee's relationship by providing better transportation services for employees, direct from the door step of their residence to the work place to enhance and spread the feeling of ownership and belongingness. The company has further improved the facilities by way of the hygienic and fresh eatables being supplied in the canteens and residential colony for the employees. To promote the national policy of gender equality, the company has increased the employment of the women employees at the shop floor, in the Haridwar unit. The employee's motivational policies like "Employees Recognition Policy", for their extra ordinary contributions in the organization, have been proved to be an excellent tool for motivation and has improved the attrition rate of the employees. The company has promoted healthier environment by enhancement of the activities of games, sports and cultural activities. The company is running the group insurance scheme, personal accident policy, for the welfare and health risk coverage of the employees at all the units to provide the medical benefits in case of any mis-happening. The company has been consistently maintaining harmonious and cordial relations with the employees during the year.

The information required under Section 217(2A) of Companies Act, 1956, read the Companies (Particulars of Employees) Rules, 1975, duly amended by the Companies (Particulars of Employees) Rules, 1999 and further amended vide G.S.R. No. 289(E) dated March, 31, 2011, is not applicable to the company as none of the employee is drawing remuneration more than the limits prescribed specified under the said Rules during the financial year 2012-13

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars) in the Report of Board of Directors Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure-1) here to and forms part of this report.

REAPPOINTMENT OF WHOLETIME DIRECTOR

In terms of the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the limits specified in Schedule XIII of the said Act, directions as may be provided by Board of Industrial and Financial Reconstruction (BIFR) under the Draft Rehabilitation Scheme (DRS), Mr. Sandeep Agarwal has proposed to be re-appointed as Managing Director of the Company for a further period of five years w.e.f. 01.02.2014. The necessary proposal has been included in the Notice for the forthcoming Annual General Meeting.

REAPPOINTMENT OF DIRECTORS

In terms of the provisions of Article No. 106, 107 & 108 of the Articles of Association of the Company and Sections 255 and 256 of the Companies Act, 1956, Mr. Pramod Kumar Rajput, Director retires (DIN No.00597342) at the ensuing Annual General Meeting, and being eligible, offer himself for reappointment.

STATEMENT OF DIRECTORS' RESPONSIBILITY

In terms of Section 217 (2AA) of the Companies Act, 1956, the members of the Board place on record the Directors' Responsibility Statement as under:-

- (i) In the preparation of the annual accounts for the financial year under review, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) That the directors have prepared the annual accounts on a 'going concern' basis.

COMPLIANCE REPORT/COST AUDIT

In compliance with the Notification dated June 3, 2011 issued by MCA, Company has appointed M/s. Neeraj Sharma & Co., Cost Accountants, Ghaziabad, to submit the Compliance Report under the Companies (Cost Accounting Records), Rules 2011, duly approved by the Board of Directors, to the Central Government, for the financial year ended on March 31, 2013 for the products which are not specified for the Cost Audit. The compliance report will be filed by the company within the due date i.e. on or before September 27, 2013, being 180 days from the close of the financial year or as may be extended by the department from time to time.

Further, in compliance of Notification Reference No. F. No 52/26/CAB-2010 dated January 24, 2012 issued by the Cost Audit Branch under MCA, the aforesaid firm of Cost Accountants has also been appointed as the Cost Auditors of the company under Section 233B of the Companies Act 1956, for the next financial year ended on March 31, 2014, at the meeting of Audit Committee and Board of Directors of the company held on May 30, 2013.

FIXED DEPOSITS

During the year, your company has not raised any money by way of Fixed Deposits.

CORPORATE GOVERNANCE

A report as per the requirements of Clause 49 of the listing agreement on the Corporate Governance practices followed by the Company and the Statutory Auditors' Certificate on Compliance of mandatory requirements alongwith Management Discussion and Analysis is given as an Annexure to this report. The non-mandatory information is annexed as Part-II of

Annexure-3. It has always been the endeavor of your company to practice transparency in its management and disclose all requisite information to keep the public well informed of all material developments.

STATUTORY AUDITORS

M/s. P. Jain & Co., Chartered Accountants, the Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting of the Company and has confirmed their eligibility and willingness to accept office, if re-appointed. The company has received certificates from the said auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their reappointment.

AUDITORS' OBSERVATIONS

Observations in the Auditors' Report are dealt within Notes to Accounts at appropriate places and being self-explanatory, need no further explanations. As required under amended clause 31(a) of the listing agreement and SEBI circular no. CIR/CFD/DIL/7/2012 dated August 13, 2012, the necessary disclosures/details in the prescribed Form 'B' will be complied with as per the requirement.

ACKNOWLEDGMENT

Your Directors are pleased to place on record their sincere gratitude to business constituents, Shareholders, Banks, Board for Industrial & Financial Restructuring, CDR-EG, Banks, Government Authorities, Stock Exchanges, Customers, Vendors and other business associates for their continued valuable co-operation and support to the Company during the year for their confidence in the Company and its management and look forward to their continued support. Last but not least, the management appreciates the dedication with which the employees at all levels performed their duties and for their cooperation and support in stabilizing the production and quality.

For and on behalf of the Board of
Alps Industries Limited

Place : Ghaziabad
Date : May 30, 2013

Sandeep Agarwal
Managing Director

K.K. Agarwal
Non Executive Chairman & Director

ANNEXURE-1

ANNEXURE TO THE DIRECTORS' REPORT

(I) Statement of particulars pursuant to Companies (Disclosure of Particulars in the Report of Directors) Rules 1988.

1.	Conservation of Energy	
a.	Energy conservation measures taken	: The Company is committed for the continuous process of energy and natural resources conservation through improved operational and maintenance practices. Accordingly, all the units continued with their endeavor to make more efficient use of energy and other natural resources. The following are some of the major measures been taken during the period under review for bringing down the energy cost: <ul style="list-style-type: none"> • Installed AC drives in Zinser Speed Frames ,De alkaliser and in Boiler FD Fan. • Separate air line for daily cleaning at Blow room and Card machines. • Installation of LED Street Lights in place of CFL and Tube light of suitable powers. • Running Energy saving spindles & lights. • Air exhaust by natural drift. • Reduction in contracted Load from 2000KVA to 1600KVA. • Reduced Water Consumption by Controlling the overflow and using Cooling water in Process House and Consumption of water in Horticulture. • Reduced Energy Consumption by using Condensate Water and Flash Steam in Boiler, by using hot recovery water in Process House and using the special drives. • To Install the Recirculation System (Heat Exchanger, Side Tanks etc) at Jiggers. • Operating of H-Plant at optimum Capacity as per requirement.
b.	Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	: Rs. NIL
c.	Impact of measures at (a) & (b) above for reduction of Energy consumption and consequent impact on the cost of production of goods.	: As a result of various energy conservation measures taken by the company, the outcome expected to be : <ul style="list-style-type: none"> • Increase in productivity. • Reduction in energy consumption. • Optimum loading of captive water sources. • Increase in Efficiency.

d. Total Energy Consumption and Energy Consumption per unit of production are as follows:

A. POWER AND FUEL CONSUMPTION

S. No.	PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
1	Electricity		
	a Purchased		
	Units (Nos.)	105,291,169	93,700,633
	Total Amount (Rs.)	520,016,892	433,347,583
	Rate/Unit (Rs.)	4.94	4.62
	b Own Generation		
	i Through Diesel/FO		
	Quantity (Ltrs)	339,650	442,725
	Total Amount (Rs.)	13,287,129	15,628,491
	Average Rate (Rs.)	39.12	35.30
	Generation (Units) (Nos.)	1,118,903	1,505,536
	Units per Litre of Diesel oil (Nos.)	3.29	3.40
	Cost/Unit (Rs.)	11.88	10.38
	ii Through Steam Turbine		
	Generator Units	N.A.	N.A.
	Unit/LTR or Fuel	N.A.	N.A.
	Oil/Gas Cost unit	N.A.	N.A.
2	Coal		
	Quantity(Tones)	N.A.	N.A.
	Total Cost	N.A.	N.A.
	Average Rate	N.A.	N.A.
	Total Unit Generated	1,118,903	1,505,536
	Total Cost	13,287,129	15,628,491
	Cost/Unit	11.88	10.38
3	Furnace Oil (Excluding use on Generation of Electricity)		
	Quantity (Ltrs)	0.00	0.00
	Total amount (Rs.)	0.00	0.00
	Average Rate (Rs.)	0.00	0.00
4	Others/Internal generation		
	Wood		
	Quantity	N.A	N.A.
	Total Cost	N.A	N.A.
	Rate/Unit	N.A	N.A.

B. CONSUMPTION PER UNIT OF PRODUCTION

S. No.	Particulars	Yarn Per Mt		Made-ups Per 1000 Sqm		Architectural Products Per 1000 Sqm	
		Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2013	Year Ended 31.03.2012
1	ELECTRICITY (KWH)	1787.10	1788.41	35.49	35.96	841.21	839.31
2	COAL	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	OTHERS	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

II. TECHNOLOGY ABSORPTION: Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

A. RESEARCH & DEVELOPMENT (R & D)

1.	Specific areas in which R&D carried out the Company.	:	<p>The R & D Department of the company is well equipped with most modern sophisticated state of the art testing equipments which can assess the quality parameters of incoming and in process of Raw material , Finished products and other consumables stores. Well trained and dedicated R & D team assures the quality norms at every stages of manufacturing.</p> <p>The efforts are round the clock in order to ensure the parameters meet the pre-defined quality norms at every stage of manufacturing. Some of the major activities include, physical testing of cotton & of in-process material incoming material, inspection of selected stores items, machinery audits etc. The testing equipments are mainly from the world's leader and pioneer in textile testing equipments.</p>
2.	Benefits derived as a result of the above R&D	:	<ul style="list-style-type: none"> • Improved quality & higher production of cotton yarn. • Development of new market segment. • Water conservation. • Increase in productivity. • Cost reduction.
3.	Future Plan of Action	:	<p>The Company is committed to continue the up gradation of its R&D facilities which will strive to develop new products, keeping in view the future market requirements and will thus improve its competitiveness.</p>
4.	Expenditure on R&D	:	
	a. Capital	:	NIL
	b. Recurring	:	NIL
	c. Total	:	NIL
	d. Total R&D Expenditure as a Percentage of total turnover	:	NIL

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts, in brief made towards technology absorption, adaptation and innovation.	:	The efforts for adoption of latest technology and upgradation of production process is an ongoing exercise in the company, to meet out the current scenario of the technological development. In the process, Yarn Dyeing vessel capacity have been increased after modification of spindle height at the company's unit situated at Haridwar. In the Fashion Accessories Division impressive collection of hand made as well as machine embellished products have been developed and the production capacity has also been increased. The printing facility is also proposed to be implemented during the current financial year.
2.	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	:	With the above mentioned efforts, the company will enjoy the benefit of improved quality, productivity & saving in manufacturing costs. The company will project its image in the global market as a manufacturer of world class yarn and achieve an excellent share out of it.
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished	:	Nil
4.	a. Technology imported	:	N. A.
	b. Year of import	:	N. A.
	c. Has technology been fully absorbed?	:	N. A.
	d. If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action.	:	N. A.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

1.	Activities relating to export initiatives taken to increase exports; development of new export markets for products and services and exports plan.	:	With the opening of Global Trade company has taken effective steps to increase its exports and diversified export markets. Company continues to make efforts to provide quality products at very competitive rates so that it can compete with international suppliers and maintain a steady growth of exports. Your company has also spread its wings in most of the markets now like US, UK, South East Asia, Australia and NZ and Middle East. It was planned to avoid Europe and Latin America for sometime till the worst is over there.
2.	Total Foreign Exchange used and earned	:	Used Rs. 42.26 Mn. For the financial year ended March 31, 2013 (Rs. 48.06 Mn for the financial ended as on March 31, 2012) Earned Rs. 1764.78 Mn for the financial year ended March 31, 2013 (Rs. 1906.74 Mn for the financial year ended as on March 31, 2012).

IV. INFORMATION AS REQUIRED UNDER THE MISCELLANEOUS NON-BANKING COMPANIES (RESERVE BANK) DIRECTION, 1972.

1.	Total number of depositors whose deposits have not been claimed by the depositors or paid by the company after the date on which the deposit became due for repayment or renewal, as the case may be according to the contract with the depositor or the provisions of the Directions, whichever may be applicable.	:	Not Applicable
2.	The total amounts due to the depositors and remaining unclaimed or unpaid beyond the due dates of repayment.	:	Not Applicable

MANAGEMENT DISCUSSION AND ANALYSIS**I. TEXTILES INDUSTRY STRUCTURE AND DEVELOPMENT**

The Promotion of textile industry was one of the government's focus areas and a new investment promotion policy besides cutting red tapism and archaic rules, would be part of an aggressive policy framework, being finalized for implementation from April 2013 in order to attract investment in every sector. To maintain the quality requirement of cotton yarn, textile industry is required to procure cotton during the cotton season and subsequent fall in prices has resulted into losses and affected the profitability of the industry. Apart from providing foreign exchange, merchandise export plays a vital role for an economy in terms of generating employment, income and accelerating industrial growth. At present, the textile and clothing sector contributes nearly 15% of the foreign earnings by way of export. However the sector is increasingly experiencing the problem of NTBs, particularly from the important destination like EU & US. The Textile industry has always got proper attention from the Central Government because of its importance in the economy. To give further push for the revival of the industry, the government of India announced the Annual Supplement 2012-13 to the Foreign Trade Policy 2009-2014, whereby a series of measures including extension of Interest Rate Subvention Scheme till 31 March, 2013 and expansion of the scheme covering more products to boost exports, were offered to the Industry. The addition of items, products and rates under the Focus Market Scheme has also enabled the industry to tap the new export markets. These measures have provided a little bit of relief to the Industry.

COTTON

There has been a sharp rise in cotton prices in the country in recent weeks. This is not exactly in sync with the international situation and could be due to cotton hoarding and speculation by traders. A large quantity of cotton is stuck with the procurement agencies, involved in MSP operations, and this has also contributed to an artificial shortage and resultant price escalation in the domestic cotton market. Since a large part of this year's crop has already arrived in the market, the steep increase in prices at this stage will largely benefit those who are hoarding cotton, rather than the farmers. The textile industry has a vital linkage from cotton farming to high end garment sector and strengthening the value chain would give robust growth prospectus to the rural economy. In India, cotton prices have witnessed a rise of 3-7% in February. Cotton prices were marginally up in North India on good demand from domestic millers.

YARN – A SIGNIFICANT SEGMENT

The prices of 100% cotton yarn were almost stable in China. More enquiries for high quality yarns emerged, while demand for medium-to-low-end yarns was weak. Rotor-spun yarns also met with poor sales. In India, cotton yarn prices showed mixed trend. 40s and 60s cotton yarn prices surged whereas prices for 100s declined. Various restriction from Government of India and cotton and cotton yarn export has also played important role towards adverse situation in the yarn industry. The knitted fabric and garment sector of textile industry, however, has shown its growth in margins. Hank yarn obligation was introduced in 1974 at 50 percent of production of cotton and viscose yarn. Viscose got exempted later, when it went out of the purview of Essential Commodities Act under which the obligation is enforced. The obligation on cotton spinners was reduced to 40 percent in 2003 and continues so far at the same rate. It is not possible to assess the actual requirements of yarn for the handloom sector on the basis of production of handloom fabrics production. Government's data based on conversion of hank yarn data is not reliable as it wrongly assumes that all hank yarn is used by handloom and the conversion factor itself is apparently incorrect. Spun rayon yarn prices declined sharply due to poor demand from downstream mills and weak feedstock prices. Spun rayon yarn 10s was saleable, which is mainly used for producing diamond cotton fabric. However, other specifications were not that welcome among players, thus prices stayed on downward path.

II. OPPORTUNITIES AND THREATS

The opening of Global Trade provided a good opportunity to the Indian Textile industry to increase its share in the Global Textile Markets except for the last year. There is no denying the fact that the Industry recorded excellent growth but still there is a big scope for growth as India's share in the Global Textile Trade is only 3.5% as against 28% of China. The industry has started tapping this opportunity by modernizing and building large capacities so that it can cater to the ever

increasing demand of textile products from overseas buyers. The Industry efforts coupled with the Government policies has enabled the Industry to become a sourcing hub for the reputed International brands such as Wall mart, JC Penny, Gap, Marks and spencers etc. The industry must focus its strategies and efforts so that it can further increase its share in the Global Trade.

A. Government policies-Textile Sector

The Central Budget 2013-14 has addressed some of the long standing demands of the textile industry. The decision to restore optional excise regime for branded garments and made-ups is an important step in this budget which will eventually reduce the cost of apparel and home textiles in the domestic market and also create a demand pull for the upstream products. This should help the T & C industry to recover faster than expected. Another important measure announced by Finance Minister is the continuation of Technology Up gradation Fund Scheme during the 12th five year plan and allocating Rs. 2400 crore for the year 2013-14. Investments in the textile sector have been falling significantly during the last couple of years because of global economic slowdown and losses suffered by the textile industry of the country. Coming as it does, close on the heels of a demand recovery for yarn, fabrics and home textiles, the decision to continue TUFs with increased allocation sends a strong signal to the industry for further capacity addition. The reduction of customs duty from 7.5% to 5% for the textile machinery would further encourage investments in the sector. Launching an Integrated Processing Development Scheme (IPDS) as proposed in the Budget would go a long way in addressing the serious environmental issues being faced by our processing industry. Though some of the other urgent fiscal measures that CITI sought, especially reduction of duty burden on manmade fibers, are yet to be considered by the government, the budget proposals are in the right direction in overall terms.

In a step in the right direction, the finance bill 2013, proposes an incentive for investment in new plant and machinery by providing a deduction of 15% of the actual cost of plant and machinery acquired and installed for investments over Rs. 100 crore during the period beginning from April 1, 2013 and ending on March 31, 2015.

B. EXPORT – AN INSIGHT

The objective of various incentives/ supports given by the Government should be its optimum utilization by the exporting community. Wherever, any incentive is not utilized, the government should evaluate the reason for the same and address it quickly to ensure full utilization of the benefits. Therefore, all schemes where full utilization is not happening due to limited requirement at the exporter's end, may be allowed full transferability which include Status Holder Incentive Scrip, Served from India Scheme etc. Moreover, the validity of the scrip should be long enough for full utilization. There is also a need for encouragement of exports of hi-tech products, a potential area that could lead to exponential growth in exports. Also, branded products fetch higher prices and thus a scheme is required for the promotion of export of branded products, which involves huge expenditure in brand building. Country-wise textile products exports to USA decreased by 0.6 per cent and this country also occupied number one ranking with 19 per cent share in textile exports. The Union Budget 2013-14 has specifically pointed out the budgetary measure for exporters such as – two new ports to be established, adding 100 millions tonne capacities at new outer harbor to be developed at Tamilnadu, Technology Up gradation Fund Scheme (TUFs) for textiles to continue in 12th Plan, Rs. 500 crore allotted to SIDBI to set up a Credit guarantee fund for factoring. Some of the suggestions made by FIFO to improve the export like to set up export development fund, implement market development assistance scheme, promotion of e-commerce transactions, providing of warehousing facility, full transferability of SHIS scrip, one time amnesty for meeting export obligation, payment of service tax by SFIS, relaxation in average EO under EPCG, incremental export incentivisation scheme, interest subvention for the services sector and left over merchandise sector etc. Cotton textile exports are said to grown by 9% in this fiscal year despite the global slowdown.

III. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

There are three major business segments viz. Home Furnishing & Fashion Accessories, Yarn, and Architectural Products as per the Accounting Standards 17 issued by the Institute of Chartered Accountants of India. All these segments performed reasonably well. The share of each segment in the overall turnover of the company is 19.87 % for Home Furnishing & Fashion Accessories, 75.77 % for Yarn and 4.36 % for Architectural products. The detailed performance has already been discussed in the Directors' Report.

IV. OUTLOOK

The outlook for the Indian textile exports is expected to remain sluggish, in line with the outlook for the global economy. With the US and EU accounting for the Majority of Indian textile exports, the economic health of these countries will put pressure on Indian textile exports in the short- to medium-term. Nevertheless, markets like Latin America, South Africa and Australia seem to be promising for growth. Domestically, economic growth and increasing disposable income is expected to drive a healthy demand for textiles going forward. Volatile commodity prices, fluctuating and increasingly expensive power supply and the uncertain currency exchange rate are key challenges for the industry.

V. RISKS AND CONCERNS

It is pertinent to mention that 50 per cent of the crop on 23,237 hectares in Perambalur was lost due to drought. The impact of drought on cotton in Perambalur district, which normally contributes 4.8 lakh tonnes, accounting for 30 per cent of the State's total production, is likely to leave a gaping hole in the overall State cotton production. The normal cotton coverage in the State is about one lakh hectares. As per the Annevari Certificate issued about a fortnight ago, out of the total cotton area of 23,650 hectares, as much as 23,237 hectares have suffered over 50 per cent crop loss. Official sources admit that as against the normal rainfall of 791 mm, actual receipt is only around 660 mm. It was also noted that minimum support price for cotton has been hiked by almost 30 per cent in 2012. According to the recent findings, the tariff & non tariff barriers imposed by the buyers or the countries are acting as important impediments in free international trade and the products loose its competitiveness in the international market. Despite these policies and growth, however, domestic cotton prices continue to rule higher by three to five percent as compared to the international prices and the surplus cotton production estimate, India has been forced to look to other countries to meet its demand.

The concerns are the increase in interest costs, high power costs, delays in policies relating to labor laws, lack of infrastructure and high bank transaction costs. The Textile industry, especially spinning has seen unprecedented volatility in cotton and yarn prices not seen in the last two decades. This has adversely affected the entire spectrum of people associated with the industry like ginners, traders and manufacturers. Being the second largest provider of employment, the Government needs to urgently initiate steps to revive the industry. The state Government has also raised the minimum wages few times during the year. The risks are inherent in all businesses. The challenge for the Company is to effectively and responsibly manage and control the risks on a sustained basis to enhance returns.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company believes in maintaining and formulating adequate and effective Internal Control System and implementing the same to safeguard the Company's assets and interests. Proper check and balances are in place for reliability and accuracy of accounting data and the same are improved and modified regularly to meet the changes in business conditions, statutory and accounting requirements. The Audit Committee of the Board of Directors regularly and actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. In addition to the Audit Committee of Board of Directors, Unit and departmental heads are periodically apprised of the internal audit findings to take corrective actions. The internal control system is further supplemented by a rigorous programme of internal audit conducted by an independent firm of chartered accountants. The Company also has robust Management Information System, which is an integral part of Internal Control System. In order to further strengthen the internal control system and to automate the various process of the business, the implementation of Enterprises Resource Planning (ERP) by SAP-AG is under process.

