



Le Pashmina



Alps Industries Limited

39th Annual Report 2010-2011



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CORPORATE DIRECTORY

Unit I

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

Unit IV

Vista Awnings Division
A-2, Loni Road Industrial Area
Ghaziabad - 201 007 (U.P.)
Email: sales@alpsindustries.com

Unit VII

Yarn Spinning Mill (On long term lease)
Jaspur Spinning Mills,
Afzal Garh Road, Jaspur,
Udham Singh Nagar,
Uttarakhand - 244 712

Unit X

Rollers Blinds
B-160-161, Industrial Estate, Mettupalayam,
Puducherry-605 009

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

Unit II

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

Unit V

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

Unit VIII

Vista And Fashion Accessories Division
A-3, Loni Road Industrial Area
Ghaziabad - 201 007 (U.P.)
Email: vista@alpsindustries.com

Unit XI

Showroom
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

CORPORATE OFFICE, SALES OFFICE & SHARE DEPTT.

57/2, Site-IV, Industrial Area, Sahibabad
Ghaziabad - 201010 (U.P.)
Tel: 0120 - 4161700
Fax: 0120 - 2895299, 2896041
Email: alps@alpsindustries.com

Unit III

Automotive, Technical Fabrics And Cotton Processing Project
Village - Aminagar alias Bhoor Baral,
Meerut (U.P.)

Unit VI

Yarn Spinning Mill (On long term lease)
Kashipur Spinning Mills,
Near Govt. Degree College,
Kashipur Bazpur Road, Kashipur,
Udham Singh Nagar
Uttarakhand - 244 713
Email: alpskashipur@alpsindustries.com

Unit IX

Home Furnishing Made-Ups
D-247/17, Sector 63,
Noida U.P. - 201301
Email: vista@alpsindustries.com

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

REGIONAL & MARKETING OFFICES - VISTA DIVISION

BANGALORE : 303, Ahuja Chambers of
Commerce, 3rd Floor, Kumara Krupa Road,
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Telefax: 080 - 41136070
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CHENNAI: No. 36/25, Premises No.36, Krishna
Arcade, First Floor, Raja Bathar Street, T. Nagar,
Chennai - 600017
Ph:044 - 28156210
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AUDITORS

P. Jain & Co., Chartered Accountants

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ajay Gupta
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E-mail : alps@alpsindustries.com
Website : www.alpsindustries.com

MUMBAI: Flat No. 3116-3117, C-Wing,
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Chandivali, Andheri (E),
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Fax: +91-20-66066296
E-mail: vistapune@yahoo.com

HYDERABAD: 5-4-187/3&4/10 Patel Trade
World Karbala Maidan, M.G. Road,
Secunderabad, Hyderabad-500 003
Tel. : 040-30688452
Email : alpshyd2011@gmail.com

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

He is a qualified Textile Technologist from Government Central Textile Institute, Kanpur (UP). He has experience of more than five decades in the textile industry. He has been deeply involved in extensive Research & Development with Indian Institute of Technology, New Delhi to produce Eco-friendly products for Home-furnishing market. Received many awards from Central/ State Governments and various Export Promotion Councils. He has also enjoyed various positions in various organizations like Chairman-North Zone AIMO, Executive Member of FICCI, FIEO, CII & HEPC. He has been recently nominated as Sr. Vice-President-NITMA, Executive Member of CITI and member of Cotton Yarn Advisory Board & Vice Chairman NITRA. He is also involved in various social activities through the public utility educational organizations like school & college since long time. He has set up CDK Foundation in the memory of his father, which is a charitable trust helping under privileged children and providing free education, books etc. to them. He is also the President of Chaudhary Chhabil Das Junior Public School, a reputed institution in education in Ghaziabad having approx 2300 students.

He believes in the philosophy by Sergey Brin: "Obviously everyone wants to be successful, but I want to be looked back on as being very innovative, very trusted and ethical and ultimately making a big difference in the world"

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 and under his acumen and dynamic leadership, the company has floated various Indian and overseas subsidiary companies. The company has also obtained significant recognitions/certifications from different organizations like Lalit Doshi Memorial Award from SICOM, Two Star Export House from Ministry of Commerce & Industry, Government of India, ISO 14001 and 9001, participation in 14 Tex-Styles India 2008 exhibition and various other trade fairs, State Export Awards for year 2008-09, first prize from Government of Uttar Pradesh for excellent performance in Export and Silver Trophy by TEXPROCIL. 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.

Mr. Pramod Kumar Rajput, Executive Director

He is the Executive Director of the company and has been associated with it since long time. He has very vast 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 is 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 was also guest faculty at SBI training college.

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 in Defence Accounts Department under the Controller General of Defence Accounts under 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.

Mr. Pradyuman Kumar Lamba, Director

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

Mr. Sonalal Datta, Nominee Director

He is retired from State Bank of India as Assistant General Manager and possessing vast experience in the areas of Banking, Forex & Corporate Finance. He is the Nominee Director of 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 other related issues. He is Advocate-On-Record for Supreme Court of India and standing council/Advocate-On-Record for the State of Himachal Pradesh and member of Bar Association of Supreme Court of India and Indian Council of Arbitration, New Delhi. Apart from that he is having vast experience in handling various legal matters in public sector, during the tenure of his association with various legal authorities. He is the Special Director appointed by Hon'ble Board of Industrial and Financial Reconstruction (BIFR).

DIRECTORS' REPORT

To,
The Members,
Alps Industries Limited

Your Directors have pleasure in presenting the Thirty Ninth Annual Report together with the Audited Statements of Account of the Company for the financial year ended on 31st March 2011.

Corresponding year Annual Accounts of the company are for a period of 9 months i.e. from 1st July' 2009 to 31st March' 2010. These figures, therefore, are not comparable with current year i.e. from 1st April, 2010 to 31st March' 2011 figures. The Financial Results of these two periods are as under:

FINANCIAL RESULTS

(Rs. in Millions)

Particulars	12 months period ended 31.03.2011	9 months period ended 31.03.2010
Total Income	6954.98	4688.22
Operating Earnings/Losses before Financial Expenses, Depreciation & Amortization and Tax	(58.13)	(183.26)
Finance Cost	836.13	564.21
Depreciation	444.26	306.61
Profit/Loss Before Tax	(1222.26)	(1054.08)
Provision for Tax	--	--
Deferred Tax	(219.15)	12.50
Profit/Loss After Tax	(1003.11)	(1066.58)
Prior year Adjustment	38.03	149.67
Add: Surplus of last year	(3191.11)	(2274.20)
Surplus available for appropriation	(4156.19)	(3191.11)
Appropriations		
Surplus carried to Balance Sheet	(4156.19)	(3191.11)
Surplus available for appropriation	(4156.19)	(3191.11)

PERFORMANCE REVIEW

The textile industry is under-going an unprecedented rough trajectory marked by crash in yarn prices, drastic demand erosion in the domestic and international markets, juxtaposed with withdrawal of export incentives that helped its price competitiveness, imposition of steep excise duty of 10 percent on branded garments and of quantitative restrictions on yarn export. A majority of units are not able to meet their obligations for repayment of loans and interest. The world's cotton prices had crashed in line with global commodity prices in April, after reaching unprecedented high levels. Apparently, due to restrictions placed on export of cotton yarn last year, over 300 million kg of yarn remained with the mills as on March 31, 2011.

On the micro level new dimension from the marketing angle, has been making in roads into the hitherto competing markets like Thailand, Indonesia, Malaysia & Singapore in the South East Asian Region. This market is poised to grow, in a sustained manner in the current year & beyond with respect to decorative upholstery & drapery fabrics products. Riding on very good entry into the Middle East Market last year, the company has made its presence and increased the business in this massively potential but price sensitive region. Your company expects to do substantial volumes this year as well as in future from this Market

The gradual revival of the United States markets, in which the company has added on some major buyers with understanding of regular & substantial business in this year and the forthcoming years. Addition of some major buyers, in the South African Market – a focus market as per the Ministry of Textiles, is another substantial achievement of the company, which also paves the way to other neighboring African markets for decorative fabrics as well as technical fabrics like top-coated fabrics for awnings & other outdoor applications.

As regards readymade products, the company has made its foray into one of the World's Largest Retailers and supplying regular & large volumes of curtains & windows blinds. The company has already achieved partial business targets with the new firms. Seeds have been sowed in the Latin American market, another focus market for textiles. The company is also expecting good outcome in the later part of the year & the following year from Brazil, Mexico, Argentina & Columbia to name a few countries from this market.

During the last few years, your company have established brand name in cotton yarn trade for its quality products. Your company has exported yarn to about 25 countries and introduced wide range of yarn products like Grey Polyester, Optical White Polyester, Dyed Polyester & Acrylics, Reverse Twist (Sewing Threads), Industrial/shirting etc.

The Company expects stable market next year and has plans to improve the presence in some other overseas market like Chile ,Ecuador, Peru, Portugal Etc Your company also plans to focus on blended yarn like Dyed, Slub, Core spun lycra, FR, Modal and PVA.

Fashion Accessories Division is undergoing a transition & focus on the product lines is being offered to the market. The global recession has put the premium products out of reach for most consumers across the world, where the volumes for the Cashmere products have dipped globally. The market has been hit by recession and there has been a cut in spending power by the consumer. There are demands of alternate products, which give the same aesthetic appeal, but the costs are marginal. Through innovation process, your company has introduced various blends in natural & artificial fibres, which meet the market demands. The endeavor has been to increase the bottom line, cut down on turn around time and deliverables. Your company has undertaken various steps to streamline the production processes, which have brought down process rejections and increased productivity. Currently, your company is in the process of consolidation of existing markets & customers, to increase the value from each customer and a higher share of the market in the first half. In the second half of this financial year, your company would be venturing in to new markets. Another salient feature, would be the promotion of our home brand LePashmina in domestic market in the retail sector. In the domestic market, your company has started Institutional marketing of Cashmere products as a ideal corporate gift article capitalizing on the perceived value & pride associated by consumers on being the proud owner of a Cashmere product.