VII. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Competitiveness in textiles production has travelled from country to country during the last several decades depending on technology and cost of production in the respective countries. Even after losing its tradition based dominance, India has been able to retain a significant presence in textiles sector over these decades by adopting a blend of tradition and technology. But even countries like Pakistan, Bangladesh and Sri Lanka which share the same textile heritage as ours have been relying more on technology than on tradition in their textile production during the last few decades and they have all achieved higher growth than ours, especially in fabrics by Pakistan. In India, technology has played its due role in textiles production, only in the case of spinning.

Exports of textile product during April 2012 – January 2013 over the same period of previous year saw a decline of 4.7 per cent. Total export of textiles product were worth US \$19,987 million during ten month of fiscal year 2012-13(FY13). However, it was observed with 931 per cent increase in Indian rupees term due to overall depreciation of rupee by 14.5 per cent with US dollar during this period. Textile product exports have increased from Rs. 99,786 crore of Apr-Jan 2011-2012 to Rs. 1,08,869 crore in the same period of 2012-2013.

The company is moving towards the betterment side which is evident from the fact that the EBITDA has increased to Rs. 425.14 millions during the financial year under review in comparison to Rs. (1286.31) Million in previous year. However company has incurred net loss of Rs. (1036.37) millions in comparison to Rs. (2752.26) millions in the previous period. The loss has decreased due to various reasons like increase in the margin of yarn, down trend in cotton prices and betterment of utilization of capacity of Meerut unit which is further expected to improve in current year.

VIII. MATERIAL DEVELOPMENTS ON HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company is of firm belief that the Human Resources are the driving force that propels a company towards progress and success. The Company continued its policies of attracting and recruiting best available talent so that it can face business challenges ahead. The company also offers attractive compensation package to retain and motivate its professionals so that they can give their best. The total permanent employee's strength of the Company was around 3855 as on 31st March, 2013. The Industrial relation continued to remain cordial during the year. The company has further improved the facilities by way of providing hygienic and fresh eatables in the canteens and a residential colony for the employees. To promote the national policy of gender equality, the company has increased the employment of the women employees at the shop floor, in the Haridwar unit.

FORWARD-LOOKING STATEMENTS

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand – supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent development, information or events.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE PART I (MANDATORY REQUIREMENTS)

Annexure-3

- (i) Statement on company's philosophy on code of governance. : The Company's philosophy envisage an attainment of highest level of the transparency and accountability in its operations so that Company's goal of creation and maximization of wealth of the shareholders/stakeholders could be achieved. Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term shareholder value and enhances interest of other stake holders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.
- (ii) Board of Directors and procedures : The Board of the Company is well structured with adequate blend of professional Executives and Independent Directors. A majority of the Board are independent directors. The Board's actions and decisions are aligned with the Company's best interest. The Company has defined guidelines and established framework of the meetings of the Board and Committees. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board committees in an informed and efficient manner.

The Board is headed by Non - Executive Chairman alongwith Managing Director, who is also the Chief Executive Officer of the company and controls the day-to-day affairs of the company. The company secretary in consultation with the Board of Directors, finalize the agenda of the board and committee meetings which is distributed to the Board/Committee members well in advance. In terms of the SEBI circular dated April 8, 2008, it is to be mentioned that the relationship between Mr. K.K. Agarwal, Non Executive Chairman & Promoter Director and Mr. Sandeep Agarwal, Managing Director & Promoter Director is of father and son and there is no inter-se relationship amongst other directors, except above.

(a) Composition and category of Directors

Nature of Directorship	Nos.	% to the total strength
Promoter and Non Executive	1	12.50%
Promoter & Executive	1	12.50%
Executive (Non-Independent)	1	12.50%
Non-Executive (Independent)	3	37.50%
Nominee - SBI (Independent)	1	12.50%
Nominee (Special) – BIFR (Independent)	1	12.50%
Total	8	100.00%

(b) There were four meetings Board of Directors were held during the year and attendance of each Director at the BoD meetings and the last AGM/EGM are as under :

Name of the Directors	Nature of Directorship	Relationship with other Director	Sitting fees paid during the year	No. of Board Meetings		Attended by
			(Rs. in 000')	Held	Attended	AGM 29.09.2012
Mr. K.K. Agarwal	Non-Executive Chairman & promoter	Father of Mr. Sandeep Agarwal	30.00	4	3	Yes
Mr. Sandeep Agarwal	Executive & promoter	Son of Mr. K.K. Agarwal	Nil	4	3	No
Mr. P.K. Rajput	Executive Director & non independent	-	Nil	4	4	Yes
Mr. Prabhat Krishna	Independent	-	60.00	4	4	Yes
Mr. Tilak Raj Khosla	Independent	-	60.00	4	4	Yes
Mr. P.K. Lamba	Independent	-	60.00	4	4	No
Mr. Sonalal Datta	Nominee Director by SBI	-	40.00	4	4	No
Mr. M.L. Sharma	Special Director by BIFR	-	40.00	4	4	Yes

(c) Number of other BoDs or Board Committees in which they are a member or Chairperson of :

Name of the Directors	No. of Outside Directorship Held			Outside Committees \$	
	Public	Private	Others	Member	Chairman/Chairperson
Mr. K.K. Agarwal	-	2	2	-	-
Mr. Sandeep Agarwal	-	2	1	-	-
Mr. P.K. Rajput	1	-	-	-	-
Mr. Prabhat Krishna	1	1	-	-	-
Mr. Tilak Raj Khosla	-	-	-	-	-
Mr. P.K. Lamba	-	-	-	-	-
Mr. Sonalal Datta	-	-	-	-	-
Mr. M.L. Sharma	2	-	-	-	-

\$ In accordance with clause 49 membership/chairmanship of only the Audit committee and shareholders committee/Investors Grievances Committee in all public limited companies (excluding Alps industries limited) have been considered.

(d) Number of BoD meetings held, dates on : No. of Board Meetings held : 4 : Dates - 12/05/2012, 13/08/2012, 10/11/2012 and 11/02/2013.

(e) Details of the Directors liable to retire by rotation and proposed to be reappointed and reappointment of Whole time director :

1. Details of Mr. Sandeep Agarwal, Managing Director (DIN No. 00139439) proposed to be reappointed as whole time director designated as Managing Director : He is in the textile industry since long and under his acumen and dynamic leadership, the company had floated various Indian and overseas subsidiary companies. The company had also obtained significant recognitions/ certifications from different organizations. He is very meticulous in diversifying into value added products in domestic Home Furnishing business segment of the company. He is holding 651,510 equity shares constituting 1.67% in the equity share capital of the company. Further the details of interest in other company/firms are as under:

S. NO.	NAME OF COMPANY/FIRM	NATURE OF RELATIONSHIP
1.	Alps Processers Pvt. Ltd.	Director
2.	Pacific Texmark Pvt. Ltd.	Director
3.	Alps USA Inc.	Director
4.	CDK Foundation (HUF)	Member
5.	Confederation of India Textile Industry	Through Relative
6.	ASPEN Enterprises	Through Relative

2. Details of Mr. Pramod Kumar Rajput, Director (DIN No. 00597342) proposed to be reappointed. : He is the Executive Director of the company and has been associated with it since a long time. He has experience in handling Commercial and Administrative affairs with prominent groups related to Textile Industry. He is holding 1,55,000 equity shares constituting 0.40% of equity shares capital in the company and he is also holding the directorship only in one more company i.e Alps Spandex India Limited as on March 31,2013.

(iii) Code of Conduct

: The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standards of transparency. Accordingly the Company has laid down a Code of conduct for all its Board members and Senior Managerial/Personnel so that conflict of interest could be avoided. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. The code of conduct is also available on Company's website i.e. www.alpsindustries.com. All Directors and senior management personnel have affirmed compliance with the Code for F.Y. 2012-13. A declaration to this effect signed by the Managing Director is given in this Annual Report.

(iv) AUDIT COMMITTEE

(a) Brief description of terms of reference

- : The composition of Audit Committee meets with the requirements of Section of 292A of the Companies Act 1956 and clause 49 of the listing agreement.
- (a) As specified under Clause 49 of the Listing Agreement;
 - (b) Review the unaudited quarterly result.
 - (c) Any matter related with Annual Report.
 - (d) Review of Un-audited Financial Results.

- (e) Review of Internal Audit System.
- (f) Approve and recommend the Compliance Report under the Companies (Cost Accounting Records), Rules 2011.
- (g) Approve and recommend the appointment of Cost Auditor.
- (h) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (i) Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (j) Reviewing the company's risk management policies.
- (k) Reviewing any changes in accounting policies and practices as compared to the last financial year and commenting on any deviation from the Accounting Standards.
- (l) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (m) Any other specific matters referred by the Board of Directors from time to time.

- (b) Composition, name of members and Chairperson. :
- | | | | |
|----|----------------------|---|----------|
| 1. | Mr. Prabhat Krishna | - | Chairman |
| 2. | Mr. Sandeep Agarwal | - | Member |
| 3. | Mr. Tilak Raj Khosla | - | Member |
| 4. | Mr. P.K. Lamba | - | Member |

- (c) Meetings and attendance during the year : Meetings held: Four
- | | | |
|-------------------------|---|------------------|
| Present Members | : | Meeting Attended |
| 1. Mr. Prabhat Krishna | - | Chairman - 4 |
| 2. Mr. Sandeep Agarwal | - | Member - 3 |
| 3. Mr. Tilak Raj Khosla | - | Member - 4 |
| 4. Mr. P.K. Lamba | - | Member - 4 |

(v) REMUNERATION COMMITTEE

- (a) Brief description of terms of reference :
- (a) As specified under Clause 49 of the Listing Agreement.
 - (b) To decide the company's policy and specific remuneration package for the Executive Directors.
 - (c) To decide any revision/ amendment/ addition/deletion/ recomposition in the remuneration package of the Whole Time Directors.
 - (d) Any matter related with the retirement benefits of the Executive and Whole Time Directors.
 - (e) Any other matter, as may be assigned by the Board with respect to financial commitment for whole time directors.

- (b) Composition, name of members and Chairperson. :
- | | | | |
|----|---------------------|---|------------------------|
| 1. | Mr. Prabhat Krishna | - | Chairman |
| 2. | Mr. Sandeep Agarwal | - | Member |
| 3. | Mr. Sonalal Datta | - | Nominee-SBI |
| 4. | Mr. M.L. Sharma | - | Special Director- BIFR |

- (c) Meetings and attendance during the year : Meeting held: NIL

- (d) Remuneration policy : As per Company rule.

(e) Details of remuneration and pecuniary benefits to all the Directors, during the financial year ended on March 31, 2013 are as per details given below :-

(Rs. in 000' s)

Name of the Directors	Salary	Perquisites	Sitting fees	Others*	Total
Mr. K.K. Agarwal	0.00	0.00	30.00	3.00	33.00
Mr. Sandeep Agarwal	1800.00	0.00	0.00	0.00	1800.00
Mr. P.K. Rajput	1041.29	124.86 [#]	0.00	0.00	1166.15
Mr. Prabhat Krishna	0.00	0.00	60.00	4.00	64.00
Mr. Tilak Raj Khosla	0.00	0.00	60.00	4.00	64.00
Mr. P.K. Lamba	0.00	0.00	60.00	4.00	64.00
Mr. Sonalal Datta	0.00	0.00	40.00	4.00	44.00
Mr. M.L. Sharma	0.00	0.00	40.00	4.00	44.00
TOTAL	2841.29	124.86	290.00	23.00	3279.15

* Out of pocket expenses for attending the meeting of Board of Directors paid by the Company.

It includes reimbursement of LTA, Medical Expenses, Provident Fund & Lease Rent for residential premises.

NOTES:

1. In terms of Clause 49 (E) of the Listing Agreement, it is confirmed that there are no pecuniary relationships or transactions of the non-executive directors vis-à-vis company, except as mentioned above.
2. The shareholding of directors as on March 31, 2013 is as under:

Details of Shareholding of Directors:

Sl. No.	Name	Shareholding	Percentage
1	Mr. K.K. Agarwal, Non Executive Chairman	1,147,460	2.93
2	Mr. Sandeep Agarwal, Managing Director	651,510	1.67
3	Mr. P.K. Rajput, Executive Director	1,55,000	0.40
4	Mr. Prabhat Krishna, Independent and Non Executive Director	NIL	NIL
5	Mr. Tilak Raj Khosla, Independent and Non Executive Director	NIL	NIL
6	Mr. P.K. Lamba, Independent and Non Executive Director	NIL	NIL
7	Mr. Sonalal Datta, Independent and Nominee Director by SBI	NIL	NIL
8	Mr. M.L. Sharma, Independent and Special Director by BIFR	NIL	NIL
	Total	1,953,970	5.00

(vi) INVESTORS' GRIEVANCES COMMITTEE

- (a) Brief description of terms of reference :
- (a) As specified under Clause 49 of the Listing Agreement;
 - (b) To review the status of Investors' Grievances and Secretarial Audit Report of each Quarter,
 - (c) To review the statement of transfer of shares.
 - (d) To review of split, consolidation & demat/remat of shares.
 - (e) Any matter related with the Investors' Grievances.
 - (f) Redressing the grievances related to non receipt of annual report/dividend.
 - (g) The committee also looks after redressal of investors' grievances and performance of the Registrar and Transfer Agent of the company.
 - (h) Monitoring the violations of the code of conduct for prevention of insider trading, if any.
 - (i) Any other matter as may be assigned by the Board of Directors from time to time.

- (b) Composition, name of members and Chairperson. : 1. Mr. Prabhat Krishna - Chairman
2. Mr. Sandeep Agarwal - Member
3. Mr. Tilak Raj Khosla - Member
4. Mr. P.K. Lamba - Member
- (c) Meetings and attendance during the year : Meeting held: NIL
- (d) Name and designation of compliance officer and contact details : Mr. Ajay Gupta,
Company Secretary & General Manager - Legal.
Ph (D) : 0120-4161716 Fax : 0120-2896041, 2895299
Email ID : ajaygupta@alpsindustries.com
investorsgrievance@alpsindustries.com
- (e) Number of shareholders' complaints received so far. : Details of complaints received and redressed during the period 2012-2013:

Sr. No	Particulars	Received	Redressed	Pending as on 31.03.13
1.	Non-receipt of refund order	1	1	—
2.	Non-receipt of Dividend Warrants	3	3	—
3.	Others	10	10	--
	TOTAL	14	14	--

- (f) Number not solved to the satisfaction of shareholders. : NIL

- (g) Number of pending share transfers. : **1. Share Transfer Details:**

Sr. No	Particulars	Equity Share
a.	Number of Transfers	80
b.	Average No. of Transfers per month	6-7
c.	Number of shares transferred	12010

2. Demat/Remat of Shares:

Sr. No	Particulars	Equity Share
a.	Number of Demat Transfers approved	10
b.	Number of shares Dematerialized	13212
c.	Percentage of shares Dematerialized	0.033
d.	Number of Rematerialization Requests approved	1
e.	Number of shares rematerialized	1

(vii) General Meeting

- (a) Location and time, where last three AGMs/EGMs held.

S. No.	Location	Date	Time	AGM/ EGM
1.	57/2, Site IV Industrial Area, Sahibabad, Ghaziabad, U.P.	06.05.2010	11:00 A.M.	Court Convened Shareholders Meeting
2.	--Do--	13.08.2010	10:00 A.M.	AGM
3.	--Do--	30.09.2011	10:00 A.M.	AGM
4.	--Do--	29.09.2012	10:00 A.M.	AGM

- (b) Whether special resolutions were passed : Yes, as per following details:
in the previous three AGMs/EGMs

At the AGM held on 13.08.2010

1. Increase in the authorized share capital.
2. Delisting of GDRs from Luxembourg Stock Exchanges.
3. Powers to mortgaged fixed assets.

At the AGM held on 30.09.2011

1. Preferential Allotment of OCCPS/CRPS in terms of CDR Scheme.
2. Amendment in CDR Scheme.
3. Powers to mortgaged fixed assets.
4. Reappointment of Executive Director.

At the AGM held on 29.09.2012

1. Recomposition and Reclassification of Authorised Share Capital.
2. Amendment in MAP for issuance of OCCPS in terms of CDR Scheme.
3. Preferential Allotment of CRPS in terms of CDR Scheme.

- (c) Special Resolutions were put through : No, such Resolution were passed.
postal ballot last year, details of voting
pattern.

- (d) Person who conducted the postal ballot : N.A
exercise.

- (e) Any Special Resolution is proposed to be : No
conducted through postal ballot.

- (f) Procedure for postal ballot. : As per Section 192 A of the Companies Act, 1956 and Rules
made there under will be followed, if applicable.

(viii) Disclosures

- (a) Disclosures on materially significant : In compliance of Clause 32 of the Listing Agreement and
related party transactions i.e. transactions Accounting Standard 18, the Disclosure of "Related Party
of the company of material nature, with Transactions" has been made in the Notes to Accounts of
its promoters, the directors or the Financial Statements.
management, their subsidiaries or
relatives etc. that may have potential
conflict with the interest of company at
large.
- (b) Details of non-compliance by the : The violations of the provisions of Regulations 13 (6) of the
company, penalties, and strictures Securities and Exchange Board of India (Prohibition of Insider
imposed on the company by Stock Trading) Regulations 1992 (hereinafter referred to as 'SEBI
Exchanges or SEBI or any statutory Insider Trading Regulations') alleged to have been committed by
authority on any matter related to capital the company. The SEBI vide its letter dated November 29, 2010
market during the last three years. directed the company to make the payment of Rs. 2.00 Lacs in
terms of the acceptance of the consent proposal of the company.
Accordingly, company has made the payment and matter has
been resolved by SEBI vide their Consent order dated

December 16, 2010.

- (c) Compliance of Mandatory requirement under the Corporate Governance. : As per the details mentioned in part III of the compliance report.
- (d) Compliance of Non- Mandatory requirement under the Corporate Governance. : As per the details mentioned in part IV of the compliance report.
- (e) Whistle Blower Policies : The company has implemented the Whistle Blower Policy. It is also affirmed that none of the personnel has been denied access to the Audit Committee.

(ix) Means of Communication

- (a) Quarterly results. : Published in the News Paper and sent to the Stock Exchanges where Shares of the Company are listed and also displayed on the company website.
- (b) Shareholding pattern and any other material information on the business/ joint venture/ agreements entered into by the Company : On company website alongwith information to the stock exchanges separately.
- (c) Which newspapers normally published in. : Money Makers and Dainik Mahalaxmi Bhagyodaya
- (d) Reminder to Investors : As per the requirement of Clause 5A of the Listing Agreement, three reminders for unclaimed shares held in physical mode had been sent to the eligible shareholders during the previous financial year i.e 2011-12.
- (e) NSE Electronic Application Processing System (NEAPS) and BSE Listing center for electronic filing. : The NSE and BSE developed web based application for corporate. The shareholding Pattern, Intimation of Board meetings and Corporate Governance Report are also filed electronically on NEAPS and Listing center of BSE by the company on quarterly basis.
- (f) SEBI Complaints Redress System (SCORES) : The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- (g) Any website, where displayed. : www.alpsindustries.com
In compliance of the General Circular No. 17/2011 dated 21.04.2011 & 18/2011 dated 29.04.2011, the company is sending the Annual Report by email to all the members by adopting the Green Initiative as directed by the Government. The full text of the documents will be available on the Company's Website.

- (h) Whether it also display official news : Yes
release
- (i) The presentations made to institutional investors or to the analysts : The Financial Results are sent to the major investors including Institutional Investors, banks & various other government/statutory agencies and analysts.
- (j) Whether MD&A is a part of Annual Report or not. : Yes. Company also display on the official website.

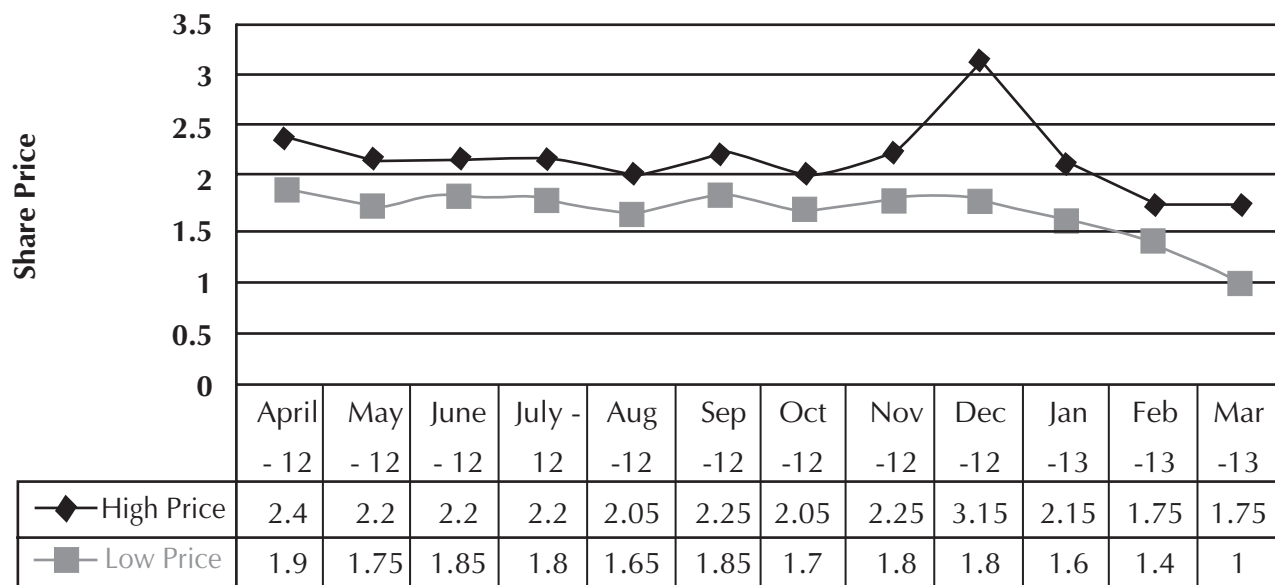
(x) General Shareholder information

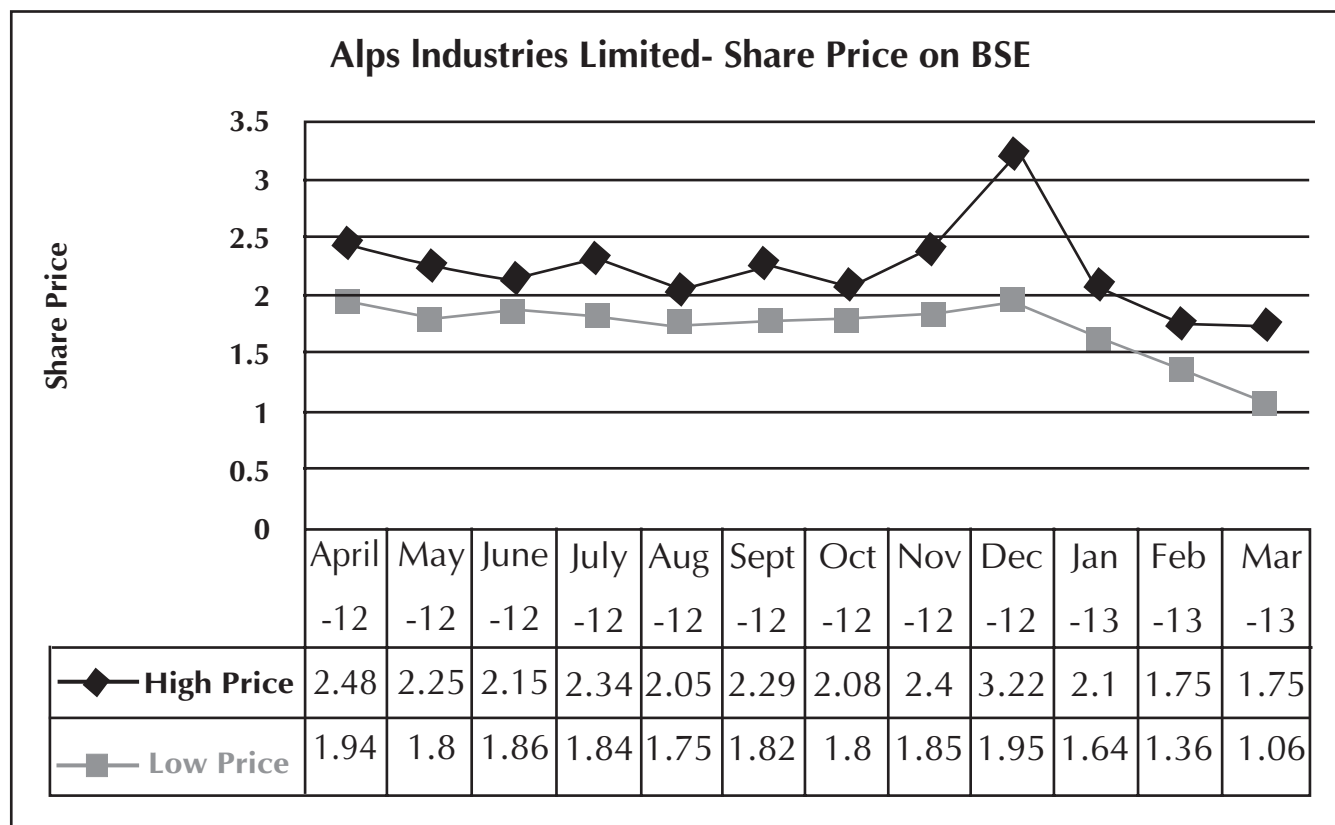
- (a) AGM: Date, time and venue (Tentative) : Date : September 30, 2013
Day : Monday
Time : 10:00 A.M
Venue: 57/2, Site IV, Industrial Area, Sahibabad, Ghaziabad, (U.P.) Pin- 201010
- (b) Financial Calendar (Tentative) : 2013-14
Financial Year : April 1, 2013 to March 31, 2014
Annual General Meeting : September 30, 2013
Result for quarter ending June 30, 2013 : Second Week of August, 2013.
Result for quarter ending Sept 30, 2013. : Second Week of November, 2013
Result for quarter ending Dec 31, 2013. : Second Week of February, 2014
Result for quarter ending March 31, 2014. : Last Week of May, 2014
Audited Accounts for the financial year ending on March 31, 2014 : Last Week of May, 2014
- (c) Date of Book Closure : Wednesday, September 25, 2013 to Thursday, September 26, 2013 (Both days inclusive)
- (d) Dividend Payment Date : The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2013.
- (e) Listing on Stock Exchanges : Equity Shares of the company are listed at the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd., Mumbai.
- (f) Stock Code : NSE : ALPSINDUS-EQ
BSE : 530715/ALPSIND
- (g) Issue & reclassification of Quasi Equity shares under Corporate Debt Restructuring Scheme : To meet out the requirement of the terms and conditions of CDR as approved by CDR-EG vide LOA dated September 11, 2009 and rework of CDR vide LOA dated May 4, 2011, the company has made allotment/reclassification of following interments:
1. Allotment of 26,934,146 6% Optionally Convertible Cumulative Preference shares on August 22, 2012.
2. Allotment of 11,661,448 1% Cumulative Redeemable Preference Shares on November 21, 2012.
3. Reclassification of 12, 84, 87,790 6% OCCPS into 6% CRPS on February 19, 2013.

(h) Market Price Date: High, Low during each month in last financial year in National Stock Exchange of India Limited & Bombay Stock Exchange Ltd. :

SL. No.	Month	National Stock Exchange of India Limited (NSE)				Bombay Stock Exchange Ltd. (BSE)			
		(In Rs. per share)				(In Rs. per share)			
		Month's High Price		Month's Low Price		Month's High Price		Month's Low Price	
		Rate	Date	Rate	Date	Rate	Date	Rate	Date
1	April – 12	2.40	12.04.2012	1.90	30.04.2012	2.48	12.04.2012	1.94	27.04.2012
2	May – 12	2.20	31.05.2012	1.75	25.05.2012	2.25	28.05.2012	1.80	15.05.2012
3	June – 12	2.20	25.06.2012	1.85	20.06.2012	2.15	01.06.2012	1.86	27.06.2012
4	July – 12	2.20	05.07.2012	1.80	30.07.2012	2.34	05.07.2012	1.81	20.07.2012
5	Aug – 12	2.05	27.08.2012	1.65	07.08.2012	2.05	24.08.2012	1.75	13.08.2012
6	Sept – 12	2.25	18.09.2012	1.85	17.09.2012	2.29	18.09.2012	1.82	13.09.2012
7	Oct – 12	2.05	09.10.2012	1.70	25.10.2012	2.08	03.10.2012	1.80	18.10.2012
8	Nov – 12	2.25	29.11.2012	1.80	08.11.2012	2.40	26.11.2012	1.85	07.11.2012
9	Dec – 12	3.15	21.12.2012	1.80	03.12.2012	3.22	20.12.2012	1.95	03.12.2012
10	Jan – 13	2.15	01.01.2013	1.60	30.01.2013	2.10	01.01.2013	1.64	30.01.2013
11	Feb – 13	1.75	7.02.2012	1.40	28.02.2013	1.75	12.02.2013	1.36	28.02.2013
12	Mar – 13	1.75	13.03.2012	1.00	21.03.2013	1.75	11.03.2013	1.06	26.03.2013

Alps Industries Limited-Share Price on NSE



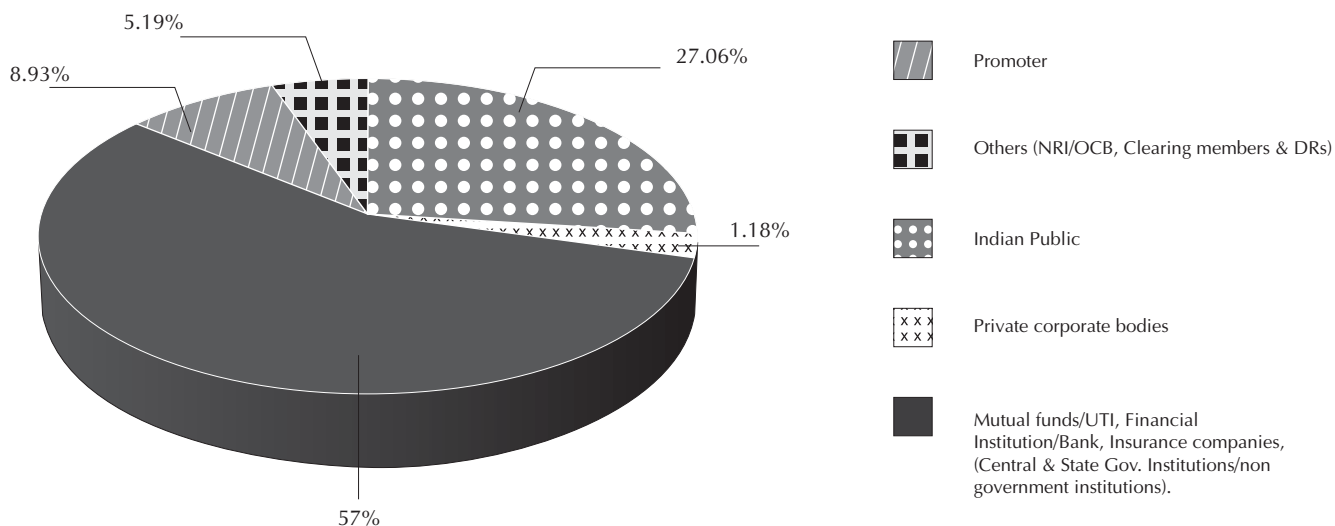


- (i) Shareholding Pattern as on 31.03.2013
 Scrip Code: NSE –ALPSINDUS & BSE -530715/ALPSIND
 Name of the Scrip : Alps Industries Limited
 Class of the Security : Equity Shares

Category Code	Category of Shareholder		Number of Share holders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group1				
	(1)	Indian	19	8,586,018	21.95
	(2)	Foreign	1	2,000,000	5.11
	Total Shareholding Pattern of Promoter and Promoter Group		20	10,586,018	27.06
(B)	Public Shareholding2				
	(1)	Institutions	7	20,29,338	5.19
	(2)	Non Institutions	25,217	26,498,744	67.75
	Total Public Shareholding		25,224	28,528,082	72.94
(C)	Shares held by Custodian and against which Depository Receipts have been issued				
	(1)	Promoter and Promoter Group	-	-	-
	(2)	Public	-	-	-
	TOTAL (A+B+C)		25,244	39,114,100	100.00

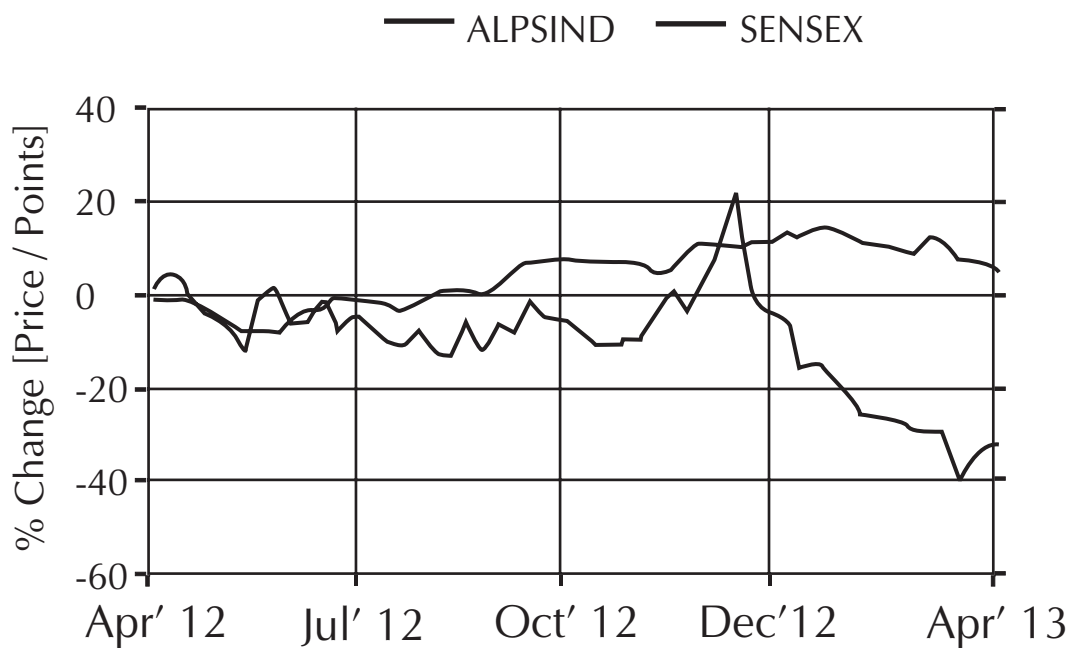
- For definitions of “Promoter Shareholding” and “Promoter Group” refer to Clause 40A of Listing Agreement.
- For definition of “Public Shareholding”, refer to Clause 40A of Listing Agreement.

Shareholding Pattern as on March 31, 2013



(j) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL, Index etc:

NSE CHART FOR THE YEAR 2012-13 OF ALPS INDUSTRIES LTD. Vs. BSE SENSEX



- (k) Registrar and Transfer Agents for Demat & Physical Shares : Alankit Assignments Limited, Corporate Office, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110 055 India.
- (l) Share Transfer System and Investors Grievances : In terms of the SEBI Circular for appointment of common agency as R&T Agent for Demat and Physical Shares, company has appointed the above R&T Agent. The share transfer and Investor Grievances system is in compliance with the requirement of the Stock Exchanges and as specified under the Depository Act, 1996. Company has Shareholder's Grievances Committee to review the status of various matters related with the shareholders. The company has also provided the updated information for processing of details for allotment of User ID and Password for login into SEBI Compliant Redress System (SCORES) in terms of the SEBI Circular ref no. CIR/OIAE/2011 dated June 3, 2011.
- (m) Uniform procedure for dealing with unclaimed shares : In terms of Clause 5A(I) & (II) of the Listing Agreement the company report the following details in respect of the unclaimed equity shares lying in the suspense account which were issued in demat. The physical shares pursuant to the public issue, subsequent bonus issue and transfers cases have been credited to Alps Industries Limited- Unclaimed Share Demat Suspense Account and Alps Industries Limited Unclaimed Suspense Account -Physical Account opened with Alankit Assignment Limited. The details of shareholding of individual allottee have been properly maintained and the shares have been credited to the allottee accounts as and when he/she approaches to the Company/R&T Agent.

Particulars	Number of share holders	Number of equity shares	Number of share holders	Number of equity shares
	Demat		Physical	
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2012	23	2364	82	13502
Number of shareholders who approached the company for transfer of shares from suspense account during the year	--	--	6	1500
Number of shareholders to whom shares were transferred from the suspense account during the year	--	--	6	1500
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2013	23	2364	76	12002
No of request received for claiming of shares with no of shares	--	-	6	1500
No of request accepted for claiming of shares with no of shares	--	-	6	1500
No of request rejected for claiming of shares with no of shares	--	--	--	--

: 1500 shares against the 6 request from shareholders, were transferred to the shareholder's account during the year. The 0.04% voting rights on all the unclaimed shares in physical or demat mode has been freezed. Company is also having only one class of security i.e. Equity Shares, hence no different voting pattern is applicable to the company.

(n) Distribution of shareholding : As on 31st March, 2013

Share holding of nominal value	Shareholders		Share Amount	
In Rs.	Number	%	Rs. In 000's	%
Upto- 5000	24488	97.005	119084.72	30.45
5001- 10000	419	1.660	30929.00	7.907
10001- 20000	185	0.733	26819.47	6.857
20001- 30000	52	0.206	12421.38	3.176
30001- 40000	16	0.060	5608.34	1.430
40001- 50000	17	0.067	7728.12	1.976
50001- 100000	25	0.099	17518.43	4.479
100001 and above	42	0.170	171031.54	43.73
TOTAL	25244	100.000	391141.00	100

(o) Dematerialization of shares and liquidity : 99.75 % of Issued Capital is in Dematerialized form as on 31st March 2013. The shares are listed at the two stock exchanges.

(p) Outstanding GDRs/ADRs /Warrants or any Convertible instrument, conversion date and likely impact on equity :

- (i) No GDRs is outstanding as on 31st March 2013.
- (ii) The company has not issued any ADRs.
- (iii) The company has issued 26,934,146 6% Optionally Convertible Cumulative Preference shares (OCCPS), on August 22, 2012 in favour of the bankers of the company in terms of the CDR Scheme approved on August 31, 2009. These instruments are convertible into equity at a conversion price of Rs. 10.82/- per equity shares. The 24,892,926 equity shares which may arise on the conversion of above instruments on or before the completion of 18 months from the date of allotment i.e. February 21, 2014, at the option of the bankers, will dilute the voting rights of the existing equity shares as the quantum of issued equity shares will be increased accordingly.

(q) Plant Locations :

1. Plot No. 1-A, Sector 10 Integrated Industrial Estate, SIDCUL Haridwar-249403, Uttarakhand
2. Plot No. 1-B, Sector 10 Integrated Industrial Estate, SIDCUL, Haridwar-249403, Uttarakhand
3. Village- Aminagar, Bhoor Baral, Meerut Delhi Road, Distt- Meerut -250103 (Uttar Pradesh)

4. A-2, Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (Uttar Pradesh)
5. A-16/2, Site-IV, Industrial Area, Sahibabad, Ghaziabad 201010 (Uttar Pradesh)
6. Kashipur Spinning Mills, Near Govt. Degree College, Kashipur Bazpur Road, Kashipur Udam Singh Nagar – 244713 Uttarakhand.
7. Jaspur Spinning Mills, Afzal Garh Road, Jaspur, Udham Singh Nagar-244712 Uttarakhand
8. A-3, Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (U.P.)
9. B-160-161, Industrial Estate , Mettupalayam, Puducherry – 605 009
10. B-2, Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (U.P.) (Non Operational)
11. 57/2, Site IV Industrial Area, Sahibabad, Ghaziabad 201010 (U.P.) (Partly Operational)

- (r) Address for correspondence : Corp. Office: 57/2, Site - IV, Sahibabad Industrial Area, Ghaziabad-201 010 (U.P.)
- (s) CEO/CFO Certification : As required under Clause 49 of the Listing Agreement, a Certificate duly signed by the CEO/CFO was placed at the meeting of Board of Directors held on May 30, 2013.
- (t) Secretarial Audit for Reconciliation of Capital : The Securities and Exchange Board of India has directed vide Circular No. CIR/MRD/DP/30/2010 dated September 6, 2010, that all issuer companies shall submit a Reconciliation of Share Capital Audit Certificate, reconciling the total share held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid-up capital. The said certificate duly certified by the Practicing Company Secretary, is submitted to the Stock Exchanges where the securities of the company are listed within the prescribed time in each quarter.
- (u) Company CIN No. and ROC : Company CIN No. is L51109UP1972PLC003544 and Registered with Registrar of Companies, Kanpur, Uttar Pradesh (State Code 20).

GREEN INITIATIVE

The Ministry of Corporate Affairs ('MCA'), Government of India, through its Circular No. 17/2011 dated April 21 2011 and 18/2011 and 29th April, 2011 has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Director' Report, Auditors' Report and explanatory statement etc., through electronic mode to the registered email address of the members. Keeping in view the underlying theme and the circular issued by MCA, we are sending all the communications in electronic mode to the email address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to provide their details (name, folio no, e-mail id) on the company's email address viz. ajaygupta@alpsindustries.com, investorsgrievance@alpsindustries.com or the R&T i.e. M/s. Alankit Assignments Ltd. e-mail id jksingla@alankit.com. Members who hold shares in electronic form are requested to get their details updated with the respective depositories.

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE – PART – II
NON-MANDATORY REQUIREMENTS.**

ANNEXURE-3

1. The Board
 - (i) Non-Executive Chairman's office : The company has an office for the Non-Executive Chairman.
 - (ii) Tenure of Independent Directors. : The company will make necessary compliance as and when required.
2. Remuneration Committee
 - (i) Terms of Reference and remuneration policy. : Company is having a Remuneration Committee in terms of the requirements of Schedule XIII in Part II in Section II of the Companies Act, 1956, It is authorized to approve and recommend the company's policies on specific remuneration packages for executive directors including pension rights and any compensation payment.
 - (ii) Constitution of the committee :

1. Mr. Prabhat Krishna	-	Chairman
2. Mr. Sandeep Agarwal	-	Member
3. Mr. Sonalal Datta	-	Nominee-SBI
4. Mr. M.L. Sharma	-	Special Director- BIFR
 - (iii) Presence at the meeting. : Meeting held: Nil
 - (iv) Presence of the Chairman of the committee at the Annual General Meeting. : The Chairman of the meeting was present at the Annual General Meetings.
3. Shareholders rights
Half Yearly Financial Results and summary of significant events during the last six months may be sent to each household of shareholders. : The Financial Results and summary of significant events during the last six months were sent to the members as and when demanded by the members during the financial year.
4. Audit Qualifications : There is qualification / reservation in the Audit Report of the Statutory Auditors, for the financial year ended on March 31, 2013 and the same has been explained in the Notes to Accounts at appropriate place and being self explanatory needs no further explanation. As required under amended clause 31(a) and SEBI circular no. CIR/CFD/DIL/7/2012 dated August 13, 2012, the necessary disclosures/details in the prescribed Form 'B' have been appended with the Annual Report.
5. Training of Board Members : Company will assist to expand the expertise of the members of the Board as and when required.
6. Mechanism for evaluating Non-Executive Board Members : Performance evolution of non executive directors used to be carried out by the Board of Directors from time to time.
7. Whistle Blower Policy : It has been implemented properly and all the concerned officials have been advised suitably.
8. Postal Ballot : It has been conducted wherever required.

9. Code of Conduct : In terms of the requirement of the Corporate Governance, the Board of Directors at their meeting held on October 26, 2005 has approved the code of conduct of the company and the Model Code of Conduct and Code for Corporate Disclosure Practices for prevention of insider trading as specified under the SEBI (Prohibition of Insider Trading) Regulations, 1992, at the Board of Directors meeting held on October 15, 2005. It has been reviewed and updated from time to time according to the requirement of the company. It has also been displayed on the company's website www.alpsindustries.com. The necessary disclosure for compliance has been made at the meeting of Board of Directors held on May 30, 2013.
10. Disclosure for Non-Mandatory requirements : All the major and effective Non-Mandatory requirements have been complied with.

The Members of
Alps Industries Limited
Ghaziabad.

CERTIFICATE IN RESPECT OF COMPLIANCE WITH THE CODE OF CONDUCT AND MODEL CODE OF CONDUCT AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING AS SPECIFIED UNDER THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992, OF THE COMPANY*

I, Sandeep Agarwal, in my capacity as the Managing Director & the Chief Executive Officer of the company, do hereby certify that all Directors/ Executive Director and Senior Executives of the company, one level below the Board, have complied with and adhered to the Code of Conduct and Model Code of Conduct and Internal procedure for prevention of Insider Trading as specified under the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time and as approved & prescribed by the Board of Directors of the Company.