We envisage a good growth rate in the current financial year, through our continuous process of product re-engineering and value additions to have a cutting edge in the market.

The Furnishings segment also played an important role in the Indian market. Your company has continuously developing/innovating the Vista range of well designed blinds, which are inspired by nature. New range has been introduced like Sheer Dimout Blinds, Cellular Blinds and S-Contour Blinds, using unique arrangements of blinds and new shapes. Due to the factors explained above, the company has ended the twelve months accounting period with a loss of (Rs.1003.11) millions in comparison to a net loss of (Rs.1066.58) millions in the previous period. The loss has also been increased due to

some exceptional booking of forex losses due to crystallization of derivative deals entered in earlier years 2007-2008 and under utilization of capacity of Meerut Unit, which expected to be improved in current year.

Due to economical non-viability the unit located at D-247/17, Sector 63, Noida, Uttar Pradesh has been closed down during the year under review.

VISION FOR TECHNOLOGICAL GROWTH/ EXPANSION

There are also plans to install latest reeling machines for increasing the reeling production in the Kashipur Unit. Further company also installed variator inverters at Kashipur & Jaspur Units, for the continuous flow of production, which may be increased suitably during the next year based on the outcome of the installation.

WEAVING AND PROCESSING FACILITIES - MEERUT

The unit was started in the year 2009 with state- of- art plant having latest machineries from the world's best makers, which produce high quality products. Although the unit had commenced the operations during the recession time and were a bit slow in gaining momentum, but now it is coming back on the track. The unit produces Cotton, Polyester, Cotton/Polyester/Cationic Blends, Linen Blends fabrics etc.. There are serious efforts to add new buyers & countries in company's clientele. Presently the unit is catering to almost all the potential Countries like USA, UK, Australia, Russia, France, Singapore, Middle East etc. Further, the unit specializes in Technical & Coated fabric, in which the unit have dedicated production Lines.

Automotive Fabric Division :

The main product range of the unit consist of Upholstery and Decorative Curtain fabrics having all sorts of fibers & Blends, Black out fabric/ Technical fabric, etc.. The unit is also catering to the demand of the automotive industry and of various reputed Customers/Auto Manufacturers.

Technical Textiles Division :

During the last financial year your company have introduced new range of technical textiles products under the brand name of "Sleep Dry" for Baby care having the features like, Ultimate protection from bacteria's, Breathable, water proof and absorbent, Provides extreme comfort to the babies' sensitive skin, Superior barrier against bed wetting, Treated with Silver based solution, Easily washable and Durable, Anti microbial & prevention against Dust Mite, which otherwise might, cause allergic reactions like Asthma, Eczema etc..,

The products are already promoted through distributors and in the first phase your company targeted baby stores and retail chain stores.

To improve the profitability and efficiency of the unit, various steps are being taken to control the over-heads and to reduce the cost like buying of raw material in bulk directly from suppliers, constant check on power consumption, controlling/reducing rejections, reusing/recycling of all possible items, using low consumption LED lights, automizing process, usage of special electrical drives on machines, special furnaces design of boiler and addition of additive in pet coke etc.

FINANCIAL MANAGEMENT UNDER THE CORPORATE DEBT RESTRUCTURING

The company had been sanctioned a restructuring scheme of its liabilities 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 but 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 accordingly reworked its existing package 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. The management of the company is hopeful to implement the reworked scheme in the current year 2011-12. Since company is registered with Hon'ble BIFR as per provisions of SICA, therefore a Draft Rehabilitation Scheme based on the Reworked restructuring scheme as sanctioned by CDR EG has been prepared and submitted to Operating Agency & Hon'ble BIFR for approval. After getting approval from BIFR, the rehabilitation scheme shall be implemented by all the concerned members.

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 has been registered vide case no 32/2010 as per BIFR's letter dated June 29, 2010 and subsequently after the hearings and finding justifications, BIFR has 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, has been appointed as the Operating Agency. 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 whom company sought some reliefs and concessions) State Bank of India has filed the Draft Rehabilitation Scheme (DRS) with BIFR on 07.07.2011. The circulation of the same is under the consideration of Hon'ble BIFR.

In view of registration with BIFR, and declaration of sickness under the provisions of SICA with the Hon'ble Allahabad High Court, it was not legally possible for the company to continue with the scheme of compromise with Creditors filed u/s 391 of the Companies Act with Hon'ble Allahabad High Court and therefore the company requested the Hon'ble Allahabad High Court to allow the company to withdraw the scheme of compromise u/s 391 pending with the Hon'ble Court. The Hon'ble Allahabad High Court vide its order dated 16th March 2011 accepted the request of the company and thus the company has withdrawn the scheme.

CERTIFICATION/ RECOGNITIONS & ACHIEVEMENTS

- Certificate for ISO 14001:2004 issued by AF AQ-FAQA Ltd. for environmental management system compliant company.
- Certificate for ISO 9001:2008 issued by AF AQ-FAQA Ltd. for quality management system compliant company.
- COTTON USA License issued by Cotton Council International for compliance with the licensing requirement to use to CCIs registered trade mark.
- Certificate for the authorization according to Oeko-Tex® Standard 100 to use the Oeko-Tex® mark issued by Hohenstein Textile Testing Institute GmbH & Co. KG.
- Certificate for Organic Exchange Blended Standard issued by Control Union Certifications, Netherlands
- Secured 11th Rank out of the 13 top decorative Drapery Fabric Suppliers published by F&FI's
- "CITATION Award" for outstanding export performance during 2009-10 issued by TEXPROCIL.
- Certificate from RIETER Machine Works Ltd. for the authorization to use the brand of COM 4® for compact yarn produced on Rieter ComforSpin machines.

COST CONTROL/REDUCTION

The company has taken various important and effective steps to control the cost/overheads to achieve better performance and to reduce the losses. In continuation of efforts, company has started purchasing capital goods & other items under EPCG authorizations and has saved substantial duties, export obligation is also being fulfilled by exporting the goods. Company has also negotiated the insurance premium rates to control the cost of insurance. The transportation cost has also been reduced substantially by opting for Land Ports which are nearer to the company units. Steps have also been taken to strengthen the Quality Assurance department for line inspections of all stages of production to reduce the rejections and optimize the production process for better utilization of resources.

DISASSOCIATION FROM ASSOCIATE PROJECT

During the year under review, one of the indirect subsidiary company related to power project namely Alps Uttarkhand Energy Pvt. Ltd., which was a subsidiary of Alps Energy Pvt. Ltd. has been winded-up w.e.f. 17.03.2011 due to non operative nature.

FINANCIAL STATEMENTS OF SUBSIDIARIES COMPANIES

The company had three subsidiaries at the end of the financial year. The Ministry of Corporate Affairs 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. Financial Information of

the subsidiary companies, as required by the said circular is disclosed in the Annual Report. The company will make available 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 POLICY INITIATIVES

To support the textile industry, Government has extended export incentives for shipment of made-ups to any country in the world and made-ups covered in Chapter 63 to 27 countries for European Union (EEU). As regard the Foreign Trade Policy 2009-2014, the DGFT has also made amendment in the Handbook of procedure by adding more products in the list of Focus products and under the list of new market linked Focus products, which will support the Indian textile industry. However the government has some policies which are against the growth of the textile industries, by making cotton at least 10% cheaper to our competing Nations, which results in making the farmers poorer and textiles industry incurred losses at a time when the industry and farmers should have prospered.

The ministry in effect has passed on the profits of our farmers to international buyers through the spinning mills. Sectorial demands being met on democratic considerations with scant respect to real data has reduced the prosperity of farmers and ruined the health of the spinning industry and its huge employment potential.

The fortunes of the industry are therefore critically dependent on exports, export policies, DDB / DEPB rates, restrictions etc. This has seriously impacted not only the export performance but the health of the entire industry. The restrictions as well as imbalance in incentives have both harmed the industry as a whole.

DIVIDEND

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

CAPITAL ISSUES

During the year under review 36.00 lacs equity shares allotted on April 26, 2010 & April 29, 2010 in favour of FIIs (Mauritius based) have been listed and permitted for trading on Bombay Stock Exchange Limited and National Stock Exchange of India Limited on July 2, 2010 & June 30, 2010 respectively.

Further, in compliance with CDR Scheme, approval from the Board of Directors at their meeting held on September 22, 2009 and also by the Members of the company at the Annual General Meeting held on December 11, 2009, and in terms of the 'in principle' approval received from the Bombay Stock Exchange on October 1, 2010 and National Stock Exchange of India Limited on September 1, 2010, the company has allotted 5.00 Lacs Equity Shares on November 8, 2010 & December 30, 2010 respectively on Preferential Basis, aggregating to 10.00 lacs equity shares at a issue price of Rs. 11/- per shares (consisting of Rs. 10/- face value and Rs. 1/- towards premium) in favour of promoters of the company. The aforesaid shares have been listed on Bombay Stock Exchange Limited & National Stock Exchange of India Limited on March 16, 2011 & March 21, 2011 respectively.

In compliance of the terms and conditions of CDR Scheme as approved by CDR-EG vide LOA dated September 11, 2009, the company has also allotted 91,540,811, 1% Cumulative Redeemable Preference Shares (CRPS) & 14,13,076, 6% Cumulative Redeemable Preference Shares (CRPS) at a issue price and face value of Rs. 10/- each on November 24, 2010 & November 25, 2010 in favour of some of the Bankers of the company and also obtained the approval- in- principle to issue 13,72,50,960 Optionally Convertible Cumulative Preference Shares (OCCPS), from BSE & NSE on 16.11.2010 & 15.04.2011.