Place: Ghaziabad
Date: May 30, 2013

For Alps Industries Ltd

(Sandeep Agarwal)
Managing Director & CEO

***The Code of Conduct and Model Code of Conduct and Code for Corporate Disclosure Practices for prevention of insider trading as specified under the SEBI (Prohibition of Insider Trading) Regulations, 1992, can be viewed on the Company's website www.alpsindustries.com.**

CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Alps Industries Limited
Ghaziabad

We have examined the compliance of conditions of Corporate Governance by Alps Industries Limited, for the financial year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For P. Jain & Co.
Chartered Accountants

(Munish Kr. Jain)
Partner
Membership No.70335

Place : Ghaziabad
Date : May 30, 2013

To,

Board of Directors,
Alps Industries Limited,
B-2 Loni Road Indl. Area,
Opp. Mohan Nagar,
Ghaziabad (Uttar Pradesh).

Dear Sirs,

CEO AND PRESIDENT CORP. (FINANCE & ACCOUNTS) CERTIFICATION ON THE FINANCIAL STATEMENTS FOR F.Y. 2012-13

We in our official capacity do hereby confirm and certify that:

- (a) We have reviewed financial statements and the cash flows statement for the year ended on 31.03.2013 and that to the best of our knowledge and belief.
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to be taken to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee
 - (i) Significant changes in internal control over financial reporting during the financial year ended on March 31, 2013;
 - (ii) Significant changes in the accounting policies during the financial year ended on March 31, 2013 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

FOR ALPS INDUSTRIES LIMITED

SANDEEP AGARWAL
(MANAGING DIRECTOR)
(CHIEF EXECUTIVE OFFICER)

Place: Ghaziabad
Date: May 30, 2013

FOR ALPS INDUSTRIES LIMITED

A. K. SINGHAL
PRESIDENT CORP. (FINANCE & ACCOUNTS)
(CHIEF FINANCIAL OFFICER)

**INFORMATION AS PER REQUIREMENT OF SEBI CIRCULAR NO. SMDRP/CIR14/98 DATED 29.04.1998 AND
CLAUSE 32 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES.**

1. Names and Address of the Stock Exchanges of where the Company's Securities are Listed.

SL. NO.	NAME	ADDRESS
1.	Bombay Stock Exchange Ltd.	1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai- 400001.
2.	National Stock Exchange of India Ltd.	Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex Bandra (E), Mumbai – 400 051.

2. The Company has paid listing fees for the year 2013-2014 to both the Stock Exchanges.
3. Annual Custodian/Issuer Fees for the year 2013-14 have been paid by the company to NSDL & CDSL.

Sl. No.	Particulars	Amount
1.	Loans and advances in the nature of loans to subsidiaries (by name and amount).	NIL
2.	Loans and advances in the nature of loans to associates by name and amount.	NIL
3.	Loans and advances in the nature of loans where there is : a) No repayment schedule or repayment beyond seven years or b) No interest or interest below section 372A of Companies Act by name and amount.	NIL
4.	Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount.	NIL
5.	Investments by the loanee in the shares of parent company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.	NIL

SUBSIDIARY COMPANIES AS ON MARCH 31, 2013.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES:

1.	Name of the Subsidiary Company	ALPS USA INC.	Alps Energy Private Limited	Snowflakes Meditech Pvt. Ltd. (Formerly known as Alps Retail Pvt. Ltd)
2.	Financial Year of the Subsidiary Company ended on	March 31, 2013	March 31, 2013	March 31, 2013
3.	No. of shares in the Subsidiary	15 shares of no par value	22,60,000 of Rs. 10/- each	22,60,000 of Rs. 10/- each
4.	Percentage of Holding (Equity)	100%	69.75%	73.94%
5.	Percentage of Holding (Preference)	Nil	Nil	Nil
6.	The net aggregate of profits/ (losses) of the Subsidiary Company for its financial years so far as they concern the members of the Company:			
a)	Dealt with in the account for the period ended 31st March 2013	(USD 193)	Rs. 7.30 Lacs	Rs. (90.71) Lacs
b)	Not dealt with in the accounts for the period ended 31st March 2013 (Profit/Loss)	Nil	NIL	NIL
7.	The net aggregate of profits/ (losses) of the Subsidiary Company for its Previous financial years since it became so far as they concern the members of the Company:			
a)	Dealt with in accounts for the period ended 31st March 2012	(USD 609)	Rs. 158.20 Lacs	Rs. 41.90 Lacs
b)	Not dealt within accounts for the period ended 31st March 2012 (Profit/Loss)	Nil	NIL	NIL
8.	Change in the Holding Company's interest in the subsidiary between the end of the Financial Year of the subsidiary and the end of the holding company's financial year.	No Material Change	No Material Change	No Material Change
9.	Details of any material changes which have occurred between the end of the financial year in respect of :			
a)	The Subsidiary's fixed assets Its Investment	No Change	No Change	No Change
b)	The moneys lent by it	No Change	No Change	No Change
c)	The moneys borrowed by it for any purpose other than that of meeting current liabilities	No Change	No Change	No Change

Undertaking

In terms of the General Circular No: 2 /2011 dated February 8, 2011 related to the availment of exemption for attaching the financial statement of the subsidiaries of company, the Board of Directors hereby undertake that Annual Accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time.

For and on behalf of the Board

Place: Ghaziabad
Dated: May 30, 2013

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

A.K. Singhal
President
(Corporate F&A)

Ajay Gupta
Company Secretary

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Members of
ALPS INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ALPS INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

As discussed in Note Nos. 35 (A) (d) I, II and III to the notes to account, the company has not made any provision towards the losses on derivative contracts crystallized amounting to Rs. 38458 Lacs and claims of Rs. 5439 Lacs against the corporate guarantee provided by the company on behalf of one of its subsidiary company (Refer to note no. 35 (A) (d) IV of notes to account), hence to that extent the loss as shown in statement of profit & Loss, accumulated losses and current liabilities is understated.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;*
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and*
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Report on other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) *Except for the effects of the matters described in the basis for Qualified opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;*
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For P. Jain & Co.
Chartered Accountants
(Firm Reg. No. 000711C)

Munish Kr. Jain
Partner
Membership No.70335

Place : Ghaziabad
Date : May 30, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirement" of our report of even date.

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- I. (a) The Company has maintained records showing full particulars including quantitative details and situation of its fixed assets, however, these records are in process of updation.
(b) As explained to us, the management has during the year physically verified all the fixed assets in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company. We have been informed that no material discrepancies were noticed on such physical verification during the year.
(c) During the year the Company has not disposed off substantial part of its fixed assets.
- II. (a) The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(b) The Company has maintained proper records of inventories. As explained to us, the discrepancies noticed on physical verification as compared to book records were not material, however, the same have been properly dealt with in the books of account.
- III. There are no Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted any loans, secured or unsecured, as per information and explanation given to us. Consequently paras 4 (III) (b), (III)(c) and (III) (d) of the order are not applicable to the Company.

The company has not taken any loan secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 as per information and explanation given to us. Consequently paras 4 (III) (e), (III)(f) and (III) (g) of the order are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for purchases of inventory and fixed assets and for the sale of goods and services. In our opinion, there is no continuing failure to correct major weaknesses in internal control procedures.
- V. (a) According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register as required to be maintained under that section, wherever applicable.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at the prices, which appear reasonable as per information available with the Company.
- VI. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public with in the meaning of section 58A and 58-AA or any other relevant provisions of the Companies Act, 1956, and the Rules framed there under.
- VII. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- VIII. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the companies Act, 1956 and are of the opinion that *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate and complete.

- IX. a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and any other statutory dues applicable to it with the appropriate authorities.
- b) According to the information and explanations given to us, no amounts payable in respect of Income-tax, Wealth tax, Service Tax, Sales-tax, Custom duty, Excise duty, Cess and other aforesaid statutory dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
- c) The disputed statutory dues aggregating to Rs. 236.64 Lacs have not been deposited on account of matters pending before appropriate authorities as on 31st March, 2013, are as under:

Sr. No.	Name of the Statute	Nature of Dues	Amount	From where Dispute is Pending
1	U.P. Tax on entry of Goods	Entry Tax	Rs. 3.56 Lacs	Tribunal Ghaziabad
2	Nagar Nigam Act, 1959	Sewerage Tax	Rs. 3.70 Lacs	Hon'ble Allahabad High Court
3	Uttarakhand Agriculture Produce Marketing (Development & Regulation) (Amended) Act 2012	Mandi Samitee Cess	Rs. 229.38 Lacs	Hon'ble Uttarakhand High Court at Nainital

- X. (a) The accumulated losses of the company as at 31st March, 2013 are more than fifty percent of its net worth.
- (b) The Company has incurred cash losses during the current year ended 31st March, 2013 and in the immediately preceding financial year.
- XI. Based on our audit procedure and the information and explanations given to us, the Company has defaulted in repayment to the Bank as given below.

Nature of Dues		Rs. in Lacs
Principal	Interest	Default w.e.f
1500.00	817.77	February 2009
1000.00	529.13	March 2009

Other than above by Order dated 02.09.2011 of Hon'ble BIFR, the amounts becoming due after May 2011 to banks and financial institution are deferred till the date of sanction of the scheme by the Board.

- XII. Based on our examination of records and explanations given to us during the year, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. As per the information and explanations given to us, the provisions of special statute applicable to chit fund do not apply to the company. The company is also not a Nidhi/Mutual Benefit Fund/ Society.
- XIV. In our opinion, and according to the information and explanations given to us, the Company is not dealing or trading in Shares, Securities, debentures and other investments.
- XV. Based on our examination of records and information and explanations given to us, the company has not given corporate guarantees on behalf of other body corporate to the banks during the year.
- XVI. Based on information and explanations given to us by the management, the term loans have been applied for the purpose for which they were obtained.
- XVII. According to the information and explanation given to us and on an overall examination of the Balance sheet of the company, we are of the opinion that funds raised on short-term basis have not been used for long-term investment.
- XVIII. As explained to us, the company has not made any preferential allotment of shares to companies or parties covered in the register maintained under section 301 of the Act during the year.
- XIX. According to information and explanations given to us, the company has not issued debentures during the year.

XX. The company has not raised any money by way of public issue during the year.

XXI. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

For P. Jain & Co.
Chartered Accountants
(Firm Reg. No. 000711C)

Munish Kr. Jain
Partner
Membership No. 70335

Place : Ghaziabad
Date : May 30, 2013

ALPS INDUSTRIES LTD.



BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2013

		AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
EQUITY AND LIABILITIES	Notes		
Shareholders Funds			
Share Capital	1	30,704.31	26,844.76
Reserves and Surplus	2	(55,913.93)	(44,384.09)
		<u>(25,209.62)</u>	<u>(17,539.33)</u>
Non-Current Liabilities			
Long-Term Borrowings	3	68,629.17	70,200.88
Deferred Tax Liabilities(Net)			
Other Long Term Liabilities	4	13,666.72	5,498.45
Long-Term Provisions	5	315.01	288.54
		<u>82,610.90</u>	<u>75,987.87</u>
Current Liabilities			
Short-Term Borrowings	6	39,351.28	39,971.08
Trade Payables	7	6,117.40	5,437.33
Other Current Liabilities	8	6,328.72	5,558.75
		<u>51,797.40</u>	<u>50,967.16</u>
Total		<u>109,198.68</u>	<u>109,415.70</u>
ASSETS			
Non-current Assets			
Fixed Assets	9		
Tangible Assets		53,730.21	58,207.55
Intangible Assets		49.95	63.68
Capital Work in Progress (Tangible)		705.24	574.40
Non-Current Investments	10	958.56	958.56
Long-Term Loans and Advances	11	827.90	769.54
Other Non-Current Assets	12	554.26	539.22
		<u>56,826.12</u>	<u>61,112.95</u>
Current Assets, Loans & Advances			
Current Investments	13	25.00	25.00
Inventories	14	35,558.37	30,272.99
Trade Receivables	15	11,054.01	13,342.25
Cash & Bank Balances	16	4,143.91	2,075.49
Short-Term Loans & Advances	17	975.50	1,815.47
Other Current Assets	18	615.77	771.55
		<u>52,372.56</u>	<u>48,302.75</u>
Total		<u>109,198.68</u>	<u>109,415.70</u>
Significant Accounting Policies and other Notes on Financial Statements	1-50		

Notes referred to above form an integral part of Financial Statements

As per our report of even date

For and on behalf of the Board

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. 000711C)

Sandeep Agarwal
Managing Director

Munish Kr. Jain

Partner

Membership No. 70335

Place : Ghaziabad

Date : May 30, 2013

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

P.K. Rajput
Executive Director

STATEMENT OF PROFIT & LOSS

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

	Notes	31.03.13 Year Ended Rs.(in Lacs)	31.03.12 Year Ended Rs.(in Lacs)
Revenue from operations			
Sale of Products	19	68,086.10	64,725.05
Other Operating Revenues		2,233.23	2,379.15
Less :Excise Duty		296.75	243.29
Net Revenue		<u>70,022.58</u>	<u>66,860.91</u>
Other Income	20	<u>618.86</u>	<u>991.74</u>
Total Revenue		<u>70,641.44</u>	<u>67,852.65</u>
Expenses			
Cost of Materials Consumed	21	48,028.67	56,012.73
Purchase of Stock-in-Trade	22	523.89	499.43
Changes in Inventories of Finished Goods and Work-in-progress	23	(2,780.78)	7,056.31
Employee Benefit Expenses	24	6,385.98	5,249.59
Finance Cost	25	10,120.02	10,099.11
Depreciation/Amortization of Expenses	9	4,495.17	4,560.42
Other Expenses	26	14,232.19	11,897.62
Total Expenses		<u>81,005.14</u>	<u>95,375.21</u>
Profit/(Loss) Before Exceptional and Extraordinary items and Tax		<u>(10,363.70)</u>	<u>(27,522.56)</u>
Exceptional items	49	1,166.14	227.85
Profit/(Loss) Before Tax		<u>(11,529.84)</u>	<u>(27,750.41)</u>
Tax Expense			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit/(Loss) after Tax		<u>(11,529.84)</u>	<u>(27,750.41)</u>
Basic & Diluted Earning Per Share(Rs.)	27	(32.39)	(73.55)
Significant Accounting Policies and other Notes on Financial Statements	1-50		
Notes referred to above form an integral part of Financial Statements			

As per our report of even date
For P. Jain & Co.
Chartered Accountants
(Firm Registration No. 000711C)

Munish Kr. Jain
Partner
Membership No. 70335
Place : Ghaziabad
Date : May 30, 2013

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED

Rs. in Lacs

	31.03.2013	31.03.2012
(A) Cash Flow From Operating Activities		
Net Profit/(Loss) Before Tax and Extraordinary items	(11,529.84)	(27,750.41)
Adjustment for :		
Depreciation	4,495.17	4,560.42
Interest Received	(225.23)	(113.72)
Finance Cost	10,120.02	10,099.11
Loss on Sale of Assets	0.18	4.45
Exceptional items	1,166.14	227.85
Operating Profit/Loss Before Working Capital Changes	4,026.44	(12,972.30)
Adjustment for Working Capital Changes		
Inventories	(5,285.38)	16,537.53
Trade & other Receivable	3,234.47	1,511.25
Trade Payable & other Liabilities	9,644.78	(43.72)
Direct taxes received/(paid)	(23.88)	47.01
Net Cash from/(used in) Operating Activities	11,596.43	5,079.77
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(325.94)	(484.75)
Proceeds from Fixed Assets	190.82	6.49
Interest Received	225.23	113.72
(Increase)/Decrease in Fixed Deposits	(1,073.14)	(98.91)
Net Cash from/(used in) Investment Activities	(983.03)	(463.45)
(C) Cash Flow From Financing Activities		
Finance Cost	(10,120.02)	(10,099.11)
Proceeds on Conversion of Borrowing(Net)	1,144.03	1,953.14
Repayment of Short Term Borrowing	(642.13)	3,507.41
Net Cash from/ (used in) Financing Activities	(9,618.12)	(4,638.56)
Net Increase in Cash & Cash Equivalents	995.28	(22.24)
Opening Balance of Cash and Cash Equivalents	747.43	769.67
Closing Balance of Cash and Cash Equivalents (refer note 16(ii))	<u>1,742.71</u>	<u>747.43</u>

Notes:

- Figure in brackets are for decrease.
- In term of CDR, Loans from Banks and Financial Institutions and interest thereon have been converted into Preference Share Capital.
- Previous years figures have been regrouped or rearranged to make them comparable with those of current year.

As per our report of even date
For P. Jain & Co.
Chartered Accountants
(Firm Registration No. 000711C)

For and on behalf of the Board

Munish Kr. Jain
Partner
Membership No. 70335
Place : Ghaziabad
Date : May 30, 2013

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

SIGNIFICANT ACCOUNTING POLICIES

A. USE OF ESTIMATES:

The Preparation of the financial statements in conformity with accounting standard requires the Management to make estimates and assumptions that affect the reported accounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and the reported amount of income and expenses during the reporting period, like useful lives of fixed assets, provision for doubtful debts/advances, provision for diminution in value of investments, provision for employee benefits, provision for warranties/discounts, allowances for certain uncertainties, provision for taxation, provision for contingencies etc. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

B. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:

The Financial Statements have been prepared on a going concern basis under the historical cost convention, on accrual basis unless specifically stated herein below and in accordance with the applicable Accounting standards (AS) issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

C. REVENUE RECOGNITION:

Sales are recognized on completion of sale of goods (Export Sales are recognized on the basis of Shipping Bills prepared) and are net of trade discounts, rebates and inclusive of excise duty but excludes taxes on sales.

Export incentives are recognized as and when export sale is accounted for. Profit/Loss on sale of DEPB license is recognized in the year of sale.

D. FIXED ASSETS:

- a) All fixed assets are stated at cost, net of MODVAT/CENVAT less accumulated depreciation. Cost comprises cost of acquisition and all expenses incurred which are directly attributable, including cost of borrowings and exchange fluctuation, for bringing the assets into working condition for its intended use.
- b) Cost of assets not ready to put to use before year end are shown as 'Capital Work in Progress'.

E. DEPRECIATION:

Depreciation on the Tangible Assets and computer software are provided on Straight Line Method at the rates and in the manner as prescribed in Schedule XIV to The Companies Act, 1956. Leasehold lands are amortised over the lease period. Brand & Trade Mark are being amortised over a period of ten years.

F. INVESTMENTS:

- a) Investments are carried at cost. However, provision for diminution in value is made to recognize any decline, other than temporary, in the value of investments except investment in unquoted & subsidiary companies.
- b) Investments that are readily realizable and intended to hold for not more than a year are classified as Current Investments. All other investments are classified as Non Current Investments.

G. INVENTORIES:

Raw Material and Stores & Spares are valued at cost. Cost of raw material is determined by First in First Out (FIFO) method except cotton, which is valued at weighted average cost.

Finished and Semi Finished goods produced and purchased, are valued at lower of cost or net realizable value. The identification of Semi Finished goods is done on the basis of location of the goods.

H. BORROWING COSTS:

Borrowing costs that are directly attributable to the acquisition or construction of fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized. Other borrowing costs are recognized as expense in the year in which they are incurred.

I. RETIREMENT AND OTHER EMPLOYEE BENEFITS :

The provision for gratuity liability and earned leaves are made in accordance with the actuarial valuation on projected unit credit actuarial method at the end of the year. The provisions for medical leaves are made on basis of leaves accrued to employees. Employer's Contribution to Employees Provident Fund are charged to Statement of Profit and Loss.

J. RESEARCH AND DEVELOPMENT COSTS:

Research & Development expenses of revenue nature are charged to Statement of Profit and Loss and those of capital nature are capitalized as Tangible/intangible assets.

K. DEFERRED REVENUE EXPENDITURE:

The expenses related to Preliminary and capital issue expenses are fully charged in the year in which these are incurred.

L. FOREIGN CURRENCY TRANSACTIONS:

- a) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of the transactions.
- b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c) Non monetary foreign currency items are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

M. IMPAIRMENT OF ASSETS :

The carrying amounts of all the assets are reviewed at each balance sheet date. If there is any indication of impairment, based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

N. TAXATION:

- a) Provision for current income tax is made in accordance with the applicable provisions of the Income Tax Act, 1961.
- b) Liability for deferred tax is provided while deferred tax asset is recognized only if there is virtual certainty of their realization in future in terms of Accounting Standard on "Deferred Tax Accounting" (AS-22) issued by the Institute of Chartered Accountants of India

O. GOVERNMENT GRANTS:

Capital grants are accounted for and deducted from the respective assets in the year of receipt.

The interest subsidy under TUFS scheme have been considered on accrual basis and deducted from the interest expenditure.

P. OPERATING LEASE:

Lease payments are recognized as an expense in the Statement of Profit and Loss according to the terms and conditions of the respective agreement.

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
1. SHARE CAPITAL		
(A) Authorised Capital		
40000000(40000000) Equity Shares of Rs.10/-each	4,000.00	4,000.00
305000000(305000000) Preference Shares of Rs.10/-each	30,500.00	30,500.00
	34,500.00	34,500.00
(B) Issued , Subscribed & Paid up		
39114100(39114100) Equity Share of Rs.10/-each fully paid-up	3,911.41	3,911.41
	3,911.41	3,911.41
111094047(99432599) 1% Cumulative Redeemable Preference Shares (1% CRPS) of Rs. 10/- each fully paid-up.	11,109.40	9,943.26
129900866(1413076) 6% Cumulative Redeemable Preference Shares (6% CRPS) of Rs. 10/- each fully paid-up.	12,990.09	141.31
26934146(128487790) 6% Optionally Cumulative Convertible Preference Shares (6% OCCPS) of Rs. 10/- each fully paid-up.	2,693.41	12,848.78
	26,792.90	22,933.35
	30,704.31	26,844.76

1.1 Reconciliation of Shares outstanding is Set out Below:

	No. of Shares			
Particulars	Beginning of the year	Issue during the year	Conversion during the year	At the end year
Equity Shares	39114100	NIL	Nil	39114100
6% CRPS	1413076	NIL	128487790	129900866
1% CRPS	99432599	11661448	Nil	111094047
6% OCCPS	128487790	26934146	(128487790)	26934146

Right Preferences and Restrictions attached to each class of Shares are here under:

EQUITY SHARES:- The Company has one class of Equity shares having a par value of RS 10 each.

Each holder of Equity shares entitled to one vote per share.

6 % CRPS:- Such shares have right of 6 % dividend with no voting right and preference of repayment over 1 % CRPS .

6% Optionally Convertible Cumulative Redeemable Preference Share (OCCPS):

Such Shares have right of 6 % Cumulative dividend with no voting right and preference of repayment over CRPS other than 6 % CRPS which is at par in repayment and dividend with OCCPS.

1 % Cumulative redeemable preference share:

1 % Cumulative redeemable preference share of Category 'C' which have preference of repayment over Category 'D' 1% CRPS.

TERMS OF CONVERSION OF 6 % OPTIONALLY CONVERTIBLE CUMULATIVE PREFERENCE SHARES:

6 % OCCPS holders have right to exercise their option to convert into Equity shares within 18 months at par from the date of allotment i.e. 22.08.2012. If such option within the stipulated period is not exercised, it will be treated as CRPS of 6 % coupon rate and will be redeemed w.e.f 01.02.2017 to 31.01.2019.

REPAYMENT TERMS OF CRPS:

Earliest date of redemption of 6 % CRPS and 1 % CRPS is w.e.f. 01.02.2017 to 31.01.2019

Detail of Shares reserved under option and Contracts/Commitment:

In Terms of sanction letter from banks, the Company is required to issue –

1516.13 lacs (P.Y. 1457.90 lacs) Equity shares of Rs. 10 each at par aggregating to Rs.15161.28 Lacs (P.Y. Rs.14579.00 lacs)

- (i). 11661448 - 1% CRPS are issued in settlement of claims for consideration other than cash in last 5 financial years - (P.Y. Nil)
- (ii). Bonus Shares in last 5 financial years - Nil (P.Y. Nil)
- (iii). Shares bought back in last 5 financial years - Nil (P.Y. Nil)

AS AT
31.03.13
Rs.(in Lacs)

AS AT
31.03.12
Rs.(in Lacs)

Details of Share holders holding more than 5 % Share Capital

PARTICULARS	As at 31 Mar'2013	Percentage (%)	As at 31 Mar'2012	Percentage (%)
Equity Shares:				
Pacific Texmark Pvt. Ltd.	2835872	7.25	2835872	7.25
Billsworth Inestment Pvt. Ltd	2000000	5.11	2000000	5.11
6% OCCPS				
State Bank of India	-	-	40376560	31.42
State Bank of Patiala	-	-	23081900	17.96
State Bank of Mysore	6601506	24.51	12155480	9.46
State Bank of Hyderabad	3960904	14.71	9665390	7.52
Punjab National Bank	13203013	49.02	14357330	11.17
Syndicate Bank	-	-	7416190	5.77
UCO Bank	-	-	6813950	5.30
ICICI Bank Ltd.	2112482	7.84	-	-
6% CRPS				
IDBI Bank Ltd.	-	-	1413076	100.00
State Bank of India	40376560	31.08	-	-
State Bank of Patiala	23081900	17.77	-	-
State Bank of Mysore	12155480	9.36	-	-
State Bank of Hyderabad	9665390	7.44	-	-
Punjab National Bank	14357330	11.05	-	-
Syndicate Bank	7416190	5.71	-	-
UCO Bank	6813950	5.25	-	-
1% CRPS				
Development Credit Bank Ltd.	11661448	10.50	-	-
State Bank of India	38384749	34.55	38384749	38.60
ICICI Bank Limited	9816345	8.84	9816345	9.87
HDFC Bank	15482087	13.93	15482087	15.57
Standard Chartered Bank	35749418	32.17	35749418	35.95

2. RESERVES AND SURPLUS

A Capital Reserve

At the Beginning and at the end of the year 260.00 260.00

B Securities Premium

At the Beginning of the year 16,668.93 16,668.93

Add: Share Premium - -

At the end of the year 16,668.93 16,668.93

C General Reserves

At the Beginning and at the end of the year 7,999.30 7,999.30

D Statement of Profit and Loss Account

Loss at the Beginning of the year (69,312.32) (41,561.91)

Add: Loss for the year (11,529.84) (27,750.41)

Loss at the end of the year (80,842.16) (69,312.32)

Total (55,913.93) (44,384.09)

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
3. LONG TERM BORROWINGS		
Secured Loans		
(a) Term Loans		
(1) Banks & Financial Institutions (See Note Below i, ii & iii)	66,159.17	67,645.39
(2) Others (Vehicle Loan) (See Note Below 3.3)	-	5.78
(i) Term loans Rs. 54375.99 Lacs from Bank & Financial Institutions are Secured by First Pari - Passu charge created on Fixed Assets and second pari - passu charge on current assets of the Company, alongwith Personal Guarantees of promoter Directors.		
(ii) WCTL Rs. 8885.54 Lacs and FITL Rs. 2897.64 Lacs from bank & Financial Institutions are secured by first pari- passu charge on fixed assets of the company, alongwith Personal Guarantees of promoter Directors.		
(iii) Company has defaulted in repayment of term loan to the banks as under:		
Term Loan w.e.f.		
Rs. 1500 Lacs Feb. 2009		
Rs. 1000 Lacs Mar. 2009		
Unsecured Loans		
(a) Loans and Advances from Related Parties (Refer Note No. 3.2)	2,470.00	2,549.71
Total	68,629.17	70,200.88
3.1 Maturity Profile of Term Loans from Banks & Financial Institutions		
By order dated 02.09.2011 of Hon'ble BIFR and order dt. 12.03.2012 of Hon'ble AAIFR, the amount of Bank and Financial Institutions becoming due after May 2011 are deferred till the date of sanction of the scheme by Hon'ble BIFR, such amount has been Considered as long term borrowing and will be dealt with in terms of draft rehabilitation scheme on sanction by hon'ble BIFR."		
3.2 Maturity Profile of Unsecured Loans		
Particular Amount Period		
(Principal) 2470.00 2014-15		
3.3 Maturity Profile of Vehicle Loans		
Particular Amount Period		
--- Nil ---		
(Principal) (5.78) (2013-14)		
4. OTHER LONG TERM LIABILITIES		
Interest accrued but not due on borrowing (Refer Note No. 3.1 above)	13,666.72	5,498.45
Total	13,666.72	5,498.45
5. LONG TERM PROVISION		
Provision for Employee's Benefits (Refer Note No 43)	315.01	288.54
Total	315.01	288.54
6. SHORT TERM BORROWINGS		
SECURED LOANS		
Loan repayable on Demand		
From Banks (Working Capital)	39,351.28	39,971.08
Total	39,351.28	39,971.08
1 Working capital Rs. 39351.28 Lacs from banks are secured by first pari-passu charge on current assets and second pari - passu charge on fixed assets of the company, alongwith Personal Guarantees of Promoter Directors.		

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
7. TRADE PAYABLE		
(a) Micro, Small & Medium Enterprises	57.92	11.58
(b) Other	6,059.48	5,425.75
Total	6,117.40	5,437.33
7.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act,2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31 st March, 2013 as per the terms of Contract relied upon by auditors.		
8. OTHER CURRENT LIABILITIES		
(a) Current maturities of Long-Term Debt	7.16	29.49
(b) Unpaid Dividend	8.54	10.74
(c) Interest accrued and due on Borrowing (Refer Note No. 8.1)	875.52	820.09
(d) Interest accrued but not due on Borrowing (Refer Note No. 8.1)	671.48	-
(d) Other Payable		
(1) Expenses Payable (Refer Note No. 8.2)	4,065.49	4,044.52
(2) Creditors for Fixed Assets	178.12	320.18
(3) Book Overdraft	94.72	176.54
(4) Advance from Customers	427.69	157.19
Total	6,328.72	5,558.75
8.1 Company has defaulted in payment of interest to bank amounting to Rs. 1346.91 lacs (P.Y. Rs. 820.09 Lacs) from Feb. 2009 onwards.		
8.2 Expenses Payable include the liabilities to employees, Sales Tax/VAT, other taxes, Rebate & Discount etc.		

9. FIXED ASSETS

Rs. in Lacs										
Particulars	Gross Block				Depreciation				Net Block	
	Opening Balance	Addition for the year	Deduction/ Sale	Total Upto 31.03.2013	Opening Balance	For The Year	Written Back	Total Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
TANGIBLE ASSETS										
Leasehold Land	1301.37			1301.37	122.20	13.84		136.04	1165.33	1179.17
Free Hold Land	724.01			724.01					724.01	724.01
Building	14488.09	36.73		14524.82	2454.57	485.93		2940.50	11584.32	12033.52
Plant & Machinery	61610.35	89.11	184.11	61515.35	18031.89	3873.39		21905.28	39610.07	43578.46
Furniture & Fixture	366.37	17.59		383.96	157.98	22.70		180.68	203.28	208.39
Vehicles	534.80	0.20	12.74	522.26	247.70	48.16	6.07	289.79	232.47	287.10
Office Equipments	220.39	21.94	0.27	242.06	70.65	11.42	0.06	82.01	160.05	149.74
Computers	665.57	21.91		687.48	618.41	18.39		636.80	50.68	47.16
Sub Total :	79910.95	187.48	197.12	79901.31	21703.40	4473.83	6.13	26171.10	53730.21	58207.55
INTANGIBLE ASSETS										
Computer (Software)	60.83	7.61		68.44	42.07	5.10		47.17	21.27	18.76
Brand & Trade Mark	646.05			646.05	601.13	16.24		617.37	28.68	44.92
Sub Total :	706.88	7.61		714.49	643.20	21.34		664.54	49.95	63.68
Total :	80617.83	195.09	197.12	80615.80	22346.60	4495.17	6.13	26835.64	53780.16	58271.23
Previous Year	79975.17	662.17	19.51	80617.83	17794.75	4560.42	8.57	22346.60	58271.23	
Capital Works in Progress									705.24	574.40

* The historical cost of plant and machinery has undergone a change due to change in taxes.

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
10. NON - CURRENT INVESTMENTS (AT COST)		
Long Term (Fully Paid Unless Otherwise Stated)		
Other Investment		
Investment in Equity Instruments		
(A) QUOTED SHARES		
13400 (13400) Equity Shares of Rs. 10/- each of Kay Power and Paper Ltd. Market Value - Rs. 199258/- (Rs. 95274/-)	1.34	1.34
720 (720) Equity Shares of Rs. 10/- each of Parasram Puria Synthetics Ltd. (Market Value - Not Available)	0.22	0.22
2000 (2000) Equity Shares of Rs. 10/- each of Global Syntex (Bhilwara) Ltd. (Partly of Rs. 5/- each Paid-up) (Market Value - Not Available)	0.10	0.10
(B) UNQUOTED SHARES		
2450 (2450) Shares of Colombine Cody Corp. N.P.V	4.12	4.12
Other Non - Current Investments (At Cost)		
SUBSIDIARY COMPANIES		
15 (15) Equity Shares At N.P.V of Alps USA Inc.	500.78	500.78
2259990 (2259990) Equity Shares of Rs. 10/- each of Snowflakes Meditech Pvt. Ltd.	226.00	226.00
2259990 (2259990) Equity Shares of Rs. 10/- each of Alps Energy Pvt. Ltd.	226.00	226.00
Total	958.56	958.56
11. LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Capital Advance	131.14	75.79
Security Deposits	696.76	693.75
Total	827.90	769.54
12. OTHER NON CURRENT ASSETS		
(Unsecured)		
Considered Good	231.45	216.41
Considered Doubtful	16.19	16.19
Less : Provision as Doubtful for realisation	(16.19)	(16.19)
Minimum Alternate Tax Adjustable	322.81	322.81
Total	554.26	539.22
13. CURRENT INVESTMENT		
Investment in Mutual Funds		
20000 (20000) unit of Rs. 10/- each of SBI Magnum Equity Fund (Formerly Known as SBI One India Fund) Market Value - Rs. 546370/- (Rs. 206200/-)	2.00	2.00
19560 (19560) Unit of Franklin India High Growth Co. Market Value - Rs. 269525/- (Rs. 236636/-)	2.00	2.00
100000 (100000) Unit of Rs. 10/- each of SBI Infrastructure Fund Market Value - Rs. 727750/- (Rs. 781000/-)	10.00	10.00
2930 (2930) Unit of Reliance Growth Fund Market Value - Rs. 1291407/- (Rs. 1283987/-)	10.00	10.00
10000 (10000) of Rs.10/- each of UTI Infrastructure Advantage Fund-Series-I Market Value - Rs. 264611/- (Rs. 70659/-)	1.00	1.00
Total	25.00	25.00

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
14. INVENTORIES		
(Valued as per Accounting Policy)		
Raw Materials	21,932.03	19,514.49
Work-in-Progress (Refer Note No. 48)	4,389.02	3,898.35
Finished Goods (Refer Note No. 48)	8,767.22	6,477.11
Stores & Spares Parts	470.10	383.04
Total	35,558.37	30,272.99
15. TRADE RECEIVABLES		
Outstanding for a Period Exceeding Six Months from the date they are due for payment		
Unsecured Considered		
Good	1,438.06	1,167.09
Doubtful	101.15	83.98
Less: Provision for Doubtful Receivable	101.15	83.98
	1,438.06	1,167.09
Other Trade Receivable		
Unsecured Considered Good	9,615.95	12,175.16
Total	11,054.01	13,342.25
16. CASH & BANK BALANCES		
i) Cash and Cash Equivalents		
In Current Accounts	1,599.46	663.84
In Unpaid Dividend Accounts	8.54	10.84
Cheques and Draft on Hand	2.97	3.75
Cash on Hand	131.74	69.00
	1,742.71	747.43
ii) Other Bank Balances		
In Fixed Deposit (Pledged for Margin and other Commitments)	2,401.20	1,328.06
Total	4,143.91	2,075.49
17. SHORT TERMS LOANS & ADVANCES		
(Unsecured, Considered Good)		
(A) Loans & Advances to Related Parties	6.61	449.67
(With Subsidiaries Company)		
(B) Others		
Balances With Revenue Authorities	189.45	153.05
Advance Income Tax /TDS Recoverable	45.22	21.34
Other Receivables #	734.22	1,191.41
Total	975.50	1,815.47
# Includes Advance to Suppliers, Staff, Prepaid Expenses, TUFS Subsidy Receivable etc.		
18. OTHER CURRENT ASSETS		
Export Incentive Receivable	512.54	501.15
Insurance and other Claim Receivable	28.31	240.37
Interest Accrued but not due	74.92	30.03
Total	615.77	771.55

NOTES FORMING PART OF ACCOUNTS

		Year Ended 31.03.13 Rs.(in Lacs)	Year Ended 31.03.12 Rs.(in Lacs)
19. REVENUE FROM OPERATIONS			
(A) Sales of Products			
Export		19,146.09	19,865.45
Domestic (Including Traded Goods)		48,940.01	44,859.60
Sub Total (A)		68,086.10	64,725.05
(B) Other Operating Revenues			
Scrap/Waste Sale		1,223.65	1,140.53
D.E.P.B./Duty Drawback/Export Incentives		932.37	1,184.69
Job Work Income		77.21	53.93
Sub Total (B)		2,233.23	2,379.15
Total (A+B)		70,319.33	67,104.20
(Rs. in Lacs)			
Details of Product Sold	2012-13	2011-12	
Yarn	50908.03	45788.21	
Fabric/Made up/Fashion	13625.72	15144.94	
Architectural Product	1961.65	2287.85	
Others	1590.70	1504.05	
Total	68086.10	64725.05	
20. OTHER INCOME			
(a) Income from Interest		225.23	113.72
(b) Other Non Operating Income		44.26	336.86
(c) Net Gain/Loss on Foreign Currency exchange fluctuation		349.37	541.16
Total		618.86	991.74
21. COST OF MATERIAL CONSUMED (Refer Note No. 46)			
Opening Stock		19,514.49	28,898.46
Add: Purchases		50,446.21	46,628.76
Total		69,960.70	75,527.22
Less: Closing Stock		21,932.03	19,514.49
Total		48,028.67	56,012.73
22. PURCHASE OF STOCK-IN-TRADE (Refer Note No. 47)			
		523.89	499.43
23. CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROGRESS			
Inventories (at commencement)			
Finished Goods		6,477.11	11,455.60
Stock-in-Progress		3,898.35	5,976.17
Sub Total (A)		10,375.46	17,431.77
Inventories (at end)			
Finished Goods		8,767.22	6,477.11
Stock-in-Progress		4,389.02	3,898.35
Sub Total (B)		13,156.24	10,375.46
Total (A-B)		(2,780.78)	7,056.31

NOTES FORMING PART OF ACCOUNTS

	Year Ended 31.03.13 Rs.(in Lacs)	Year Ended 31.03.12 Rs.(in Lacs)
24. EMPLOYEE BENEFIT EXPENSES		
Salaries Including other Benefits	2,819.72	2,351.51
Wages Including other Benefits	3,215.17	2,593.62
Contribution to Provident & other Funds-Wages	128.21	128.88
Contribution to Provident & other Funds-Salary	35.55	35.61
Gratuity	51.42	31.99
Staff Welfare	106.25	77.54
Managerial Remuneration (Refer Note No. 45)	29.66	30.44
Total	6,385.98	5,249.59
25. FINANCIAL EXPENSES		
Interest to Banks & Financial Institutions	9,707.03	9,468.20
Interest to others	354.12	474.82
Other Borrowing Costs	58.87	156.09
Total	10,120.02	10,099.11
26. OTHER EXPENSES		
Manufacturing Expenses		
Production Expenses	666.52	657.62
Security & Vigilance	47.76	60.44
Consumption of Stores & Spares	1,322.57	1,174.40
Power & Fuel	6,027.12	5,107.74
Carriage & Cartage	133.81	96.85
Administrative Expenses		
Rent	384.31	375.31
Insurance	158.87	161.89
Rates & Taxes	42.85	61.49
Postage & Telegram	17.01	20.80
Printing, Stationery & Computer Expenses	68.14	66.36
Legal & Professional Expenses	207.84	251.78
Travelling & Conveyance - Others	467.96	374.54
Travelling & Conveyance - Directors	17.03	20.06
Telephone & Fax	62.78	62.41
Books & Periodicals	1.07	0.79
Fees & Subscription	17.83	17.46
General Expenses	62.95	70.01
Bank Charges	53.85	65.76
Payment to Auditors (Refer Note 31)	16.90	17.18
Vehicle Running Expenses	110.26	107.15
Donation	0.16	0.07
Hank Yarn Obligation	50.46	30.12
Loss on Insurance Claim	84.75	-
Loss on Sale of Fixed Assets	0.18	4.45

NOTES FORMING PART OF ACCOUNTS

	Year Ended 31.03.13 Rs.(In Lacs)	Year Ended 31.03.12 Rs.(In Lacs)
Repairs & Maintenance		
Building	18.72	60.66
Machinery	97.00	65.03
Others	71.54	49.98
Selling & Distribution Expenses		
Packing & Forwarding	1,794.69	1,381.31
Sales Promotion & Incentives	800.17	688.30
Cash Discount	30.60	16.52
Bad Debts	121.56	68.57
Provision for doubtful Debts	98.51	64.12
Advertisement & Publicity	92.66	26.95
VAT/Sales Tax Paid	8.69	2.28
Freight on Exports	779.12	656.14
Sub Total	13,936.24	11,884.54
Prior Period Expenses (Net)	295.95	13.08
Total	14,232.19	11,897.62

NOTES FORMING PART OF ACCOUNTS

27. Basic & Diluted Earning Per Share

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Profit/(Loss) for the Year before Preference Dividend and attributable tax thereon (Rs. in Lacs)	(11529.84)	(27750.41)
Less:- Preference Dividend and attributable tax	(1140.51)	(1016.61)
Profit/(Loss) attributable to the Equity shareholders after Preference Dividend and attributable tax thereon (Rs. in Lacs) - (A)	(12670.35)	(28767.02)
Weighted average number of Equity Shares outstanding during the year - (B)	39114100	39114100
Nominal value of Equity Shares (Rs.)	10.00	10.00
Basic & Diluted Earnings per share (Rs.)	(32.39)	(73.55)

Note : Since the diluted negative EPS is less than basic EPS hence the basic and diluted EPS is considered same.

28. Earnings in Foreign Exchange

Rs in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
F.O.B. Value of Exports	17647.79	19067.43

29. Value of consumption of Raw Materials & Stores imported & indigenous and % of each to total consumption:

Rs in Lacs

Particulars	For the Year ended 31 st March 13	% of consumption	For the Year ended 31 st March 12	% of consumption
Raw Material				
Imported	1525.10	3.18	3290.62	5.87
Indigenous	46503.57	96.82	52722.11	94.13
Total	48028.67	100.00	56012.73	100.00
Stores				
Imported	292.42	22.11	190.23	16.20
Indigenous	1030.15	77.89	984.17	83.80
Total	1322.57	100.00	1174.40	100.00

30. C.I.F. Value of Imports

Rs in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Raw Materials	1321.06	2253.54
Capital Goods	31.18	-
Components & Spare Parts	265.51	143.61

NOTES FORMING PART OF ACCOUNTS

31. Payment to Auditors

Particulars	Rs in Lacs	
	For the year ended 31 st March 13	For the year ended 31 st March 12
a. Audit Fee	13.52	13.32
b. Other Services	3.38	3.86

32. Expenditure in Foreign Currency

Particulars	Rs in Lacs	
	For the year ended 31 st March 13	For the year ended 31 st March 12
Foreign Travels	27.39	15.89
Interest	2.53	28.98
Others	392.71	435.74

33. Related Party Transactions

The members of the Board are interested in the following entities, covered under the Related Party transactions, but there were no material transactions entered into with any of these entities. However the details of transactions with them are given below:

Name of related parties and description of relationship as required by AS-18:

Subsidiary Companies: : Alps Energy Pvt. Ltd.,
Snowflakes Meditech private Ltd (Formerly known as Alps Retail Pvt Ltd),
Wholly owned Subsidiary: Alps USA INC.

Entities controlled by Subsidiaries, Key Managerial Personnel and their Relatives : Alps Processers Pvt. Ltd., Careen Fintec (P.) Ltd., Coronation Spinning India (P) Ltd., Pacific Texmark Pvt. Ltd. (Formerly known as Alps Infin Pvt. Ltd.), Padam Precision Dies & Component Pvt. Ltd., Peek Finvest (P) Ltd., Perfect Finmen Services (P) Ltd., Roseate Finvest Pvt. Ltd., Saurabh Floriculture (P) Ltd., Supreme Finvest Pvt. Ltd. and Aspen Enterprises.