The company has also enhanced the authorized share capital of the company from Rs. 183.00 Crores to Rs. 345.00 Crores in terms of the approval received from the shareholders. It is also pertinent to mention here that the company had proposed for the enhancement in the authorized share capital upto Rs. 410.00 Crores but in view of the exact requirement of the company, the resolution with modification by increasing the authorized share capital from Rs. 183.00 Crores to Rs. 345.00 Crores only was passed. However if the company needs additional authorized share capital, the necessary resolution will be passed as and when required.

INVESTOR RELATIONS

Your company's management is 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, has made a 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 the company at difficult time.

HUMAN RESOURCES

The company is committed for betterment of its Human Resources, the most valuable asset, contributing the significant role in the development of the company, with dignity, transparency & fairness. The management is committed towards systematic thinking, redesigning more transparent/target oriented systems & fair policies to ensure healthier work environment and promote excellent, employees relations.

The company has extended the welfare & motivational activities during the year for strengthening the employee's relations by providing better transportation services for its employee, direct from the door step of their residence to the work place. The company has improved the canteen/Food, facilities in the factory and also has provided residential colony. To promote the National Policy of equality and participation of women, the company has increased the employment of the women employee in its Haridwar Unit.

The company has also promote good health practices by opening health club, Volleyball/Badminton Courts and various other sports facilities at our Haridwar Unit.

The company has in place human resource training in all the areas based upon the requirement, with an objective of having the manpower with the best team of motivated employees to cater the to need of the industry in this changing era of technology.

The company has continuously been maintaining excellent employee's relation during the year. The motivational policies for 'Employees Recognition', for their extra ordinary contribution, has proved to be an excellent tool for motivation.

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 on March 31, 2011 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 presently specified under the said Rules.

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) hereto and forms part of this report.

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. Prabhat Krishna, Director, retire at the ensuing Annual General Meeting, and being eligible, offer himself for reappointment.

REAPPOINTMENT OF EXECUTIVE DIRECTOR

The Board of Directors at their meeting held on August 6 2011 based on the recommendations of Remuneration Committee, has recommended the reappointment of Mr. P.K. Rajput as Executive Director again for another term of 3 years w.e.f. July 28 2012. The necessary resolution for the approval by the members of the Company has been included in the Notice of the Annual General Meeting subject to the approval of the Central Government and the prescribed authority under the CDR scheme, Rehabilitation Scheme under BIFR of the company, if required. A brief note in terms of the requirement of the Corporate Governance on the aforesaid reappointment of Whole Time Director has been included in Part -I of Annexure-3.

APPOINTMENT OF SPECIAL DIRECTOR

Pursuant to section 16(4) of the Sick Industrial Companies (Special Provisions) Act, 1985, the BIFR has directed the company to appoint Mr. Mohan Lal Sharma, as Special Director of the Company, vide their letter dated February 4, 2011 received by the company on February 18, 2011. As per the directions he has been appointed as a Special Director of the company w.e.f. February 18, 2011.

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) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with 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;
- (iv) That the directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

During the year, your company has not raised 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 along with 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.

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 have 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 re-appointment.

AUDITORS' OBSERVATIONS

Observations in the Auditors' Report are dealt within Notes to Accounts at appropriate places and being self-explanatory, need no further explanations.

ACKNOWLEDGMENT

The Board would like to express their heartfelt gratitude for the assistance and co-operation received from the foreign institutional Investors, Board for Industrial & Financial Restructuring, other Government Authorities, CDR-EG/Banks and Stock Exchanges. They would also like to place on record their sincere thanks and appreciation for the continuing support of the dealers, vendors, business, business associates and employees. They are grateful to all of your support and look forward for your continued support in future as well.

For and on behalf of the Board of
Alps Industries Limited

Place : Ghaziabad
Date : August 6, 2011

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. a.	Conservation of Energy Energy conservation measures taken	:	
			<p>Continuous efforts are being made for energy conservation by modification in the system to ensure proper upkeep of equipment to increase the machine efficiency. Some of the major Energy conservation measures taken are as under:</p> <ul style="list-style-type: none"> • Boiler is converted into multi fuel furnace from Briquette furnace. Pet coke is being used instead of briquette as fuel. • Fuel handling system installed to save man power cost and modification for treatment in ETP plant. • Conversion of Yarn conditioning plant from Electric heating to Steam heating. • Electric Motors changed by Energy Efficient motors. • FRP fan installed in Humidification plant instead of Aluminum fan. • Minimizing of Wastage & conserving Resources to reduce the fuel consumption and to get the 33 KV power supply of PVVNL. • Installation of the water harvesting system to re-use the Rain water. • Erection and commissioning water level controller. • Installation of the temperature indicator and controller in all Jiggers • Segregation the steam line in High or Low pressure by installing PRV and PRS.
b.	Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	:	Rs. 1.95 Crores.
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, it has saved energy and power cost considerably.

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

A. POWER AND FUEL CONSUMPTION

S. No.	PARTICULARS	Year Ended March 31, 2011	9 Months Ended on March 31, 2010
1.	Electricity		
a	Purchased		
	Units (Nos.)	115,910,388	83,140,820
	Total Amount (Rs.)	506,925,171	328,094,522
	Rate/Unit (Rs.)	4.37	3.95
b	Own Generation		
	1. Through Diesel/FO		
	Quantity (Ltrs)	803,883	762,708
	Total Amount (Rs.)	26,339,724	23,463,096
	Average Rate (Rs.)	32.77	30.76
	Generation (Units) (Nos.)	2,810,168	2,625,209
	Units per Litre of Diesel oil (Nos.)	3.50	3.44
	Cost/Unit (Rs.)	9.37	8.94
	2. 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	2810168	2625209
	Total Cost	26339724	23463095
	Cost/Unit	9.37	8.94
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 31.03.2011	9 Months Ended March 31, 2010	Year Ended 31.03.2011	9 Months Ended March 31, 2010	Year Ended 31.03.2011	9 Months Ended March 31, 2010
1	ELECTRICITY (KWH)	1742.19	1725.15	35.36	35.03	838.75	841.33
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 Company.	:	<p>The company has taken steps for developing Caribbean and Caspian natural dyes for yarn Package dyeing with all the requisite properties like Rubbing fastness (Dry & Wet), Washing & Light fastness .The package dyed yarn has been supplied to the reputed buyers in various Countries. The company is also trying to develop the fabric dyeing with natural dyes. The natural dyes like Pacific , Kango , Thar , Amber-M , Caspian , Sahara , Caribean , Desert , Natural Indigo , Amazon , Garden , Indus , Rhine-S , Rhine-M etc., can be used on Cotton , Silk , Wool , Nylon , Polyester , Acrylic , Jute , Coir , Leather , Linin , Milk fibre , Soyabeen fibre , Viscose Fibre, including Garment etc . However if the desired results not achieved, company may discontinue the products in coming years.</p> <p>The company is also exploring the innovation and R&D for the various type of dyed yarns coated, laminated fabric, "Sleep Dry" for Baby Care, Medical usages fabrics and PU coated fabrics/ other textile products.</p>
	2. Benefits derived as a result of the above R&D	:	<p>The Natural dyes if so developed can be used directly in liquid form, without converting into powder form. Due to this the company has been able to minimize process time, Man-Power, Steam & Power Consumption. The company is going on to develop new dyes for various raw materials different use. However company will be benefited immensely if the efforts in the developing the technology for betterment in yarn and other main value added products achieved in the coming years.</p>

3.	Future Plan of Action	:	The company plans to develop various new types of laminated & coated fabric. Also "Sleep Dry" for Baby Care and Medical usages. Which have the vast potential in the domestic as well as the export market. However company may discontinue the development of natural dye in coming years as the standardization/ commercialization of the natural dyes products has been achieved.
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.	:	Your company is committed to meet the global requirements on the technological front. Efforts have been taken to have full fledged ETP Plant to convert the polluted water for reuse, rain water harvesting system, heat recovery systems alongwith the development as per the environmental experts. The company is also replacing the old equipments with more cost conservative and efficient equipments.
2.	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	:	The optimum utilization of various natural resources will be achieved including cost control and conservation of valuable energy and fuel efficiency. This will also help in environmental improvement.
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
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.	:	The positive response from the marketing angle has been making in roads into the hitherto competing markets like Thailand, Indonesia, Malaysia, Singapore, and South East Asian Region. This market is poised to grow, in a sustained manner in the current year & beyond, with respect to the decorative upholstery & drapery fabrics. The gradual revival of the United States Market is expected in this year and the forthcoming years. The company is also taking steps to improve the export of yarn to Chile, Ecuador, Peru etc. and other countries with specific requirement of the buyer.
2	Total Foreign Exchange used and earned	:	Used Rs. 45.08 Mn. for the financial year ended March 31, 2011 (Rs. 239.11 Mn in 9 months ended March 31, 2010) Earned Rs. 2745.10 Mn for the financial year ended March 31, 2011 (Rs. 1563.13 Mn in 9 months ended March 31, 2010)

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 textile company is facing serious problems due to limited availability of raw cotton and hence export of cotton should be stopped. On the trade front, the Cotton and Cotton Yarn markets during the first two months of the current fiscal have reported sluggish trade. The recent statistics have shown a decline in the prices of cotton and concurrently the exports of Cotton Yarn. Cotton is the topmost commodity in T&C exported by India into the world. Also, India is a leading supplier of Cotton Yarn in more than 20 countries including Peru, Brazil, Colombia, Australia and South Korea, to name a few. The decline in yarn exports has raised serious concerns amongst the industry stakeholders and calls for some serious introspection by the government.

Cotton prices across markets continued to fall after China reduced buying due to slowdown in exports to earthquake-hit Japan. Cotlook 'A' index plunged 9.6% in April 2011 averaging US cents 208.19 per pound. The China Cotton index prices too declined by 6.4% averaging at 28637 Yuan per ton for the month. The Karachi Cotton Association spot number were at Pak Rs. 11370 per Maund, dropping 9% from March level.

II. OPPORTUNITIES AND THREATS

A. Government Initiatives

The foreign trade policy 2009-2014, by adding more products in the list of Focus product and under the list of new market linked Focus products, which will support the Indian textile industry. However the government has some policies which are against the growth of the textile industries, by making cotton at least 10% cheaper to our competing Nations, which results in making the farmers poorer and textiles industry incur losses at a time when the industry and farmers should have prospered.

Sectorial demands being met on democratic considerations with scant respect to real data has reduced the prosperity of farmers and ruined the health of the spinning industry and its huge job creation potential.

TUFS has been suspended temporarily by the Government in June' 2010. The Scheme has now been re-instated with a few changes; (i) Capital subsidy will now be available on looms for weaving as well (ii) 5% interest reimbursement may be given to the spinning unit (against 4% earlier) if the unit is set up with matching downstream capacity in weaving/processing. (iii) cap of Rs. 1,982 Crores has been put on the total subsidy which will be given for the next one year. This has been allocated between various sectors.

The sunset clause of the scheme remains unchanged as at March 31, 2012. All loans sanctioned till that date will be eligible for subsidy for the life of the loan.

B. Export Scenario

Directions of Trade Data depict Developing Countries, over years; have recorded higher % shares of T&C exports to industrial world. The industrial countries are slowly transforming as consuming economies as seen in increased exports of developing countries to the developed economies. The production base is shifting to the developing economies. Most Asian Economies therefore held off raising interest rates till the second half of the year and then a series of quick rate hikes followed, more particularly in China & India, who have clearly indicated that they don't mind sacrificing growth. China is expected to claim a lion's share of the global textile and clothing trade with estimated US\$ 206 billion and India is expected to cross US\$ 25 billion in 2010. The global trade in textiles and clothing will increase owing to production centers steadily shifting from Western countries to Asia and the Middle East.

An analysis of various competitiveness factors of supplying countries have shown that India is the most preferred sourcing partner in Asia following China in almost all the competitive factors.

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 13.49% for Home Furnishing & Fashion Accessories, 81.44% for Yarn and 5.07% for Architectural products. The detailed performance has already been discussed in the Directors' Report.

IV. OUTLOOK

The prices of cotton are not expected to sustain, in part on expectations of increased acreage, particularly in US, China & Africa. China's import demand is also expected to slow down on a combination of high market prices, stronger output and competition from synthetic fibres. Overall, the world market is expected to remain structurally tight (although better than FY 2010-11), but this will not be fully apparent until later in the season when the new crop stocks are drawn down. Global cotton production is expected to increase by about 13% from 24.5 million tonnes in cotton season 2010-11 (Oct to Sept) to 27.5 million tonnes in cotton season 2011-12. The closing stock of 2011-12 is expected to be around 10.5 million tons which is higher than last 2 years but still lower than normal closing stock levels in the past. The stock-to-use ratio is expected to improve to about 42% but will still be lower than the normal 48-52% in the past (excluding last 2 years). In anticipation of a bumper cotton crop this year, global cotton prices as of now have already come off their previous highs. The Global yarn prices are decreasing in line with the cotton prices. The anticipation in the market is that prices may come off further and therefore the demand for yarn has reduced as buyers are waiting for lower prices to buy.

Following excellent price realization on cotton during the current year, the area under cotton for the next year is expected to increase in all cotton producing countries. This trend is already visible in several countries where sowing has started. Consequently, cotton production is expected to increase considerably. Though cotton would also improve on the strength of economic recovery in global markets, the cotton situation is expected to remain comfortable. New York futures on cotton for the next cotton season are bearish. All indications are that cotton prices would remain low next year. Demand for finished textile products has already started picking up and recovery in demand for cotton yarn is also expected to commence soon. Having tinkered with the export process with disastrous consequences, government is not expected to bring any export restrictions on cotton yarn, either. Thus, the present problems are temporary for both the spinners and producers of value added textiles. A significant improvement in demand and price realization for cotton yarn and other textile products can be expected during the second half of the current fiscal.

V. RISKS AND CONCERNS

There has been substantial increase in wages, interest rates and power cost in the recent months and this situation is expected to worsen in future. Economists and other experts all over the world expect the legendary manufacturing strength of China to taper off during the coming years. Given its labour intensity, textiles and clothing industry is likely to be one of the first victims of this trend. There are also serious concerns being raised on pollution of Chinese ecology by the textile processing units. The other criteria for competitiveness in Textile and Apparel include Business climate, infrastructure and proximity to markets, market access, labour and management, raw-material inputs and level of service provided and reliability of supplier. One of the important challenges is raising energy prices which could adversely impact the profitability of textile mills. Restrictions as well as imbalance in incentives have both harmed the industry as a whole. The company is also declared a Sick Industrial Unit under section 3(1)(o) of SICA by BIFR and Draft Rehabilitation Scheme has been filed with BIFR. The financial restructuring has also been done under the Corporate Debt Restructuring Scheme of RBI, which is under implementation.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal Audit in the organization is an independent appraisal activity and it measures the efficiency, adequacy and effectiveness of other controls in the organization. All significant issues are brought to the attention of the Audit Committee of the Board.

VII. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The gradual revival of the United States Market, has resulted the company adding on some major buyers with understanding of regular & substantial business in this year and the forthcoming years. Addition of some more buyers, in the South African Market – which is a focus market as per the Ministry of Textiles, is another very substantial achievement of the company, which also paves the way for other neighboring African markets for decorative fabrics as well as technical fabrics like top-coated fabrics for awnings & other outdoor applications.

As regards readymade products, the company has made its foray into one of the World's Largest Retailers and supplying regular & large volumes of curtains & windows blinds. Company has already achieved partial business targets with the new firms. Seeds have been sowed in the Latin American Market, another focus market for textiles, and the company also expected good outcome in the later part of the year & the following year from Brazil, Mexico, Argentina & Columbia to name a few countries from this market.

During the last few years your company has established brand name in cotton yarn trade for its quality of services. Fashion Accessories Division is undergoing a transition & focus in the product lines being offered to the market. The global recession, has put the premium products out of reach for most consumers across the world, where the volumes for the Cashmere products have dipped globally. The market hit by recession and cut in spending power of the consumer, demanded alternate products which give the same aesthetic appeal, but the costs are marginal. Company has also introduced technical textiles products under the brand name of "Sleep Dry" for Baby care.

Currently, your company is in a process of consolidation of existing markets & customers, to increase the value from each customer and a higher share of the market in the first half. In the second half of this financial year, your company would be venturing in to new markets. Another salient feature would be the promotion of our home brand "LePashmina" in domestic market in the retail sector. Company envisages a good growth rate in the current financial year, through our continuous process of product re-engineering and value additions to have a cutting edge in the market. The Furniture & Furnishings segment also played an important role.

Due to the factors explained above, the company has ended the twelve months accounting period with a loss of (Rs.1003.11) millions in comparison to a net loss of (Rs.1066.58) millions in the previous year. The loss has also been incurred due to some exceptional booking of forex losses due to crystallization of derivative deals and some other foreign exchange losses and under utilization of capacity of Meerut Unit, which expected to be improved in current year.

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

The company is committed for betterment of its Human Resources, the most valuable asset, contributing the significant role in the development of the company, with dignity, transparency & fairness. During the year the Company employed over 4425 employees. Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of various plants.

The company has adopted sound and contemporary HR practices to ensure sustainable business practices. The Company has given utmost importance to human resources as they are the drivers for operational efficiency, competitive advantage, profitability and growth of the Company. The sincere efforts put in by the employees over the past years have resulted in major savings in administrative expenses

COMPLIANCE REPORT ON CORPORATE GOVERNANCE PART I (MANDATORY REQUIREMENTS)

Annexure-3

- (i) Statement on company's philosophy on code of governance. : Effective Corporate Governance is key element ensuring investor's protection; providing finest work environment leading to highest standards of management and maximization of everlasting long term values. Your company believes in the philosophy on practicing Code of Corporate Governance that provides structure by which the rights and responsibility of different constituents such as the Board employees and shareholders are carved out. Your Company's philosophy on Corporate Governance sets the goal of achieving the highest level of transparency, accountability and equity in all spheres of its business activities; operations and in its dealings with the shareholders, employees, the government and other parties.

The company philosophy on Corporate Governance is based on Accountability, responsibility, transparency, fair disclosures and compliance with the laws.

- (ii) Board of Directors and procedures : The company's Board of Directors consist appropriate mix of executive and independent directors to maintain independency of the Board, and to separate the Board functions of governance and management. The Board is well structured with adequate blend of professional executives and independent Directors, which is headed by Non - Executive Chairman, Managing Director, who is also the Chief Executive Officer of the company and controls the day-to-day affairs of the company. The basic information furnished to the Board is minimum as mentioned in the Clause 49 of the Listing Agreement. 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. During the year, in terms of the orders dated December 6, 2010, the BIFR has appointed a Special Director. In terms of the latest 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.

- (iii) Code of Conduct : The Board has laid down a Code of Conduct for all Directors and Senior Management of the Company, which has also been posted on the website www.alpsindustries.com. All Directors and senior management personnel have affirmed compliance with the Code for 2010-11. A declaration to this effect signed by the Managing Director is given in this Annual Report.