Key Managerial Personnel and their Relatives : 1. Mr. K.K Agarwal
2. Mr. Sandeep Agarwal
3. Mrs. Nidhi Agarwal
4. Mr. P.K. Rajput

NOTES FORMING PART OF ACCOUNTS

Rs. in Lacs

Nature of Transaction	Transactions with Subsidiary Companies	Transactions with Key Managerial Personnel	Transactions with relatives of Key Managerial Personnel	Transactions with Entities controlled by Key Managerial Personnel, their relatives & subsidiaries
	For the Year ended 31 st March 13	For the Year ended 31 st March 13	For the Year ended 31 st March 13	For the Year ended 31 st March 13
1. Sale of Goods	3.65 (NIL)	NIL (NIL)	NIL (NIL)	823.14 (NIL)
2. Purchase of Goods (including job work)	NIL (NIL)	NIL (NIL)	NIL (NIL)	1.78 (NIL)
3. Allotment of equity shares along with premium	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4. Interest Paid	172.90 (152.66)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5. Interest Received	30.27 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
6. Advances/Loans taken	NIL (1970.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)
7. Remuneration & Sitting Fee	NIL (NIL)	29.96 (30.84)	9.60 (9.60)	NIL (NIL)
8. Repayment of Loan/advance Given	443.06 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
9. Balance at year end (Cr.)	2470.00 (2549.71)	NIL (NIL)	NIL (NIL)	NIL (NIL)
10. Balance at year end (Dr.)	6.61 (449.67)	NIL (NIL)	NIL (NIL)	NIL (NIL)

NOTES FORMING PART OF ACCOUNTS

34. The segment disclosure as per Accounting Standard –17 on “Segment Reporting” (AS-17) issued by the Institute of Chartered Accountants of India is as under:

Primary Segments

Rs. in Lacs

Particulars	SEGMENTS							
	Home Furnishing & Fashion Accessories		Yarn		Architectural Products		Total	
Year	For the year ended 31 st March 2013	For the year ended 31 st March 2012	For the year ended 31 st March 2013	For the year ended 31 st March 2012	For the year ended 31 st March 2013	For the year ended 31 st March 2012	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Segment Revenues	14126.85	15897.15	53881.54	48428.85	3102.09	3706.21	71110.48	68032.21
Less Inter Segment Revenue	422.40	385.20	665.50	783.05	-	3.05	1087.90	1171.30
Net Segment Revenue	13704.44	15511.95	53216.04	47645.80	3102.09	3703.16	70022.58	66860.91
Segment Results	(3002.70)	(5408.23)	2628.08	(13202.79)	(487.94)	195.83	(862.55)	(18415.19)
Less Financial Expenses	-	-	-	-	-	-	(10120.02)	(10099.11)
Less Un-allocable expenses	-	-	-	-	-	-	(1166.14)	(227.85)
Add Other Income	-	-	-	-	-	-	618.86	991.74
Profit before tax	-	-	-	-	-	-	(11529.84)	(27750.41)
Other Informations								
Segment Assets	36549.09	37057.38	65318.30	65558.58	2502.22	2993.60	104369.61	105609.56
Unallocated Assets							4829.07	3806.14
Total Assets							109198.68	109415.70
Segment Liability	20455.91	22735.65	27171.70	23583.03	1885.18	2468.96	49512.79	48787.65
Unallocated liability							84895.52	78167.38
Share Capital, Reserve & Surplus and Profit & Loss							(25209.63)	(17539.33)
Total Liability							109198.68	109415.70
Capital Expenditure	(71.70)	36.12	60.63	246.29	11.45	17.13		
Depreciation	1553.84	1572.15	2860.67	2914.38	58.16	54.54		
Non Cash Expenses	-----	-----	-----	-----	-----	1.32		

-Previous year figures have been regrouped or rearranged to make them comparable with those of current year.

NOTES FORMING PART OF ACCOUNTS

Secondary Segments

Rs. in Lacs

Particulars	SEGMENTS				Total	
	Domestic		Export			
	For the Year ended 31 st March 13	For the Year ended 31 st March 12	For the Year ended 31 st March 13	For the Year ended 31 st March 12	For the Year ended 31 st March 13	For the Year ended 31 st March 12
Segment Revenue	50876.49	46995.46	19146.09	19865.45	70022.58	66860.91

35. Contingent Liabilities and Commitments

A) Contingent liability exists in respect of:

Rs. in Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
a) Guarantees issued by banks on behalf of company.	327.71	375.02
b) Letters of Credit outstanding (trade)	35.31	139.95
c) Claims against the company not acknowledged as debts	319.01	428.50
d) Other Claims against the company not acknowledged as debt :		
I. The Company had certain exotic derivative transactions with ABN Amro Bank, which the Company has disputed in competent court of law in an earlier year. Till that time the ABN Amro bank had communicated estimated liability of the Company against these transactions of Rs. 12530 Lacs (P.Y. Rs. 12530 Lacs). Subsequently, the deal was expired in June 2010 and as per assessment by the independent agency, the value of this deal is Rs. 30800 Lacs as of June 2010 (negative to the Company) excluding any fee or any amount received/ paid or payable on settlement. However bank has not communicated any further amount to the company. On the basis of legal opinion, the Company has not admitted the claim and matter became subjudice and the competent court had issued an interim order for maintenance of status quo with regard to recovery towards these transactions which is still continued. In view of above facts, no provision against these transactions is considered necessary.		
II. Kotak Mahindra Bank Limited filed an Original Application (O.A.) before Hon'ble Debt Recovery Tribunal-II, Mumbai (DRT) for recovery of it's claim amounting to Rs. 601.11 lacs (P.Y. Rs. 601.11 lacs) in respect of certain foreign currency derivative transactions against which vide an interim order Hon'ble DRT has restrained the company to sale of its certain Fixed Assets. Hon'ble Debt Recovery Appellate Tribunal (DRAT) Mumbai, on appeal of the company, has set aside the said order of the DRT. Aggrieved with the order of DRAT, Kotak Mahindra Bank has filed a writ before Bombay High Court. The Hon'ble High Court has stayed the order of DRAT & allowed the operation of order of DRT till next order, where the matter is pending adjudication. Besides this, subsequently Kotak Mahindra Bank has also raised a claim of Rs. 1435 Lacs (P.Y. Rs. 1435 Lacs) in respect of these foreign currency derivative transactions. Based on the legal advice, these claims have not been admitted & these derivative transactions have been disputed in the civil court of law pending adjudication. In view of above facts, no provision against these transactions is considered necessary.		
III. DBS Bank Ltd. have lodged claims amounting to US\$ 91.09957 Lacs & Rs. 667.39 lacs totaling to Rs. 5622.23 lacs, approx (P.Y. Rs. 5327.63 lacs approx) against the Company in respect of certain foreign currency derivative transactions. Based on the legal advice, the claims have not been admitted & these transactions have been disputed in the civil court of law against which the Company has got an interim order for maintenance of status quo with regards to recovery towards these transactions which is still continued. In view of above facts, no provision against these transactions is considered necessary.		
IV. Merrill Lynch Capital Services Inc. raised a claim of US\$ 195.80 Lacs, Rs. 10649.42 Lacs approx (P.Y. US\$ 195.80 Lacs, Rs. 10016.44 Lacs approx) the company in respect of a corporate guarantee of \$ 100 Lacs, Rs. 5438.93 lacs approx (P.Y. \$100 Lacs, Rs. 5115.65 Lacs approx) given by the company for one of its subsidiary company M/s Alps USA Inc. Based on legal advice, the company has not admitted and disputed the said claim which still is pending before the court of law. In view of above facts, no provision against above claim is considered necessary.		

NOTES FORMING PART OF ACCOUNTS

B) Commitments:-

(Rs. in Lacs)

31.03.2013 31.03.2012

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for: **183.05** Nil
- ii) Arrears of preferential dividend as on 31.03.2013 amounting to Rs.1891.07 Lacs (P.Y. amounting to Rs. 909.76 lacs).
- 36.** On Assessment with regard to Impairment of Assets it is ascertained that no potential loss is present. Accordingly no impairment loss has been provided in the books of account.
- 37.** Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.13 and the same results into the Deferred Tax Assets (net), which has not been recognized due to uncertainty of sufficient taxable income in future within reasonable period.
- 38.** The unclaimed dividend amounting to Rs. 2.17 Lacs for the Financial Year 2004-05 (Rs. 0.61 Lacs for the Financial Year 2003-04) & unclaimed application money received for allotment of equity share amounting to Rs. 3.24 Lacs has been transferred to the Investor Education and Protection Fund, as per the provisions of Section 205C of the Companies Act, 1956.
- 39.** The balances of sundry debtors, loans and advances and sundry creditors are subject to confirmation and reconciliation.
- 40.** Sales are net of rebate & discounts amounting to Rs. 643.21 Lacs (P.Y. 829.96 Lacs).
- 41.** Due to erosion of total Net worth of the company as per Audited Accounts as of 31st March 2010, the Company filed a reference with Hon'ble BIFR under section 15(1) of Sick Industrial Companies Act (SICA). The company was registered vide case no. 32/2010 as per BIFR's letter dated June 29, 2010 and subsequently after the hearings and finding justifications, BIFR declared the company as "Sick Industrial Company" under section 3 (1) (o) of the SICA vide their order dated 06.12.2010. In the same order Hon'ble BIFR, appointed the State Bank of India as the Operating Agency (O.A.). In Terms of the directions of the BIFR, Company has filed the Draft Rehabilitation Scheme (DRS) to Operating Agency (O.A.) on dated 31.05.2011 and thereafter the revised DRS also, which is pending consideration with O.A./BIFR
- 42.** CDR EG had sanctioned a rework scheme on 31st March 2011 w.e.f 1st January 2011 against its earlier restructured scheme dt 11th September 2009 , intimated vide LOA dated 4th May 2011, which has been withdrawn vide CDR EG letter dated November 16, 2012. However the individual sanctions of the lender banks are continued and binding.

43. Employee Benefits

The company has classified the various benefits provided to employees as under:

1. Defined Contribution plans:

The company has recognized the following amounts in the Statement of profit and loss :

Rs in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Employers contribution to Provident Fund and Employee's State Insurance Corporation	163.76	164.49

NOTES FORMING PART OF ACCOUNTS

2. Defined Benefit plans

I. Gratuity

II. Earned leave

In accordance with the Accounting Standard 15 (Revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below:

Particulars	Gratuity (Unfunded)		Earned Leave (Unfunded)	
	For the Year ended 31 st March 13	For the Year ended 31 st March 12	For the Year ended 31 st March 13	For the Year ended 31 st March 12
Discount Rate (per annum)	8.00%	8.50%	8.00%	8.50%
Future Salary Increase	6.00%	6.00%	6.00%	6.00%
In Service Mortality	Std of LIC (1994-96)	Std of LIC (1994-96)	Std of LIC (1994-96)	Std of LIC (1994-96)
Retiring Age	58 years	58 years	58 years	58 years
Withdrawal Rates:				
Up to 30 years	3%	3%	3%	3%
Up to 44 years	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%
I. Expenses recognized in Statement Profit & Loss				
Current Service Cost	59.65	43.63	30.79	21.36
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Interest Cost	17.06	22.13	6.02	6.84
Net Actuarial (Gain)/Loss recognized in the year	(25.71)	(36.01)	(14.57)	(9.04)
Total Expenses	51.00	29.76	22.24	19.16
II. Net Assets/(Liability) recognized in the Balance Sheet				
Present value of the Defined Benefit obligation	233.54	213.23	81.47	75.30
Fund Status (Deficit)	(233.54)	(213.23)	(81.47)	(75.30)
Net assets/(Liability)	(233.54)	(213.23)	(81.47)	(75.30)
III. Change in present value of obligation				
Present Value of obligation as at the beginning of the period	213.23	259.74	75.30	80.24
Interest Cost	17.06	22.14	6.02	6.84
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Current Service Cost	59.65	43.63	30.79	21.36
Benefits Paid	30.69	(76.27)	(16.08)	(24.10)
Actuarial (Gains)/Loss on obligation	25.71	(36.01)	(14.57)	(9.04)
Present Value of obligation as at the end of the period	233.54	213.23	81.47	75.30

44. Workers of Kashipur and Jaspur units have filed cases before the Industrial Tribunal/Labour Court, Haldwani, Uttarakhand u/s 33C-2 of the Industrial Dispute Act 1947 claiming total amount of Rs. 15064.97 Lacs, in respect of their alleged dues towards wages, retirement benefits etc. as per Hon'ble Court's notice dated 4th May 2013 received by the company which is being contested. The liability, if any, will be accounted for as and when the matter is finally decided.

NOTES FORMING PART OF ACCOUNTS

45. Managerial Remuneration

Rs in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Salary	28.41	26.78
Perquisites	1.25	3.66
Total	29.66	30.44

46. Particulars of Raw Material Consumption

Rs in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Cotton	35581.49	38253.25
Yarn	3099.44	2673.74
Fabric	5130.22	11570.12
Architectural Products	1888.49	1511.56
Others	2329.03	2004.06
Total	48028.67	56012.73

47. Details of Purchases of Stock-in-Trade

Rs in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Yarn	438.97	459.91
Fabric	84.92	39.52
Total	523.89	499.43

48. Inventories

Rs in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
-------------	---	---

Work-in-Progress

Cotton/Fibre	1794.85	1772.99
Yarn	2066.11	1650.23
Fabric/Made up	470.93	372.08
Others	57.13	103.05
Total	4389.02	3898.35

Finished Goods

Yarn	6811.01	5123.55
Fabric/Made up	1547.78	1044.12
Others	408.43	309.44
Total	8767.22	6477.11

NOTES FORMING PART OF ACCOUNTS

49. Exceptional Items

Rs in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Settlement of foreign exchange forward contract claims	1166.14	Nil
Preliminary & Deferred Revenue Expenditure	Nil	227.85
Total	1166.14	227.85

50. The previous period figures have been regrouped and rearranged, wherever necessary to make them corresponded with those of current period classification and disclosure.

As per our report of even date
For P. Jain & Co.
 Chartered Accountants
 (Firm Registration No. 000711C)

For and on behalf of the Board

Munish Kr. Jain
 Partner
 Membership No. 70335
 Place : Ghaziabad
 Date : May 30, 2013

A.K. Singhal
 President (F&A)

Ajay Gupta
 Company Secretary

Sandeep Agarwal
 Managing Director

P.K. Rajput
 Executive Director

CONSOLIDATED

Financial Statements for the year
ended 31st March, 2013



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INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
ALPS INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ALPS INDUSTRIES LIMITED** ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated financial statements.

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

Basis for Qualified Opinion

As discussed in Note Nos. 37 (A) (d) I, II and III to the notes to account, the company has not made any provision towards the losses on derivative contracts crystallized amounting to Rs. 38458 Lacs and claims of Rs. 5439 lacs against the corporate guarantee provided by the company on behalf of one of its subsidiary company (Refer to note no. 37 (A) (d) IV of notes to account), hence to that extent the loss as shown in statement of profit & Loss, accumulated losses and current liabilities is understated.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements 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:

- a) *in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;*
- b) *in the case of the Consolidated statement of Profit and Loss, of the loss of the group for the year ended on that date; and*
- c) *in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.*

Other Matters

We did not audit the financial statement of Alps USA Inc. whose financial statements reflect the groups total assets share of Rs. 287.72 Lacs as at 31st March, 2013 and total revenue expenses of Rs. 0.10 Lac and total cash flow of Rs Nil for the year ended 31st March, 2013 (unaudited). These financial statements have been considered as authenticated and certified by the company's management and our opinion is based solely on the information and explanation given by the Company's management. The US \$ is translated into INR @ 54.39.

Our opinion is not qualified in respect of other matters.

For P. Jain & Co.
Chartered Accountants
(Firm Registration No. 000711C)

Munish Kr. Jain
Partner
Membership No. 70335

Place: Ghaziabad
Date: May 30, 2013

ALPS INDUSTRIES LTD. CONSOLIDATED

BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2013

	Notes	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	30,704.31	26,844.76
Reserves and Surplus	2	(54,333.49) (23,629.18)	(42,751.12) (15,906.36)
Non-Current Liabilities			
Long-Term Borrowings	3	66,159.17	67,651.17
Deferred Tax Liabilities(Net)	4	13,524.09	5,498.45
Other Long Term Liabilities	5	315.01	288.54
Long-Term Provisions		79,998.27	73,438.16
Current Liabilities			
Short-Term Borrowings	6	39,351.28	39,971.08
Trade Payables	7	6,235.61	5,559.01
Other Current Liabilities	8	6,805.55	5,645.63
Short-Term Provisions	9	2.81	44.60
		52,395.25	51,220.32
(5) Minority Interest		910.19	927.57
Total		109,674.53	109,679.69
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		54,782.83	59,266.45
Intangible Assets		49.95	63.68
Capital Work in Progress (Tangible)		705.24	574.40
Non-Current Investments	11	5.78	5.78
Long-Term Loans And Advances	12	827.90	769.54
Other Non-Current Assets	13	554.37	539.41
		56,926.07	61,219.26
Current Assets, Loans & Advances			
Current Investments	14	25.00	25.00
Inventories	15	35,559.28	30,273.91
Trade Receivables	16	11,055.98	13,554.57
Cash & Bank Balances	17	4,454.62	2,442.40
Short-Term Loans & Advances	18	989.16	1,382.67
Other Current Assets	19	664.42	781.88
		52,748.46	48,460.43
Total		109,674.53	109,679.69

Significant Accounting Policies and other

Notes on Financial Statements

1-53

Notes referred to above form an integral part of Financial Statements

As per our report of even date

For and on behalf of the Board

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. 000711C)

Sandeep Agarwal
Managing Director

Munish Kr. Jain

Partner

Membership No. 70335

Place : Ghaziabad

Date : May 30, 2013

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

P.K. Rajput
Executive Director

STATEMENT OF PROFIT & LOSS

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

	Notes	31.03.13 Year Ended Rs.(in Lacs)	31.03.12 Year Ended Rs.(in Lacs)
Revenue from operations			
Sale of Products	20	70,350.74	64,725.05
Other Operating Revenues		2,233.23	2,379.15
Less Excise Duty		296.75	243.29
Net Revenue		72,287.22	66,860.91
Other Income	21	617.68	1,140.18
Total Revenue		72,904.90	68,001.09
Expenses			
Cost of Materials Consumed	22	48,032.19	56,012.73
Purchase of Stock-in-Trade	23	3,026.10	499.43
Changes in Inventories of Finished Goods and Work-in-Progress	24	(2,780.78)	7,056.31
Employee Benefit Expenses	25	6,388.39	5,249.60
Finance Cost	26	9,949.13	9,946.43
Depreciation/Amortization of Expenses	10	4,501.45	4,566.70
Other Expenses	27	14,235.65	11,992.66
Total Expenses		83,352.13	95,323.86
Profit/(Loss) Before exceptional and extraordinary items and Tax		(10,447.23)	(27,322.77)
Exceptional Items	52	1,166.14	227.85
Profit/(Loss) after Exceptional items and before Tax and Extraordinary Item		(11,613.37)	(27,550.62)
Tax Expense			
Excess Provision of Income Tax Written Back		(16.92)	-
Current Tax		2.81	44.60
Profit/(Loss) After Tax		(11,599.26)	(27,595.22)
Less: Minority Interest		(17.36)	37.04
Profit/(Loss) for the Year		(11,581.90)	(27,632.26)
Basic & Diluted Earning Per Share(Rs.)	28	(32.53)	(73.24)

Significant Accounting Policies and other
Notes on Financial Statements

1-53

Notes referred to above form an integral part of financial statements.

As per our report of even date
For P. Jain & Co.
Chartered Accountants
(Firm Registration No. 000711C)

For and on behalf of the Board

Munish Kr. Jain
Partner
Membership No. 70335
Place : Ghaziabad
Date : May 30, 2013

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED

Rs. In Lacs

	31.03.2013	31.03.2012
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	(11,613.37)	(27,550.62)
Adjustment for :		
Depreciation & Amortisation	4,501.45	4,566.70
Interest Received	(224.05)	(125.20)
Finance Cost	9,949.13	9,946.43
Loss on Sale of Assets	0.17	4.45
Loss/(Profit) on Sale of Investment		(136.96)
Exchange Fluctuation	(0.49)	(0.94)
Exceptional Items	1,166.14	227.85
Operating Profit Before Working Capital Changes	15,392.35	14,482.33
	3,778.98	(13,068.29)
Adjustment for Working Capital Changes		
Inventories	(5,285.37)	16,537.53
Trade & other Receivable	2,963.91	1,396.43
Trade Payable & other Liabilities	9,888.64	2,348.03
Direct Taxes received/ (Paid)	(55.35)	30.90
Net Cash from/ (used in) Operating Activities	11,290.81	7,244.60
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(325.93)	(485.38)
Proceeds from Fixed Assets	190.82	6.49
Interest Received	224.05	125.20
Proceeds from Investment		321.22
(Increase)/Decrease in Fixed Deposits	(1,073.14)	(398.91)
Net Cash from/ (used in) Investment Activities	(984.20)	431.37
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	(9,949.13)	(9,946.43)
Proceeds on Conversion of Borrowing(Net)	1,223.74	(2,401.17)
Proceeds from issue of share capital/premium		2,073.25
Repayment of Short Term Borrowing	(642.13)	3,497.42
Net Cash from/ (used in) Financing Activities	(9,367.52)	(6,776.93)
Net Increase in Cash & Cash Equivalents	939.08	36.29
Opening Balance of Cash and Cash Equivalents	814.34	778.05
Closing Balance of Cash and Cash Equivalents (refer note 17(ii))	1,753.42	814.34

Notes:

- Figure in brackets are for decrease.
- In term of CDR, Loans from Banks and Financial Institutions and interest thereon amounting to Rs.269341460/- (P.Y. Rs.1363785780/-) have been converted into Preference Share Capital.
- Previous years figures have been regrouped or rearranged to make them comparable with those of current year.

As per our report of even date
For P. Jain & Co.
Chartered Accountants
(Firm Registration No. 000711C)

For and on behalf of the Board

Munish Kr. Jain
Partner
Membership No. 70335
Place : Ghaziabad
Date : May 30, 2013

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

SIGNIFICANT ACCOUNTING POLICIES:

A. USE OF ESTIMATES:

The Preparation of the financial statements in conformity with accounting standard requires the Management to make estimates and assumptions that affect the reported accounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and the reported amount of income and expenses during the reporting period like useful lives of fixed assets, provision for doubtful debts/advances, provision for diminution in value of investments, provision for employee benefits, provision for warranties/discounts, allowances for certain uncertainties, provision for taxation, provision for contingencies etc. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

B. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:

The Financial Statements have been prepared on a going concern basis under the historical cost convention, on accrual basis unless specifically stated herein below and in accordance with the applicable Accounting standards (AS) issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

The financial statements of Alps Industries Ltd., the parent company, Snowflakes Meditech Pvt. Ltd (formally known as Alps Retail Pvt. Ltd.), Alps USA Inc., Alps Energy Pvt. Ltd. have been combined on line by line basis by adding together book values of like items of assets, liabilities etc. and by eliminating intra-group balances.