- (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%
Special – BIFR (Independent)	1	12.50%
Total	8	100.00%

(b) Attendance of each Director at the BoD meetings and the last AGM/EGM :

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 13.8.2010
Mr. K.K. Agarwal	Non-Executive Chairman & promoter	Father of Mr. Sandeep Agarwal	40.00	4	4	No
Mr. Sandeep Agarwal	Executive & promoter	Son of Mr. K.K. Agarwal	Nil	4	4	Yes
Mr. P.K. Rajput	Executive & Non-independent	-	Nil	4	3	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	Yes
Mr. Sonalal Datta	Nominee Director by SBI	-	40.00	4	4	No
Mr. M.L. Sharma*	Special Director by BIFR	-	-	-	-	No

* In terms of the Order dated December 6, 2010 and vide letter dated 04.02.2011 from the Board of Industrial and Financial Reconstruction (BIFR), Special Director, under section 16(4) of the Sick Industrial Companies (Special Provisions) Act, 1985, has been appointed w.e.f. February 18, 2011.

(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	1	2	2	1	-
Mr. Sandeep Agarwal	1	2	1	-	-
Mr. P.K. Rajput	1	1	-	-	-
Mr. Prabhat Krishna	1	-	-	-	-
Mr. Tilak Raj Khosla	-	-	-	-	-
Mr. P.K. Lamba	-	-	-	-	-
Mr. Sonalal Datta	-	-	-	-	-
Mr. M.L. Sharma@	4	-	-	1	-

\$' Includes all Committees under the Corporate Governance of the Board across all Companies in which Directorships are held.

@Appointed w.e.f. February 18, 2011.

(d) (d) Number of BoD meetings held, dates on which held. : No. of Meetings held : 4 : Dates - 29/05/2010, 31/07/2010, 28/10/2010 and 31/01/2011

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

(i) Details of Mr. Prabhat Krishna, Director, (DIN No. 02569624) proposed to be reappointed. : At the forthcoming Annual General Meeting, Mr. Prabhat Krishna, Director of the company is proposed to be re-appointed. He is a B. Tech (Chem.) from IIT Delhi. He is retired from State Bank of India as Assistant General Manager. He has over four decades of experience in the areas of Banking, Forex & Corporate Finance. He is presently advisor to various Companies for Technical consultancy & Rehabilitation. He was also guest faculty to SBI training college. He does not hold any shares of company since his association with the company. He is not related/associated/interested (directly/indirectly /through relative) with any existing directors of the company. The details of other directorship/interest is as under :

Sr. No.	Name of the Company	Position Held
1.	AMD Met Plast Limited	Director

(ii) Details of Mr. P.K. Rajput, Executive Director, (DIN No. 00597342) proposed to be reappointed. : At the forthcoming Annual General Meeting, Mr. P. K. Rajput, Executive Director (Din No. 00597342) proposed to be reappointed. He has been serving the Company since 1995. Prior to his elevation to the Board, he was designated as VP-Commercial with the Company looking after all commercial affairs and has extensive experience of handling commercial affairs in textile companies. He is Executive Director of the Company. He has expertise in the commercial and administrative functions of the company. He is holding 30,000 shares of the company as on 06.08.2011 i.e date of the Directors Report. The details of other directorship/interest is as under :

S. No.	Name of the Company	Position Held
1.	Alps Spandex India Limited	Director
2.	Jhala-Koti Gunsola Power Pvt. Ltd.	Director

(iii) AUDIT COMMITTEE

- (a) Brief description of terms of reference :
- (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) Any other specific matters referred by the Board of Directors from time to time.
 - (g) 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.

- (h) Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (i) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

(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 - 4
		3. Mr. Tilak Raj Khosla	-	Member - 4
		4. Mr. P.K. Lamba	-	Member - 4

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/ re-composition 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. Tilak Raj Khosla	-	Member#
		4. Mr. P.K. Lamba	-	Member #
		5. Mr. Sonalal Datta	-	Nominee-SBI %
		6. Mr. M.L. Sharma	-	Special Director- BIFR %
		# resigned w.e.f. May 7, 2011		
		% appointed w.e.f. May 7, 2011		

Note : In compliance with the notification No. G.S.R. 70(E) dated 08.02.2011, the necessary amendment has been carried out in composition of the committee at the Meeting of Board of Directors held on 07.05.2011.

(c) Meetings and attendance during the year : Meeting held: None

(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, 2011 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	40.00	4.00	44.00
Mr. Sandeep Agarwal	3000.00	179.96 \$	0.00	0.00	3179.96
Mr. P.K. Rajput	801.29	195.96#	0.00	0.00	997.25
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	0	0	0	0
TOTAL	3801.29	375.92	260.00	20.00	4457.21

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

\$ Reimbursement of Electricity charges.

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

% Appointed w.e.f. February 18, 2011

NOTES:

- 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.
- The shareholding of directors as on 31st March, 2011 is as under:

Details of Shareholding of Directors:

Sl. No.	Name	Shareholding	Percentage
1	Mr. K.K. Agarwal, Non Executive Chairman	1147460	2.93
2	Mr. Sandeep Agarwal, Managing Director	651510	1.67
3	Mr. P.K. Rajput, Executive Director	30000	0.08
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	1828970	4.68

(v) 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) Any matter related with the Investors' Grievances.
- (e) The committee also looks after redressal of investors' grievances and performance of the Registrar and Transfer Agent of the company.
- (f) Monitoring the violations of the code of conduct for prevention of insider trading, if any.
- (g) 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 : 0120-2856041, 2859299
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 2010-2011:

Sr. No	Particulars	Received	Redressed	Pending as on 31.03.11
1.	Non-receipt of refund order	--	--	--
2.	Non-receipt of Dividend Warrants	--	--	--
3.	Non-Receipt of Share Certificates	--	--	--
4.	Others	5	5	--
	TOTAL	5	5	--

- (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
1.	Number of Transfers	78
2.	Average No. of Transfers per month	6-7
3.	Number of shares transferred	704

2. Demat/Remat of Shares:

Sr. No	Particulars	Equity Share
1.	Number of Demat Transfers approved	13
2.	Number of shares Dematerialized	3601768
3.	Percentage of shares Dematerialized	9.208%
4.	Number of Rematerialization Requests approved	8
5.	Number of shares rematerialized	313

(vi) General Meeting

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

S. No.	Location	Date	Time	AGM/ EGM
1.	B-2 Loni Road Industrial Area (Opp. Mohan Nagar) Ghaziabad, (U.P.)	26.12.2008	10:00 A.M.	EGM
2.	--Do--	11.12.2009	10:00 A.M.	AGM
3.	57/2, Site IV Industrial Area, Sahibabad, Ghaziabad, U.P.	06.05.2010	11:00 A.M.	Court Convened Shareholders Meeting
4.	--Do--	13.08.2010	10.00 A.M.	AGM

(b) Whether special resolutions were passed in : Yes
the previous three AGMs/EGMs

(c) Were put through postal ballot last year, : By show of hands and Postal Ballot.
details of voting pattern.

(d) Person who conducted the postal ballot : Mr. Rajiv Khosla, Practicing Company Secretary
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.

(vii) Disclosures

(a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large. : In compliance of Clause 32 of the Listing Agreement and Accounting Standard 18, the Disclosure of "Related Party Transactions" has been made in the Notes to Accounts of Financial Statements.

(b) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years. : The violations of the provisions of Regulations 13 (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 (hereinafter referred to as 'SEBI Insider Trading Regulations') alleged to have been committed by the company. The SEBI vide its letter dated November 29, 2010 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 requirements 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.

(viii) Means of Communication

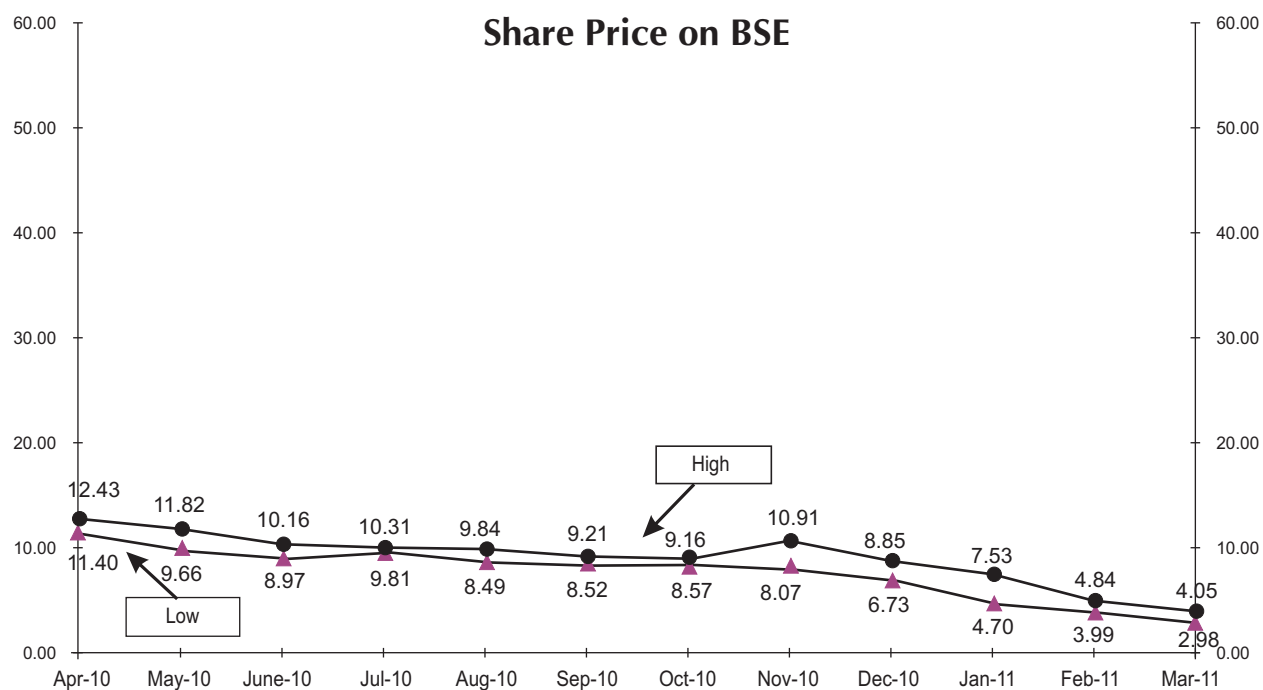
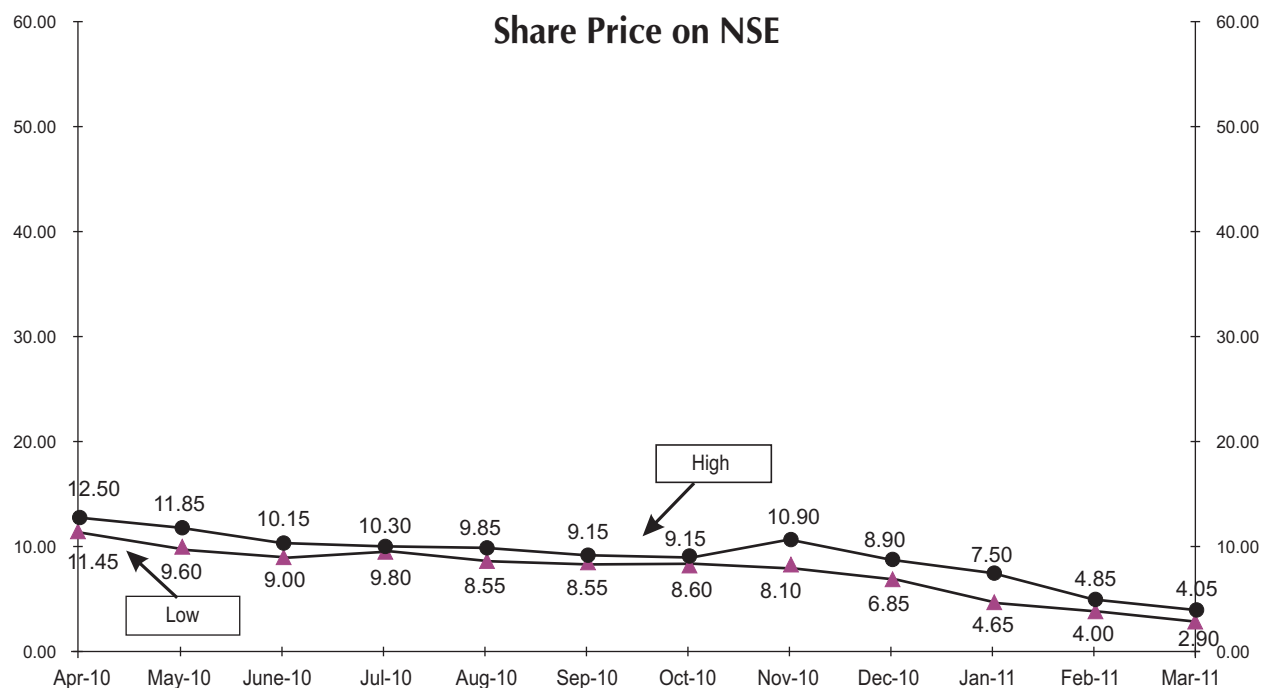
- (a) Half yearly report sent to each house hold of shareholders. : Published in the news paper apart from sending to the investors who request for the same.
- (b) Quarterly results. : Published in the News Paper and sent to the Stock Exchanges where Shares of the Company are listed.
- (c) shareholding 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.
- (d) Which newspapers normally published in. : Money Makers, Dainik Mahalaxmi Bhagyodaya
- (e) Any website, where displayed. : www.alpsindustries.com
- (f) Whether it also display official news release : Yes
- (g) The presentations made to institutional investors or to the analysts. : The Financial Results are sent to the major investors including Institutional Investors and analysts.
- (h) Whether MD&A is a part of Annual Report or not. : Yes. However in compliance of the General Circular No. 17/2011 dated 21.04.2011 & 18/2011 dated 29.04.2011, the company is intending to send all the future communication including Annual Report of the company 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 as and when required.

(ix) General Shareholder information

- (a) AGM: Date, time and venue (Tentative) : Date: September 30, 2011
Day: Friday
Time: 10.00 A.M.
Venue: 57/2, Site IV, Industrial Area, Sahibabad, Ghaziabad, (U.P.) Pin- 201010
- (b) Financial Calendar (Tentative) : 2011-12
Annual General Meeting : September 30, 2011
Result for quarter ending June 30, 2011 : First Week of August, 2011.
Result for quarter ending Sept 30, 2011. : Fourth Week of October, 2011
Result for quarter ending Dec 31, 2011. : Fourth Week of January, 2012
Result for quarter ending March 31, 2012. : Fourth Week of April, 2012
- (c) Date of Book Closure : Wednesday, September 28, 2011 to Thursday, September 29, 2011 (Both days inclusive)
- (d) Dividend Payment Date : The Board of Directors has recommended no dividend.

- (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. As no GDRs are outstanding, it has been delisted from the Luxembourg Stock Exchange, w.e.f. September 6, 2010 on the request of the company. It has been intimated to the company vide their letter dated September 3, 2010.
- (f) Stock Code : NSE : ALPSINDUS – EQ
: BSE : 530715/ALPSIND
- (g) Issue 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, the company has also allotted 91,540,811, 1% Cumulative Redeemable Preference Shares (CRPS) & 14,13,076, 6% Cumulative Redeemable Preference Shares (CRPS) at a issue price and face value of Rs. 10/- each on November 24, 2010 & November 25, 2010 in favour of some of the Bankers of the company and also obtained the approval in principle to issue 13,72,50,960 Optionally Convertible Cumulative Preference Shares (OCCPS) from BSE & NSE on 16.11.2010 & 15.04.2011 respectively.
- (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 – 10	12.50	07.04.10	11.45	19.04.10	12.43	07.04.10	11.40	19.04.10
2	May – 10	11.85	03.05.10	9.60	25.05.10	11.82	03.05.10	9.66	21.05.10
3	June – 10	10.15	28.06.10	9.00	08.06.10	10.16	28.06.10	8.97	10.06.10
4	July – 10	10.30	13.07.10	9.80	28.07.10	10.31	01.07.10	9.81	28.07.10
5	Aug – 10	9.85	02.08.10	8.55	31.08.10	9.84	02.08.10	8.49	31.08.10
6	Sept – 10	9.15	07.09.10	8.55	01.09.10	9.21	07.09.10	8.52	01.09.10
7	Oct – 10	9.15	26.10.10	8.60	21.10.10	9.16	13.10.10	8.57	21.10.10
8	Nov – 10	10.90	11.11.10	8.10	29.11.10	10.91	11.11.10	8.07	30.11.10
9	Dec – 10	8.90	01.12.10	6.85	30.12.10	8.85	01.12.10	6.73	30.12.10
10	Jan – 11	7.50	03.01.11	4.65	21.01.11	7.53	03.01.11	4.70	21.01.11
11	Feb – 11	4.85	01.02.11	4.00	08.02.11	4.84	02.02.11	3.99	09.02.11
12	Mar – 11	4.05	10.03.11	2.90	25.03.11	4.05	08.03.11	2.98	29.03.11



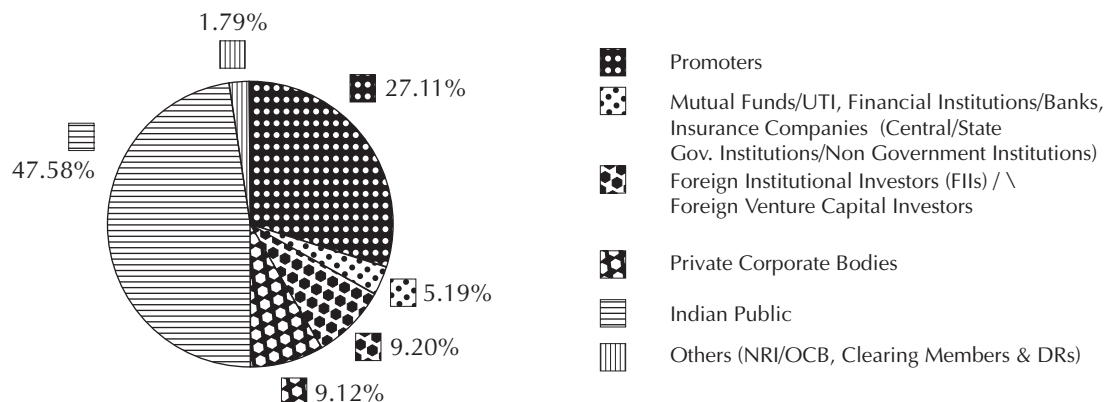
(i) Shareholding Pattern as on 31.03.2011

Scrip Code, Name of the Scrip, Class of the Security : NSE -ALPSINDUS & BSE -530715/ALPSIND