The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Minority interest has been excluded. Minority interest represents that part of the assets of subsidiaries that are not owned by the parent company.

C. REVENUE RECOGNITION:

Sales are recognized on completion of sale of goods (Export Sales are recognized on the basis of Shipping Bills prepared) and are net of trade discounts, rebates and inclusive of excise duty but excludes taxes on sales.

Export incentives are recognized as and when export sale is accounted for. Profit/Loss on sale of DEPB license is recognized in the year of sale.

D. FIXED ASSETS:

- a) All fixed assets are stated at cost, net of MODVAT/CENVAT less accumulated depreciation. Cost comprises cost of acquisition and all expenses incurred which are directly attributable, including cost of borrowings and exchange fluctuation, for bringing the assets into working condition for its intended use.
- b) Cost of assets not ready to put to use before year end are shown as 'Capital Work in Progress'.
- c) Goodwill comprises the excess of purchase consideration paid over the fair value of the net assets of the acquired company.

E. DEPRECIATION:

Depreciation on the fixed assets is provided on Straight Line Method at the rates and in the manner as prescribed in Schedule XIV to The Companies Act, 1956. Leasehold lands are amortised over the lease period. Brand & Trade Mark are being amortised over a period of ten years.

F. INVESTMENTS:

- a) Investments are carried at cost. However, provision for diminution in value is made to recognize any decline, other than temporary, in the value of investments.
- b) Investments that are readily realizable and intended to hold for not more than a year are classified as Current Investments. All other Investments are classified as Non Current Investment.

G. INVENTORIES :

Raw Material, Stores & Spares are valued at cost. Cost of raw material is determined by First in First Out (FIFO) formula except cotton, which is valued at weighted average cost.

Finished and Semi Finished goods produced and purchased, are valued at lower of cost or net realizable value. The identification of Semi Finished goods is done on the basis of location of the goods.

H. BORROWING COST:

Borrowing costs that are directly attributable to the acquisition or construction of fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized. Other borrowing costs are recognized as expense in the year in which they are incurred.

I. RETIREMENT AND OTHER EMPLOYEE BENEFITS :

The provision for gratuity liability and earned leaves are made in accordance with the actuarial valuation on projected unit credit actuarial method at the end of the year. The provisions for medical leaves are made on basis of leaves accrued to employees. Employers contribution to Employees Provident Fund are charged to Statement of Profit and Loss.

J. RESEARCH AND DEVELOPMENT COSTS :

Research & Development expenses of revenue nature are charged to Statement of Profit and Loss and those of capital nature are capitalized as Tangible/Intangible Assets.

K. DEFERRED REVENUE EXPENDITURE :

The expenses related to Preliminary and Capital Issue expenses are fully charged in the year in which these are incurred.

L. FOREIGN CURRENCY TRANSACTIONS :

- a) Transactions denominated in foreign currency are generally recorded at the exchange rate prevailing at the time of the transactions.
- b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c) Non monetary foreign currency items are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.
- e) The translation of financial statement of foreign subsidiary from the respective local currency to functional currency of the Company is performed for the balance sheet accounts using the exchange rate in effect at the balance sheet date and the resulting difference is presented as Foreign Currency Translation Reserve included in Reserve & Surplus.

M. IMPAIRMENT OF ASSETS :

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment, based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

N. TAXATION:

- a) Provision for current income tax is made in accordance with the applicable provisions of the Income Tax Act, 1961.
- b) Liability for deferred tax is provided while deferred tax asset is recognized only if there is virtual certainty of their realization in future in terms of Accounting Standard on "Deferred Tax Accounting" (AS-22) issued by the Institute of Chartered Accountants of India.

O. GOVERNMENT GRANTS:

Capital grants are accounted for and deducted from the respective assets in the year of receipt. The interest subsidy under TUFs Scheme have been considered on accrual basis and deducted from the interest expenditure.

P. OPERATING LEASE:

Lease payments are recognized as an expense in the Statement of Profit and Loss according to the terms and conditions of the respective agreement.

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
1. SHARE CAPITAL		
(A) Authorised Capital		
40000000(40000000) Equity Shares of Rs.10/-each	4,000.00	4,000.00
305000000(305000000) Preference Shares of Rs.10/-each	30,500.00	30,500.00
	34,500.00	34,500.00
(B) Issued , subscribed & paid up		
39114100(39114100) Equity Share of Rs.10/-each fully paid up	3,911.41	3,911.41
	3,911.41	3,911.41
111094047(99432599) 1% Cumulative Redeemable Preference Shares (1%CRPS) of Rs. 10/- each fully paid-up.	11,109.40	9,943.26
129900866(1413076) 6% Cumulative Redeemable Preference Shares (6%CRPS) of Rs. 10/- each fully paid-up.	12,990.09	141.31
26934146(128487790) 6% Optionally Cumulative Convertible Preference Shares (6%OCCPS) of Rs. 10/- each fully paid-up.	2,693.41	12,848.78
	26,792.90	22,933.35
	30,704.31	26,844.76

1.1 Reconciliation of Shares outstanding is Set out Below:

	No. of Shares			
Particulars	Beginning of the year	Issue during the year	Conversion during the year	At the end year
Equity Shares	39114100	NIL	Nil	39114100
6% CRPS	1413076	NIL	128487790	129900866
1% CRPS	99432599	11661448	Nil	111094047
6% OCCPS	128487790	26934146	-128487790	26934146

Right Preferences and Restrictions attached to each class of Shares are here under

EQUITY SHARES:- The Company has one class of Equity shares having a par value of Rs. 10/- each

Each holder of Equity shares entitled to one vote per share

6 % CRPS:- Such shares have right of 6 % dividend with no voting right and preference of Repayment over 1 % CRPS .

6% Optionally Convertible Cumulative Redeemable Preference Share (OCCPS)

Such Shares have right of 6 % Cumulative dividend with no voting right and preference of repayment over CRPS other than

6 % CRPS which is at par in Repayment and Dividend with OCCPS.

1 % Cumulative redeemable preference share:

1 % Cumulative redeemable preference share of Category 'C' which have preference of repayment over Category 'D' 1% CRPS.

TERMS OF CONVERSION OF 6 % OPTIONALLY CONVERTIBLE CUMULATIVE PREFERENCE SHARES:

6 % OCCPS holders have right to exercise their option to convert into Equity shares within 18 months at par from the date of allotment i.e. 22.08.2012.

If such option within the stipulated period is not exercised, it will be treated as CRPS of 6 % coupon rate and will be redeemed w.e.f 01.02.2017 to 31.01.2019.

REPAYMENT TERMS OF CRPS:

Earliest date of redemption of 6 % CRPS and 1 % CRPS is w.e.f. 01.02.2017 to 31.01.2019

Detail of Shares reserved under option and Contracts/Commitment:

In Terms of sanction letter from Banks:- The Company is required to issue –

1516.13 lacs (P.Y. 1457.90 lacs) Equity shares of Rs. 10 each at par aggregating to Rs.1516.28 lacs (P.Y. Rs.14579.00 lacs)

- 11661448 - 1% CRPS are issued in settlement of claims for consideration other than cash in last 5 financial years. (P.Y. Nil)
- Bonus Shares in last 5 financial years. - Nil (P.Y. Nil)
- Shares bought back in last 5 financial years.- Nil (P.Y. Nil)

NOTES FORMING PART OF ACCOUNTS

AS AT
31.03.13
Rs.(in Lacs)

AS AT
31.03.12
Rs.(in Lacs)

Details of Shareholders holding more than 5 % Share Capital

PARTICULARS	As at 31 Mar'2013 No. of Shares	Percentage (%)	As at 31 Mar'2012 No. of Shares	Percentage (%)
Equity Shares:				
Pacific Texmark Pvt. Ltd.	2835872	7.25	2835872	7.25
Billsworth Investment Pvt. Ltd	2000000	5.11	2000000	5.11
6% OCCPS				
State Bank of India	-	-	40376560	31.42
State Bank of Patiala	-	-	23081900	17.96
State Bank of Mysore	6601506	24.51	12155480	9.46
State Bank of Hyderabad	3960904	14.71	9665390	7.52
Punjab National Bank	13203013	49.02	14357330	11.17
Syndicate Bank	-	-	7416190	5.77
UCO Bank	-	-	6813950	5.30
ICICI Bank Ltd.	2112482	7.84		
6% CRPS				
IDBI Bank Ltd.	-	-	1413076	100.00
State Bank of India	40376560	31.08	-	-
State Bank of Patiala	23081900	17.77	-	-
State Bank of Mysore	12155480	9.36	-	-
State Bank of Hyderabad	9665390	7.44	-	-
Punjab National Bank	14357330	11.05	-	-
Syndicate Bank	7416190	5.71	-	-
UCO Bank	6813950	5.25	-	-
1% CRPS				
Development Credit Bank Ltd.	11661448	10.5	-	-
State Bank of India	38384749	34.55	38384749	38.60
ICICI Bank Limited	9816345	8.84	9816345	9.87
HDFC Bank	15482087	13.93	15482087	15.57
Standard Chartered Bank	35749418	32.17	35749418	35.95

2. RESERVES AND SURPLUS

A Capital Reserve

At the Beginning and at the end of the year 260.00 260.00

B Securities Premium

At the Beginning of the year 19,156.37 17,116.93

Add : Share Premium - 2,039.44

At the end of the year 19,156.37 19,156.37

C General Reserves

At the Beginning and at the end of the year 7,999.30 7,999.30

D Exchange Fluctuation Reserve

At the Beginning of the year 86.37 87.31

Less : Exchange Fluctuation (0.49) (0.94)

At the end of the year 85.88 86.37

E Statement of Profit And Loss Account

Loss at the Beginning of the year (69,540.30) (41,908.04)

Add: Loss for the year (11,581.90) (27,632.26)

Loss at the end of the year (81,122.20) (69,540.30)

Group Total : (53,620.65) (42,038.26)

Less : Minority Interest 712.84 712.86

Total : (54,333.49) (42,751.12)

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
3. Long Term Borrowings		
Secured Loans		
(a) Term Loans		
(1) Banks & Financial Institutions (See Note Below i, ii & iii)	66,159.17	67,645.39
(2) Others (Vechile Loan) (See Note Below 3.2)	-	5.78
(i) Term loans Rs. 54375.99 Lacs from Bank & Financial Institutions are Secured by First Pari - Passu charge created on Fixed Assets and second pari-passu charge on current assets of the Compnay, alongwith Personal Guarantees of Promoter Directors.		
(ii) WCTL Rs. 8885.54 Lacs and FITL Rs. 2897.64 Lacs from bank & Financial Institutions are secured by first pari - passu charge on fixed assets of the company, along with Personal Guarantees of Promoter Directors.		
(iii) Company has defaulted in repayment of term loan to the banks as under		
Term Loan w.e.f.		
Rs. 1500 Lacs Feb. 2009		
Rs. 1000 Lacs Mar. 2009		
Total	<u>66,159.17</u>	<u>67,651.17</u>
3.1 Maturity Profile of Term Loans From Banks & Financial Institutions		
By order dated 02.09.2011 of Hon'ble BIFR and order dt. 12.03.2012 of Hon'ble AAIFR, the amount of Bank and Financial Institutions becoming due after May 2011 are deferred till the date of sanction of the scheme by Hon' ble BIFR, such amount has been considered as long term borrowing and will be dealt with in terms of draft rehabilitation scheme on sanction by Hon'ble BIFR.		
3.2 Maturity Profile of Vehicle Loans		
Particular Amount Period		
(Principal) (5.78) (2013-14)		
4. OTHER LONG TERM LIABILITIES		
Interest accrued but not due on borrowing (Refer Note No. 3.1 above)	13,524.09	5,498.45
Total	<u>13,524.09</u>	<u>5,498.45</u>
5. LONG TERM PROVISION		
Provision for Employee's benefits (Refer Note No 46)	315.01	288.54
Total	<u>315.01</u>	<u>288.54</u>
6. SHORT TERM BORROWINGS		
SECURED LOANS		
Loan repayble on Demand		
From Banks (Working Capital)	39,351.28	39,971.08
Total	<u>39,351.28</u>	<u>39,971.08</u>
1) Working capital Rs. 39351.28 Lacs from banks are secured by first pari - passu charge on current assets and second pari - passu charge on fixed assets of the company, alongwith Personal Guarantees of Promoter Directors.		

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
7. TRADE PAYABLE		
(a) Micro, Small & Medium Enterprises	57.92	11.58
(b) Other	6,177.69	5,547.43
Total	6,235.61	5,559.01
7.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act,2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March,2013 as per the terms of Contract relied upon by auditors.		
8. OTHER CURRENT LIABILITIES		
(a) Current maturities of Long-Term Debt	7.16	29.49
(b) Unpaid Dividend	8.54	10.74
(c) Interest accrued and due on borrowing (Refer Note No. 8.1)	875.52	820.09
(d) Interest accrued but not due on borrowing (Refer Note No. 8.1)	671.48	-
(e) Other Payable		
(1) Expenses Payable (Refer Note No. 8.2)	4,070.02	4,055.85
(2) Creditors for Fixed Assets	178.12	320.18
(3) Book Overdraft	565.78	176.54
(4) Advance from Customers	427.85	157.19
(5) Other Liabilities	1.08	75.55
Total	6,805.55	5,645.63
8.1 Company has defaulted in payment of interest to bank amounting to Rs. 1346.91 lacs (P/y Rs. 820.09 lacs from Feb. 2009 onwards.)		
8.2 Expenses Payable include the liabilities to employees, Sales Tax / Vat, other taxes, Rebate & Discount etc.		
9. Short term provisions		
Provision for Tax	2.81	44.60
Total	2.81	44.60

10 FIXED ASSETS

Rs. in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	Opening Balance	Addition For The Year	Deduction/ Sale	Total Upto 31.03.2013	Opening Balance	For The Year	Written Back	Total Upto 31.03.13	As at 31.03.13	As at 31.03.12
TANGIBLE ASSETS										
Leasehold Land	2179.14	0.00	0.00	2179.14	122.20	13.84	0.00	136.04	2043.10	2056.94
Free Hold Land	724.01	0.00	0.00	724.01	0.00	0.00	0.00	0.00	724.01	724.01
Building	14675.06	36.73	0.00	14711.79	2460.82	492.17	0.00	2952.99	11758.80	12214.24
Plant & Machinery	61610.54	89.11	184.11	61515.54	18031.94	3873.40	0.00	21905.34	39610.20	43578.60
Furniture Fixture	366.38	17.59	0.00	383.97	157.98	22.70	0.00	180.68	203.29	208.40
Vehicles	534.80	0.20	12.74	522.26	247.70	48.16	6.07	289.79	232.47	287.10
Office Equipment	220.73	21.94	0.27	242.40	70.72	11.45	0.06	82.11	160.29	150.01
Computers	665.56	21.91	0.00	687.47	618.41	18.39	0.00	636.80	50.67	47.15
Sub Total A	80976.22	187.48	197.12	80966.58	21709.77	4480.11	6.13	26183.75	54782.83	59266.45
INTANGIBLE ASSETS										
Computer (software)	60.83	7.61	0.00	68.44	42.07	5.10	0.00	47.17	21.27	18.76
Brand & Trade Mark	646.05	0.00	0.00	646.05	601.13	16.24	0.00	617.37	28.68	44.92
Sub Total B	706.88	7.61	0.00	714.49	643.20	21.34	0.00	664.54	49.95	63.68
Total	81683.10	195.09	197.12	81681.07	22352.97	4501.45	6.13	26848.29	54832.78	59330.13
Previous Year	80853.47	849.14	19.51	81683.10	17794.84	4566.70	8.57	22352.97	59330.13	-
Capital Work In Progress									705.24	574.40

* The historical cost of plant and machinery has undergone a change due to change in taxes.

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
11. NON - CURRENT INVESTMENTS (AT COST)		
Long Term (Fully Paid Unless Otherwise Stated)		
Other Investment		
Investment in Equity Instruments		
(A) Quoted Shares		
13400(13400) Equity Shares of Rs. 10/- each of Kay Power and Paper Ltd. Market Value - Rs. 199258/- (Rs. 95274/-)	1.34	1.34
720(720) Equity Shares of Rs. 10/- each of Parasram Puria Synthetics Ltd. (Market Value - Not Available)	0.22	0.22
2000(2000) Equity Shares of Rs. 10/- each of Global Syntex (Bhilwara) Ltd. (Partly of Rs. 5/- each Paid-up) (Market Value - Not Available)	0.10	0.10
(B) Unquoted Shares		
2450(2450) Shares of Colombine Cody Corp. N.P.V	4.12	4.12
Total	<u>5.78</u>	<u>5.78</u>
12. LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Capital Advance	131.14	75.79
Security Deposits	696.76	693.75
Total	<u>827.90</u>	<u>769.54</u>
13. OTHER NON CURRENT ASSETS		
(Unsecured)		
Considered Good	231.45	216.40
Considered Doubtful	16.19	16.19
Less : Provision as Doubtful for realisation	(16.19)	(16.19)
Minimum Alternate Tax Adjustable	322.81	322.81
Preliminary and Deferred Revenue Expenditure	0.11	0.20
Total	<u>554.37</u>	<u>539.41</u>
14. CURRENT INVESTMENT		
Investment in Mutual Funds		
20000 (20000) Unit of Rs. 10/- each of SBI Magnum Equity Fund Market Value - Rs. 546370/- (Rs. 206200/-)	2.00	2.00
19560(19560) Unit of Franklin India High Growth Co. Market Value - Rs. 269525/- (Rs. 236636/-)	2.00	2.00
100000(100000) Unit of Rs. 10/- each of SBI Infrastructure Fund Market Value - Rs. 727750/- (Rs. 781000/-)	10.00	10.00
2930 (2930) Unit of Reliance Growth Fund Market Value- Rs . 1291407/- (Rs. 1283987/-)	10.00	10.00
10000(10000) of Rs. 10/- each of UTI Infrastructure Advantage Fund-Series-I Market Value - Rs. 264611/- (Rs. 70659/-)	1.00	1.00
Total	<u>25.00</u>	<u>25.00</u>

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.13 Rs.(in Lacs)	AS AT 31.03.12 Rs.(in Lacs)
15. INVENTORIES		
(Valued as per Accounting Policy)		
Raw Materials	21,932.94	19,515.41
Work-in-Progress (Refer Note No. 51)	4,389.02	3,898.35
Finished Goods (Refer Note No. 51)	8,767.22	6,477.11
Stores & Spares Parts	470.10	383.04
Total	35,559.28	30,273.91
16. TRADE RECEIVABLES		
Outstanding for a Period Exceeding Six Months from the date they are due for payment		
Unsecured Considered Good	1,440.04	1,379.41
Doubtful	101.15	83.98
Less: Provision for Doubtful Receivable	101.15	83.98
	1,440.04	1,379.41
Other Trade Receivable		
Unsecured Considered Good	9,615.94	12,175.16
Total	11,055.98	13,554.57
17. CASH & BANK BALANCES		
i) Cash and Cash Equivalents		
In Current Accounts	1,601.14	728.79
In Unpaid Dividends A/c	8.54	10.84
Cheques and Draft on Hand	2.97	3.75
Cash on Hand	140.77	70.96
	1,753.42	814.34
ii) Other Bank Balances		
In Fixed Deposit (Pledged for Margin and other Commitments)*	2,701.20	1,628.06
Total	4,454.62	2,442.40
*Fixed Deposits includes Rs. 1 Crore (P.Y. Nil) with maturity of more than twelve months		
18. SHORT TERMS LOANS & ADVANCES		
(Unsecured, Considered Good)		
(A) Loans & Advances to Related Parties		
(With Subsidiaries Company)		
(B) Others		
Balances With Revenue Authorities	189.45	153.06
Advance Income Tax /Tds Recoverable	65.50	37.83
Other Receivables #	734.21	1,191.78
Total	989.16	1,382.67
# Includes Advance to suppliers, Staff, Prepaid Expenses, Tufts Subsidy etc.		
19. OTHER CURRENT ASSETS		
Export Incentive Receivable	512.54	501.15
Insurance and other Claim Receivable	28.31	240.37
Interest Accrued but not due	74.92	30.03
Interest Accrued	36.51	10.33
Minimum Alternate Tax Adjustable	12.14	-
Total	664.42	781.88

NOTES FORMING PART OF ACCOUNTS

		Year Ended 31.03.13 Rs.(in Lacs)	Year Ended 31.03.12 Rs.(in Lacs)
20. REVENUE FROM OPERATIONS			
(A) Sales of Products			
Export		19,146.09	19,865.45
Domestic (Including Traded Goods)		51,204.65	44,859.60
Sub Total (A)		70,350.74	64,725.05
(B) Other Operating Revenues			
Scrap/Waste Sale		1,223.65	1,140.53
D.E.P.B./Duty Drawback/Export Incentives		932.37	1,184.69
Job Work Income		77.21	53.93
Sub Total (B)		2,233.23	2,379.15
Total (A+B)		72,583.97	67,104.20
	(Rs. in Lacs)		
Details of Product Sold	2012-13	2011-12	
Yarn	50908.03	45788.21	
Fabric/Made up/Fashion	15890.36	15144.94	
Architectural Product	1961.65	2287.85	
Others	1590.70	1504.05	
Total	70350.74	64725.05	
21. OTHER INCOME			
(A) Income from Interest		224.05	125.20
(B) Other Non Operating Income		44.26	336.86
(C) Profit on Investment		-	136.96
(D) Net Gain/Loss on Foreign Currency Exchange Fluctuation		349.37	541.16
Total		617.68	1,140.18
22. COST OF MATERIAL CONSUMED (Refer Note No. 49)			
Opening Stock		19,515.41	28,899.38
Add: Purchases		50,449.72	46,628.76
Total		69,965.13	75,528.14
Less: Closing Stock		21,932.94	19,515.41
Total		48,032.19	56,012.73
23. PURCHASE OF STOCK-IN-TRADE (Refer Note No. 50)		3,026.10	499.43
24. CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROGRESS			
Inventories (at commencement)			
Finished Goods		6,477.11	11,455.60
Stock-in-Progress		3,898.35	5,976.17
Sub Total (A)		10,375.46	17,431.77
Inventories (at end)			
Finished Goods		8,767.22	6,477.11
Stock-in-Progress		4,389.02	3,898.35
Sub Total (B)		13,156.24	10,375.46
Total (A-B)		(2,780.78)	7,056.31