Category Code	Category of Shareholder	Number of shareholders	Total Number of Shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					Percentage of (A+B) ¹	Percentage of (A+B+C)	Number of Shares	As a Percentage IX=(VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group ²							
(1)	Indian							
	a. Individuals / Hindu Undivided Family (HUF)	14	2,920,220	2,419,340	7.47	7.47	2,406,028	82.39
	b. Central Government / State Government	-	-	-	-	-	-	-
	c. Bodies Corporate	16	5,684,410	5,179,990	14.53	14.53	5,179,990	91.13
	d. Financial Institutions / Banks	-	-	-	-	-	-	-
	e. Any Other (Specify)	-	-	-	-	-	-	-
	Sub - Total A (1)	30	8,604,630	7,599,330	22.00	22.00	7,586,018	88.16
(2)	Foreign							
	a. Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-
	b. Bodies Corporate	1	2,000,000	2,000,000	5.11	5.11	-	-
	c. Institutions	-	-	-	-	-	-	-
	d. Any Other (Specify)	-	-	-	-	-	-	-
	Sub - Total A (2)	1	2,000,000	2,000,000	5.11	5.11	-	-
	Total Shareholding of promoter and promoter group (A)=A(1)+A(2)	31	10,604,630	9,599,330	27.11	27.11	7,586,018	71.53
(B)	Public shareholding ³							
(1)	Institutions							
	a. Mutual Funds/ UTI	3	400	100	0.00	0.00	-	-
	b. Financial Institutions / Banks	1	200	200	0.00	0.00	-	-
	c. Central Government/State Government(s)	1	200	200	0.00	0.00	-	-
	d. Venture Capital Funds	-	-	-	-	-	-	-
	e. Insurance Companies (FI Govt. Sponsored)	2	2,028,738	2,028,738	5.19	5.19	-	-
	f. Foreign Institutional Investors (FIIs)	2	3,600,000	3,600,000	9.20	9.20	-	-
	g. Foreign Venture Capital Investors	-	-	-	-	-	-	-
	h. Any other (specify)	-	-	-	-	-	-	-
	Sub - Total B (1)	9	5,629,538	5,629,238	14.39	14.39	-	-
(2)	Non-Institutions							
	a. Body Corporate	503	3,566,915	3,566,015	9.12	9.12	51,619	1.45
	b. Individuals - (i) Individual shareholders holding nominal share capital up to Rs. 1 lakh.	26,141	13,644,647	13,572,627	34.88	34.88	-	-
	c. (ii) Individual shareholders holding nominal share capital excess to Rs. 1 lakh.	161	4,967,034	4,967,034	12.70	12.70	49,011	0.99
	d. Any Other (NRI Repatriable)	252	638,926	604,481	1.63	1.63	-	-
	(NRI Non Repatriable) &	72	59,946	59,846	0.15	0.15	-	-
	(Trust)	1	2,464	2,464	0.01	0.01	-	-
	Sub - Total B (2)	27,130	22,879,932	22,772,467	58.50	58.50	100,630	0.44
	Total Public Shareholding (B) = B(1)+B(2)	27,139	28,509,470	28,401,705	72.89	72.89	100,630	0.35
(C)	Shares held by custodians and against which depository receipts have been issued.							
	1. Promoter & Promoter Group	-	-	-	-	-	-	-
	2. Public	-	-	-	-	-	-	-
	Sub - Total (C)	-	-	-	-	-	-	-
	Grand Total (A+B)	27,170	39,114,100	38,001,035	100.00	100.00	7,686,648	19.65

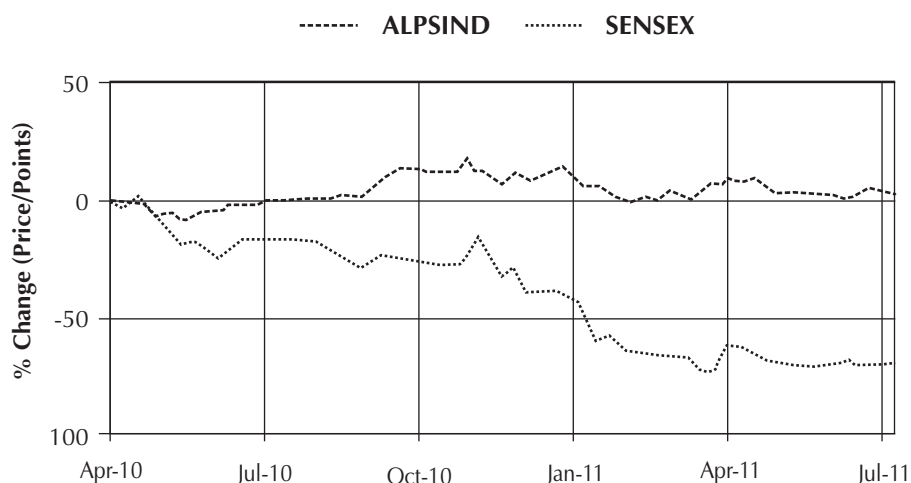
1. Total Foreign shareholding 62,98,872 and percentage of shareholding is 16.104.
2. There is NIL holdings of GDRs & ADRs.
3. In terms of SEBI Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009, it is to be mentioned that there is only one class of shares i.e. equity shares having only one kind of voting pattern. Hence, information related voting pattern for more than one class of shares/security is not applicable to the company.

SHAREHOLDING PATTERN AS ON 31.03.2011



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

NSE CHART FOR THE YEAR 2010-11 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) Ex-Depository for GDRs : The Bank of New York Mellon,
101, Barclay Street,
22nd Floor,
New York, NY 10286, USA
- (m) 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.
- (n) Uniform procedure for dealing with unclaimed shares. : In terms of SEBI Circular No. SEBI/CFD/DIL/La/1/2009/24/04 dated April 24, 2009, for uniform procedure for dealing with the unclaimed shares of Public Issue and subsequent Bonus Issue, has been credited to Unclaimed Share Demat Suspense Account opened with Alankit Assignment Limited. The details of shareholding of individual allottee have been properly maintained and the shares has been credited to the allottee accounts as and when he/she approaches to the Company/R&T Agent. As on 31.03.2011, 2,364 unclaimed equity shares of 1182 bonus shares are lying in the Suspense Account - Public Issue (including the bonus shares issued on 29.09.2006) and the 0.007% voting rights on the above shares has been freezed. There is no change in the shareholding and there are no transactions during the period i.e. 01.04.2010 to 31.03.2011. No request was pending at the beginning and at the end of the financial year. Further, no requests are pending for disposals or received by the company or registrar.

Company is also having only one class of security i.e. Equity Shares, hence no different voting pattern is applicable to the company.

(o) Distribution of shareholding : As on 31st March, 2011

Share holding of nominal value	Shareholders		Share Amount	
In Rs.	Number	%	Rs. In 000's	%
Upto- 5000	20923	76.985	34660.70	8.861
5001- 10000	2936	10.803	24992.04	6.390
10001- 20000	1622	5.968	25579.03	6.540
20001- 30000	539	1.983	13921.39	3.559
30001- 40000	275	1.012	9978.77	2.551
40001- 50000	246	0.905	11701.71	2.992
50001- 100000	355	1.306	26221.72	6.704
100001 and above	282	1.038	244085.64	62.403
TOTAL	27178	100.000	391141.00	100.000

(p) Dematerialization of shares and liquidity : 97.15% of Issued Capital is in Dematerialized form as on 31st March 2011. The shares are listed at the two stock exchanges.

(q) Outstanding GDRs/ADRs /Warrants or any Convertible instrument, conversion date and likely impact on equity : (i) No GDRs is outstanding as on 31st March 2011.
(ii) The company has not issued any ADRs.

(r) Plant Locations

1. Plot No. 1-A, Sector 10 Integrated Industrial Estate BHEL, Haridwar, Uttarakhand.
2. Plot No. 1-B, Sector 10 Integrated Industrial Estate BHEL, Haridwar, Uttarakhand.
3. Village- Aminagar alias Bhoor Baral, Disst-Meerut, (U.P.)
4. A-2, Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (U.P.)
5. A-16/2, Site-IV, Industrial Area, Sahibabad, Ghaziabad 201010 (U.P.)
6. Kashipur Spinning Mills, Near Govt. Degree College, kashipur Bazpur Road, uttrakhand.
7. Jaspur Spinning Mills, Afzal Garh Road, jaspur, Uttrakhand-244 712
8. A-3, Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (U.P.)
9. A-3/1 Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (U.P.)

10. B-160-161, Industrial Estate, Mettupalayam, Puducherry-605 009
11. B-2, Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (U.P.) (Non Operational)
12. 57/2, Site IV Industrial Area, Sahibabad, Ghaziabad 201010 (U.P.) (Non Operational)

- (s) Address for correspondence : Corp. Office: 57/2, Site - IV, Sahibabad Industrial Area, Ghaziabad-201 010 (U.P.)
- (t) 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 August 6, 2011.
- (u) 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.

GREEN INITIATIVE

The Ministry of Corporate Affairs ('MCA'), Government of India, through its Circular No. 17/2011 and circular dated 18/2011 dated 29th April, 2011 has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Director's 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 propose to send future 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 - ANNEXURE-3 PART - II
NON-MANDATORY REQUIREMENTS.**

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, further amended by notification no. G.S.R. 70(E) dated February 8, 2011 of the Ministry of Corporate Affairs, and the necessary requirements of Corporate Governance. 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. Tilak Raj Khosla	-	Member#
4. Mr. P.K. Lamba	-	Member #
5. Mr. Sonalal Datta	-	Nominee-SBI %
6. Mr. M.L. Sharma	-	Special Director- BIFR %

resigned w.e.f. May 7, 2011
% appointed w.e.f. May 7, 2011
Note : In compliance with the Notification No. G.S.R. 70(E) dated 08.02.2011, the necessary amendment has been carried out in composition of the committee at the Meeting of Board of Directors held on 07.05.2011.
 - (iii) Presence at the meeting. : Meeting held: None
 - (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. Half Yearly Financial Results to the Shareholders. : The Financial Results were sent to the members as and when demanded by them 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, 2011 and the same has been explained in the Notes to Accounts at appropriate place and being self explanatory needs no further explanation.
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 7, 2011
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 CODE FOR CORPORATE DISCLOSURE PRACTICES 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 Code for Corporate Disclosure Practices for prevention of insider trading as specified under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as approved & prescribed by the Board of Directors of the Company.