NOTES FORMING PART OF ACCOUNTS

	Year Ended 31.03.13 Rs.(in Lacs)	Year Ended 31.03.12 Rs.(in Lacs)
25. EMPLOYEE BENEFIT EXPENSES		
Salaries Including other Benefits	2,822.12	2,351.51
Wages Including other Benefits	3,215.17	2,593.62
Contribution to Provident & other Funds-Wages	128.21	128.88
Contribution to Provident & other Funds-Salary	35.55	35.61
Gratuity	51.42	31.99
Staff Welfare	106.26	77.55
Managerial Remuneration (Refer Note No. 48)	29.66	30.44
Total	6,388.39	5,249.60
26. FINANCIAL EXPENSES		
Interest to Banks & Financial Institutions	9,707.03	9,468.19
Interest to others	183.23	322.15
Other Borrowing Cost	58.87	156.09
Total	9,949.13	9,946.43
27. OTHER EXPENSES		
Manufacturing Expenses		
Production Expenses	666.52	657.62
Security & Vigilance	47.76	60.44
Consumption Of Stores & Spares	1,322.57	1,174.40
Power & Fuel	6,027.12	5,107.74
Carriage & Cartage	133.81	96.85
Administrative Expenses		
Rent	384.31	375.31
Insurance	158.87	161.89
Rates & Taxes	42.85	61.49
Postage & Telegram	17.01	20.80
Printing, Stationery & Computer Exp.	68.26	66.36
Legal & Professional Expenses	209.64	255.73
Travelling & Conveyance - Others	468.56	374.55
Travelling & Conveyance - Directors	17.03	20.06
Telephone & Fax	62.90	62.41
Books & Periodicals	1.07	0.79
Fees & Subscription	17.83	17.46
General Expenses	62.96	70.04
Bank Charges	53.99	66.13
Payment to Auditors (Refer Note 32)	17.24	17.51
Vehicle Running Expenses	110.26	107.15
Donation	0.16	0.07
Hank Yarn Obligation	50.46	30.12
Misc. and Deferred Revenue Expenditure W/off	0.11	62.00
Loss on Insurance Claim	84.75	-
Loss on Sale of Fixed Assets	0.17	4.45
Repairs & Maintenance		
Building	18.72	60.66
Machinery	97.00	65.03
Others	71.73	49.98

NOTES FORMING PART OF ACCOUNTS

	Year Ended 31.03.13 Rs.(in Lacs)	Year Ended 31.03.12 Rs.(in Lacs)
Selling & Distribution Expenses		
Packing & Forwarding	1,794.73	1,381.31
Sales Promotion & Incentives	800.17	696.65
Cash Discount	30.60	16.52
Bad Debts	121.56	88.56
Provision for doubtful Debts	98.51	64.13
Advertisement & Publicity	92.66	26.95
VAT/Sales Tax Paid	8.69	2.28
Freight on Exports	779.12	656.14
Sub Total	13,939.70	11,979.58
Prior Period Expenses (Net)	295.95	13.08
Total	14,235.65	11,992.66

NOTES FORMING PART OF ACCOUNTS

28. Basic & Diluted Earning Per Share:

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Profit/(Loss) for the Year before Preference Dividend and attributable tax thereon (Rs. in Lacs)	(11581.90)	(27632.26)
Less:- Preference Dividend and attributable tax	(1140.51)	(1016.61)
Profit/(Loss) attributable to the Equity shareholders after Preference Dividend and attributable tax thereon (Rs.in Lacs) - (A)	(12722.41)	(28648.87)
Weighted average number of equity shares outstanding during the year - (B)	39114100	39114100
Nominal value of equity shares (Rs.)	10.00	10.00
Basic & Diluted Earnings per share (Rs.)	(32.53)	(73.24)

Note: Since the diluted negative EPS is less than basic EPS hence the basic and diluted EPS is considered same.

29. Earnings in Foreign Exchange

Rs. in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
F.O.B. Value of Exports	17647.79	19067.43

30. Value of consumption of Raw Materials & Stores imported & indigenous and % of each to total consumption:

Rs in Lacs

Particulars	For the Year ended 31 st March 13	% of consumption	For the Year ended 31 st March 12	% of consumption
Raw Material				
Imported	1525.10	3.18	3290.62	5.86
Indigenous	46507.09	96.82	52722.11	94.14
Total	48032.19	100.00	56012.73	100.00
Store				
Imported	292.42	22.11	190.23	16.20
Indigenous	1030.15	77.89	984.17	83.80
Total	1322.57	100.00	1174.40	100.00

31. C.I.F. Value of Imports

Rs in Lacs

Particulars	For the Year ended 31 st March 13 Amount	For the Year ended 31 st March 12 Amount
Raw Materials	1341.65	2253.54
Capital Goods	31.18	-
Components & Spare Parts	265.50	143.61

NOTES FORMING PART OF ACCOUNTS
32. Payment to Auditors
Rs in Lacs

Particulars	For the Year ended 31 st March 13	For the Year ended 31 st March 12
a. Audit Fee	13.86	13.65
b. Other Services	3.38	3.86

33. Expenditure in Foreign Currency

Particulars	For the Year ended 31 st March 13	For the Year ended 31 st March 12
Foreign Travels	27.39	15.89
Interest	2.53	28.98
Others	392.71	435.74

34. Holdings of Alps Industries Limited in its Subsidiaries:

Name of the Subsidiary	Country of Incorporation	Holding as on 31 st March 2013	Holding as on 31 st March 2012
Alps Energy Pvt. Ltd	India	69.75%	69.75%
Snowflakes Meditech Private Ltd.	India	73.94%	73.94%
Alps USA INC.	USA	100.00%	100.00%

All the companies are subsidiaries of Alps Industries Ltd.

35. Related Party Transactions

The members of the Board are interested in the following entities, covered under the Related Party Transactions, but there were no material transactions entered into with any of these entities. However the details of transactions with them are given below:

Name of related parties and description of relationship as required by AS-18:
Subsidiary Companies:

: Alps Energy Pvt. Ltd.,
Snowflakes Meditech private Ltd (Formerly known as Alps Retail Pvt Ltd),
Alps USA INC.

Wholly owned Subsidiary:
Entities controlled by subsidiaries, key managerial personnel and their relatives

Alps Processors Pvt. Ltd., Careen Fintec (P.) Ltd., Coronation Spinning India (P) Ltd., Pacific Texmark Pvt. Ltd. (Formerly known as Alps Infin Pvt. Ltd.), Padam Precision Dies & Component Pvt. Ltd., Peek Finvest (P) Ltd., Perfect Finmen Services (P) Ltd., Roseate Finvest Pvt. Ltd., Saurabh Floriculture (P) Ltd., Supreme Finvest Pvt. Ltd. and Aspen Enterprises.,

Key managerial personnel and their relatives

: 1. Mr. K.K Agarwal
2. Mr. Sandeep Agarwal
3. Mrs. Nidhi Agarwal
4. Mr. P.K. Rajput
5. Mr. Rohan Agarwal

NOTES FORMING PART OF ACCOUNTS

Nature of Transaction	Transactions with Key Managerial Personnel	Transactions with relatives of Key Managerial Personnel	Transactions with Entities controlled by Key Managerial Personnel, their relatives
	For the Year ended 31 st March 13	For the Year ended 31 st March 13	For the Year ended 31 st March 13
1. Sale of Goods	NIL (NIL)	NIL (NIL)	823.14 (NIL)
2. Purchase of Goods (including job work)	NIL (NIL)	NIL (NIL)	1.78 (NIL)
3. Allotment of equity shares along with premium	NIL (NIL)	NIL (NIL)	NIL (NIL)
4. Interest Paid	NIL (NIL)	NIL (NIL)	NIL (NIL)
5. Advances/Loans given	NIL (NIL)	NIL (NIL)	NIL (NIL)
6. Advances/Loans taken	NIL (NIL)	NIL (NIL)	NIL (NIL)
7. Remuneration & Sitting Fee	29.96 (30.84)	9.60 (9.60)	NIL NIL
8. Commission Paid	NIL (NIL)	NIL (NIL)	NIL (8.35)

NOTES FORMING PART OF ACCOUNTS

36. The segment disclosure as per Accounting Standard –17 on “Segment Reporting” (AS-17) issued by the Institute of Chartered Accountants of India is as under:

Primary Segments
Rs. in Lacs

Particulars	SEGMENTS							
	Home Furnishing & Fashion Accessories		Yarn		Architectural Products		Total	
Year	For the year ended 31 st March 2013	For the year ended 31 st March 2012	For the year ended 31 st March 2013	For the year ended 31 st March 2012	For the year ended 31 st March 2013	For the year ended 31 st March 2012	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Segment Revenues	16391.49	15897.15	53881.54	48428.85	3102.09	3706.21	73375.12	68032.21
Less Inter Segment Revenue	422.40	385.20	665.50	783.05	-	3.05	1087.90	1171.30
Net Segment Revenue	15969.08	15511.95	53216.04	47645.0	3102.09	3703.16	72287.22	66860.91
Segment Results	(3255.91)	(5501.19)	2628.08	(13202.79)	(487.94)	195.83	(1115.77)	(18508.15)
Less Financial Expenses	-	-	-	-	-	-	(9949.14)	(9946.44)
Less Un-allocable expenses	-	-	-	-	-	-	(1149.23)	(227.85)
Add Other Income	-	-	-	-	-	-	617.68	1131.82
Profit before tax	-	-	-	-	-	-	(11596.45)	(27550.62)
Other Informations								
Segment Assets	37024.94	37321.37	65318.30	65558.58	2502.22	2993.60	104845.46	105873.55
Unallocated Assets							4829.07	3806.14
Total Assets							109674.53	109679.69
Segment Liability	20931.80	22999.65	27171.70	23583.03	1885.18	2468.96	49988.68	49051.64
Unallocated liability							83315.03	76534.39
Share Capital, Reserve & Surplus and Profit & Loss							(23629.18)	(15906.34)
Total Liability							109674.53	109679.69
Capital Expenditure	(71.70)	36.12	60.63	246.29	11.45	17.13		
Depreciation	1560.11	1578.43	2860.67	2914.38	58.16	54.54		
Non Cash Expenses		-----		-----		1.32		

-Previous year figures have been regrouped or rearranged to make them comparable with those of current year.

NOTES FORMING PART OF ACCOUNTS

Particulars	Secondary Segments						Rs. in Lacs
	SEGMENTS						
	Domestic		Export		Total		
	For the Year ended 31 st March 13	For the Year ended 31 st March 12	For the Year ended 31 st March 13	For the Year ended 31 st March 12	For the Year ended 31 st March 13	For the Year ended 31 st March 12	
Segment Revenue	53141.13	46995.46	19146.09	19865.45	72287.22	66860.91	

37. Contingent Liabilities and Commitments

A) Contingent liability exists in respect of:

Particulars	Rs. in Lacs	
	As at 31.03.2013	As at 31.03.2012
a) Guarantees issued by banks on behalf of company.	327.71	375.02
b) Letters of Credit outstanding (trade)	35.31	139.95
c) Claims against the company not acknowledged as debts	319.01	428.50
d) Other Claims against the company not acknowledged as debt :		
I. The Company had certain exotic derivative transactions with ABN Amro Bank, which the Company has disputed in competent court of law in an earlier year. Till that time the ABN Amro bank had communicated estimated liability of the Company against these transactions of Rs. 12530 Lacs (P.Y. Rs. 12530 Lacs). Subsequently the deal was expired in June 2010 and as per assessment by the independent agency, the value of this deal is Rs 30800 Lacs as of June 2010 (negative to the Company) excluding any fee or any amount received/ paid or payable on settlement. However bank has not communicated any further amount to the company. On the basis of legal opinion, the Company has not admitted the claim and matter became subjudice and the competent court had issued an interim order for maintenance of status quo with regard to recovery towards these transactions which is still continued. In view of above facts, no provision against these transactions is considered necessary.		
II. Kotak Mahindra Bank Limited filed an Original Application (O.A.) before Hon'ble Debt Recovery Tribunal-II, Mumbai (DRT) for recovery of it's claim amounting to Rs. 601.11 Lacs (P.Y. Rs. 601.11 Lacs) in respect of certain foreign currency derivative transactions against which vide an interim order Hon'ble DRT has restrained the company to sale of its certain Fixed Assets. Hon'ble Debt Recovery Appellate Tribunal (DRAT) Mumbai, on appeal of the company, has set aside the said order of the DRT. Aggrieved with the order of DRAT, Kotak Mahindra Bank has filed a writ before Bombay High Court. The Hon'ble High Court has stayed the order of DRAT & allowed the operation of order of DRT till next order, where the matter is pending adjudication. Besides this, subsequently Kotak Mahindra Bank has also raised a claim of Rs. 1435 Lacs (P.Y. Rs. 1435 Lacs) in respect of these foreign currency derivative transactions. Based on the legal advice, these claims have not been admitted & these derivative transactions have been disputed in the civil court of law pending adjudication. In view of above facts, no provision against these transactions is considered necessary.		
III. DBS Bank Ltd. have lodged claims amounting to US\$ 91.09957 Lacs & Rs. 667.39 Lacs totaling to Rs. 5622.23 Lacs, approx (P.Y. Rs. 5327.63 Lacs approx) against the Company in respect of certain foreign currency derivative transactions. Based on the legal advice, the claims have not been admitted & these transactions have been disputed in the civil court of law against which the Company has got an interim order for maintenance of status quo with regards to recovery towards these transactions which is still continued. In view of above facts, no provision against these transactions is considered necessary.		
IV. Merrill Lynch Capital Services Inc. raised a claim of US\$ 195.80 Lacs, Rs. 10649.42 Lacs approx (P.Y. US\$ 195.80 Lacs, Rs. 10016.44 Lacs approx) the company in respect of a corporate guarantee of \$ 100 Lacs, Rs. 5438.93 lacs approx (P.Y. \$100 Lacs, Rs. 5115.65 Lacs approx) given by the company for one of its subsidiary company		

NOTES FORMING PART OF ACCOUNTS

M/s Alps USA Inc. Based on legal advice, the company has not admitted and disputed the said claim which still is pending before the court of law. In view of above facts, no provision against above claim is considered necessary.

B) Commitments:-

(Rs. in Lacs)

31.03.2013 31.03.2012

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for: 183.05 Nil
- ii) Arrears of preferential dividend as on 31.03.2013 amounting to Rs. 1891.07 Lacs (P.Y. amounting to Rs. 909.76 Lacs).
- 38. On Assessment with regard to Impairment of Assets it is ascertained that no potential loss is present. Accordingly no impairment loss has been provided in the books of account.
- 39. The consolidation of financial statement of Alps USA Inc. is being done on the basis of statement prepared in accordance with the accounting policies applicable at group companies in India.
- 40. Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.13 and the same results into the Deferred Tax Assets (net), which has not been recognized due to uncertainty of sufficient taxable income in future within reasonable period.
- 41. The unclaimed dividend amounting to Rs. 2.17 Lacs for the Financial Year 2004-05 (Rs. 0.61 Lacs for the Financial Year 2003-04) & unclaimed application money received for allotment of equity share amounting to Rs. 3.24 Lacs has been transferred to the Investor Education and Protection Fund, as per the provisions of Section 205C of the Companies Act, 1956.
- 42. The balances of sundry debtors, loans and advances and sundry creditors are subject to confirmation and reconciliation.
- 43. Sales are net of Rebate & Discounts amounting to Rs. 643.21 Lacs (P.Y. Rs. 829.96 Lacs).
- 44. Due to erosion of total Net worth of the company as per Audited Accounts as of 31st March 2010, the Company filed a reference with Hon'ble BIFR under section 15(1) of Sick Industrial Companies Act (SICA). The company was registered vide case no. 32/2010 as per BIFR's letter dated June 29, 2010 and subsequently after the hearings and finding justifications, BIFR declared the company as "Sick Industrial Company" under section 3 (1) (o) of the SICA vide their order dated 06.12.2010. In the same order Hon'ble BIFR, appointed the State Bank of India as the Operating Agency (O.A.). In Terms of the directions of the BIFR, Company has filed the Draft Rehabilitation (DRS) to Operating Agency (O.A.) on dated 31.05.2011 and thereafter the revised DRS also, in which is pending consideration with O.A.
- 45. CDR EG had sanctioned a rework scheme on 31st March 2011 w.e.f 1st January 2011 against its earlier restructured scheme dt 11th September 2009, intimated vide LOA dated 4th May 2011, which has been withdrawn vide CDR EG letter dated November 16, 2012. However the individual sanctions of the lender banks are continued and binding.

46. Employee Benefits

The company has classified the various benefits provided to employees as under:

1. Defined Contribution plans:

The company has recognized the following amounts in the Statement of profit and loss

Particulars	Rs. in Lacs	
	For the year ended 31 st March 13	For the year ended 31 st March 12
Employers contribution to Provident Fund and Employee's State Insurance Corporation	163.76	164.49

NOTES FORMING PART OF ACCOUNTS

2. Defined Benefit plans

I. Gratuity

II. Earned leave

In accordance with the Accounting Standard 15 (Revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below:

Particulars	Gratuity (Unfunded)		Earned Leave (Unfunded)	
	For the Year ended 31 st March 13	For the Year ended 31 st March 12	For the Year ended 31 st March 13	For the Year ended 31 st March 12
Discount Rate (per annum)	8.00%	8.50%	8.00%	8.50%
Future Salary Increase	6.00%	6.00%	6.00%	6.00%
In Service Mortality	Std of LIC (1994-96)	Std of LIC (1994-96)	Std of LIC (1994-96)	Std of LIC (1994-96)
Retiring Age	58 years	58 years	58 years	58 years
Withdrawal Rates:				
Up to 30 years	3%	3%	3%	3%
Up to 44 years	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%
Expenses recognized in Statement Profit & Loss				
Current Service Cost	59.65	43.63	30.79	21.36
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Interest Cost	17.06	22.13	6.02	6.84
Net Actuarial (gain)/ Loss recognized in the year	(25.71)	(36.01)	(14.57)	(9.04)
Total Expenses	51.00	29.76	22.24	19.16
II. Net Assets /(Liability) recognized in the Balance Sheet				
Present value of the Defined Benefit obligation	233.54	213.23	81.47	75.30
Fund Status (Deficit)	(233.54)	(213.23)	(81.47)	(75.30)
Net assets/ (Liability)	(233.54)	(213.23)	(81.47)	(75.30)
III. Change in present value of obligation				
Present Value of obligation as at the beginning of the period	213.23	259.74	75.30	80.24
Interest Cost	17.06	22.14	6.02	6.84
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Current Service Cost	59.65	43.63	30.79	21.36
Benefits Paid Actuarial (gains)/ Loss on obligation	25.71	(36.01)	(14.57)	(9.04)
Present Value of obligation as at the end of the period	233.54	213.23	81.47	75.30

47. Workers of Kashipur and Jaspur units have filed cases before the Industrial Tribunal/Labour Court, Haldwani, Uttarakhand u/s 33C-2 of the Industrial Dispute Act 1947 claiming total amount of Rs. 15064.97 Lacs in respect of their alleged dues towards wages, retirement benefits etc. as per Hon'ble Court's notice dated 4th May 2013 received by the company which is being contested. The liability, if any, will be accounted for as and when the matter is finally decided.

NOTES FORMING PART OF ACCOUNTS
48. Managerial Remuneration

Rs. in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Salary	28.41	26.78
Perquisites	1.25	3.66
Total	29.66	30.44

49. Particulars of Raw Material Consumption

Rs. in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Cotton	35581.49	38253.25
Yarn	4102.96	2673.74
Fabric	5130.22	11570.12
Architectural Products	1888.49	1511.56
Others	2329.03	2004.06
Total	48032.19	56012.73

50. Details of Purchases of Stock-in-Trade

Rs. in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Yarn	438.97	459.91
Fabric	2587.13	39.52
Total	3026.10	499.43

51. Inventories

Rs. in Lacs

Particulars	For the year ended 31 st March 13	For the year ended 31 st March 12
Work-in-Progress		
Cotton / Fibre	1794.84	1772.99
Yarn	2066.11	1650.23
Fabric / Made up	470.93	372.08
Others	57.13	103.05
Total	4389.02	3898.35
Finished Goods		
Yarn	6811.01	5123.55
Fabric / Made up	1547.78	1044.12
Others	408.43	309.44
Total	8767.22	6477.11

NOTES FORMING PART OF ACCOUNTS

52. Exceptional Items

Particulars	Rs. in Lacs	
	For the year ended 31 st March 13	For the year ended 31 st March 12
Settlement of foreign exchange forward contract claims	1166.14	Nil
Preliminary & Deferred Revenue Expenditure	Nil	227.85
Total	1166.14	227.85

53. The previous period figures have been regrouped and rearranged, wherever necessary to make them corresponded with those of current period classification and disclosure.

As per our report of even date
For P. Jain & Co.
Chartered Accountants
(Firm Registration No. 000711C)

For and on behalf of the Board

Munish Kr. Jain
Partner
Membership No. 70335
Place : Ghaziabad
Date : May 30, 2013

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES
Statement Pursuant to Exemption Received under Section 212(8) of the Companies Act, 1956

Sr. No.	Name of the Subsidiary Company	Reporting currency	Amount	Exchange Rate	Capital	Share application money received	Reserves	Total Assets	Total Liabilities	Investments (other than investments in subsidiary)	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	Country
1.	Snowflakes Meditech Pvt. Ltd.	INR	in Lacs	-	434.26	-	1,054.35	2,067.61	579.00	-	-	(90.71)	-	(85.93)	-	India
2.	Alps Energy Pvt. Ltd.	INR	in Lacs	-	449.94	-	1,513.24	1,980.21	17.03	-	-	7.30	2.81	16.63	-	India
3.	Alps USA Inc.	INR	in Lacs	54.39	666.27	-	(386.87)	287.82	8.43	-	-	(0.10)	-	(0.10)	-	USA
		USD	in 000	-	1,225.00	-	(711.30)	529.20	15.50	-	-	(0.19)	-	(0.19)	-	

AUDITORS' CERTIFICATE FOR CASH FLOW STATEMENT

We have examined the Cash flow Statements (Standalone & Consolidated) of Alps Industries Limited for the financial year ended on 31st March 2013, The statement has been prepared by the Company in accordance with the requirements of clause 32 of listing agreement with the Stock exchange and is based on and in agreement with the corresponding Profit and Loss Account and the Balance sheet of the Company covered by our report of May 30, 2013 to the members of the Company.

For P. Jain & Co.
 Chartered Accountants
 Firm Registration No. 000711C

Place : Ghaziabad
 Date : May 30, 2013

Munish Kr. Jain
 Partner
 Membership No. 70335



Alps Industries Limited

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