Place: Ghaziabad
Date: May 7, 2011

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 period ended on 31st March 2011, 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
Firm Registration No. 000711C

Place : Ghaziabad
Date : August, 6, 2011

(Munish Kr. Jain)
Partner
Membership No.70335

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. 2010-11

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 31.03.2011 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 year ended on March 31, 2011;
 - (ii) Significant changes in the accounting policies during the year ended on March 31, 2011 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: AUGUST 6, 2011

FOR ALPS INDUSTRIES LIMITED

A. K. SINGHAL
PRESIDENT CORP. (FINANCE & ACCOUNTS)

**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.,	1 st 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 2010-2011 to both the Stock Exchanges.
3. As no GDRs are outstanding, it has been delisted from the Luxembourg Stock Exchange, w.e.f. September 6, 2010 on the request of the company. It has been intimated to the company vide their letter dated September 3, 2010.

Sl. No.	Particulars	Amount (Rs. in Lacs)
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- Snowflakes Meditech Pvt. Ltd.	48.13
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 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, 2011.

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, 2011	March 31, 2011	March 31, 2011
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%	87.60%	100%
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 2011	(USD 193)	(Rs. 4.39 Lacs)	(Rs. 3.04 Lacs)
b)	Not dealt with in the accounts for the period ended 31st March 2011 (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 2011	(260 USD)	(Rs. 0.36 Lacs)	(Rs. 1.47 Lacs)
b)	Not dealt within accounts for the period ended 31st March 2011 (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	No Change	No Change	No Change
d)	that of meeting current liabilities	No Change	No Change	No Change

\$ As the entire shareholding has been disposed off. Hence this company is subsidiary company only for the part of the year.

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 subsidiary companies seeking such information at any point of time.

For and on behalf of the Board

Place: Ghaziabad
Dated August 6, 2011

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

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

Ajay Gupta
Company Secretary

AUDITORS' REPORT

To,
The Members of
Alps Industries Limited Ghaziabad

1. We have audited the attached Balance Sheet of ALPS INDUSTRIES LIMITED as at 31st March 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above and Para 5 below, 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the applicable accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, in our opinion, none of the director is disqualified as on 31.03.2011 from being appointed as director u/s 274(1)(g) of the Companies Act, 1956.
5. *Referring to note nos. 1(g) I, II and III of part B of Schedule 20, Notes to Accounts, the Company has not assessed and made any provision towards the losses on derivative contracts crystallized amounting to Rs 206.64 Crore and claims of Rs 44.65 Crore against the corporate guarantee provided by the Company on behalf of one of its subsidiary company (refer to note no. 1 (g) IV of part B of schedule 20 notes to accounts), hence to that extent the loss as shown in the profit and loss account, accumulated losses and current liabilities as understated.*
6. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts subject to para 5 above read together with Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - b) In the case of the Profit and Loss account, of the Loss for the year ended on that date and
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Munish Kr. Jain
Partner
Membership No. 70335

Place : Ghaziabad
Date : August 6th, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2011 of Alps Industries Ltd.

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 proper 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 period.
(c) During the year the Company has not disposed off substantial part of its fixed assets and the going concern status of the company is not affected.
- 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 purchase 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 complied with the provisions of section 58A and 58-AA or any other relevant provisions of the Companies Act, 1956, the Companies (Acceptance of Deposits) Rules, 1975 and the directives issued by the Reserve Bank of India, with regard to the deposits accepted from the public by private circulation. No order has been passed with respect to the deposits accepted from the public by private circulation by National Company Law Tribunal/Company Law Board.
- VII. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- VIII. The Central Government has prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of manufacturing activity of Cotton yarn of the Company. We have broadly reviewed the accounts and records of the Company and are of the opinion that prima facie, the prescribed records are being maintained. We have not, however, 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 undisputed amounts payable in respect of Income-tax, Wealth tax, Service Tax, Sales-tax, Custom duty, Excise duty, Cess and other statutory dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.

c) The disputed statutory dues aggregating to Rs. 563.93 Lac have not been deposited on account of disputed matters pending before appropriate authorities as on 31st March, 2011, 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. 219.59 Lac	Hon'ble Allahabad High Court
2	Nagar Nigam Act, 1959	Sewerage Tax	Rs. 4.75 Lac	Hon'ble Allahabad High Court
3	Income Tax	Disallowance of Depreciation for the A.Y. 2007-08	Rs. 339.59 Lac	I.T.A.T. New Delhi

X. (a) The accumulated losses of the company as at 31st March, 2011 are more than fifty percent of its net worth.

(b) The Company has incurred cash losses during the current year ended 31st March, 2011.

XI. Based on our audit procedure and the information and explanations given to us, the Company has defaulted in repayment to the financial institutions/Banks as given below.

Name of the Statute	Rs. in Lacs
Principal	Interest
1500.00	339.67
1000.00	160.38
2052.31	17.61
38098.09	266.36
57833.62	641.62
Default w.e.f	
February 2009	
March 2009	
January 2011	
February 2011	
March 2011	

XII. Based on our examination of records and explanations given to us, 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.

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 period.

XIX. According to information and explanations given to us, during the period, company has not issued debentures and accordingly, the creation of securities thereof does not arise.

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

XI. 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 : August 6th, 2011

ALPS INDUSTRIES LTD.



BALANCE SHEET

BALANCE SHEET AS ON 31st MARCH' 2011

	Schedule	AS AT 31.03.11 Rs.(In Lacs)	AS AT 31.03.10 Rs.(In Lacs)
Sources of Funds			
1 Shareholders Funds			
Share Capital	1	13,206.80	3,451.41
Reserves and Surplus	2	16,928.93	16,882.93
		<u>30,135.73</u>	<u>20,334.34</u>
2 Loan Funds			
Secured Loans	3	113,380.41	107,855.50
Unsecured Loans	4	4,104.60	8,152.76
		<u>117,485.01</u>	<u>116,008.26</u>
3 Deferred Tax Liability		-	2,191.51
Total		<u>147,620.74</u>	<u>138,534.11</u>
Application of Funds			
1 Fixed Assets			
Gross block	5	79,975.17	79,678.46
Less : Depreciation		17,794.75	13,362.75
Net Block		<u>62,180.42</u>	<u>66,315.71</u>
Capital Work in Progress		1,241.73	1,544.58
2 Investments	6	983.55	1,549.05
3 Current Assets, Loans & Advances			
Inventories	8	46,810.54	30,777.98
Sundry Debtors	9	9,558.57	12,925.46
Cash & Bank Balances	10	1,998.82	2,063.27
Loans & Advances	11	5,494.35	6,678.66
		<u>63,862.28</u>	<u>52,445.37</u>
Less : Current Liabilities & Provisions	7	14,437.65	7,549.42
Net Current Assets		<u>49,424.63</u>	<u>44,895.95</u>
4 Misc. Expenditure	12	227.85	317.12
Deferred Revenue Expenses (to the extent Not Written Off or Adjusted)			
Profit & Loss Account		41,561.86	31,911.00
Less : General Reserve		(7,999.30)	(7,999.30)
		<u>33,562.56</u>	<u>23,911.70</u>
Total		<u>147,620.74</u>	<u>138,534.11</u>

Significant Accounting Policies and Notes on Accounts
Schedules referred to above form an integral part
of the Financial Statements

As per our report of even date attached

For P. JAIN & CO.

Chartered Accountants

(Firm Registration No. 000711C)

MUNISH KR. JAIN

Partner

Membership No. 70335

Place : Ghaziabad

Date : 6th August' 2011

A.K. Singhal
President (F & A)

Ajay Gupta
Company Secretary

P.K. Rajput
Executive Director

For and on behalf of the Board

Sandeep Agarwal
Managing Director

PROFIT & LOSS ACCOUNT

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH' 2011

	Schedule	31.03.11 Year Ended Rs.(In Lacs)	31.03.10 Period Ended Rs.(In Lacs)
Income			
Sales	13	69,730.47	46,932.48
Less :Excise Duty		180.70	50.32
Net Sales		69,549.77	46,882.16
Other Income	14	1,146.39	357.90
Increase(decrease)in Stock		8,171.51	2,069.31
		78,867.67	49,309.37
Expenditure			
Purchase of Traded Goods		1,287.30	1,037.65
Material Consumed	15	52,576.38	33,761.53
Manufacturing Expenses	16	10,942.18	7,229.34
Personnel Expenses	17	2,450.08	1,618.80
Other operating Expenses	18	5,720.51	3,482.55
Misc. and Deferred Revenue Expenditure W/Off		89.27	89.72
Exchange Fluctuation		5,220.62	3,922.34
Financial Expenses	19	8,361.31	5,642.06
Depreciation	5	4,442.65	3,066.07
		91,090.30	59,850.06
Profit/(Loss) Before Tax		(12,222.63)	(10,540.69)
Less : Deferred Tax Adjustments		(2,191.51)	125.00
Profit/(Loss) After Tax		(10,031.12)	(10,665.69)
(Less)/Add : Prior Year Adjustments (Net)		380.26	1,496.74
		(9,650.86)	(9,168.95)
Add : Profit/(Loss) B/F from Previous Period		(31,911.00)	(22,742.05)
Profit/(Loss) Available for Appropriation		(41,561.86)	(31,911.00)
Appropriations			
Profit/(Loss) carried to Balance Sheet		(41,561.86)	(31,911.00)
		(41,561.86)	(31,911.00)
Basic and Diluted Earning Per Share (Rs.)		(25.28)	(26.57)

Significant Accounting Policies and Notes of Accounts
Schedules referred to above form an integral part of Accounts

As per our report of even date attached

For P. JAIN & CO.

Chartered Accountants
(Firm Registration No. 000711C)

MUNISH KR. JAIN

Partner
Membership No. 70335

Place : Ghaziabad
Date : 6th August' 2011

A.K. Singhal
President (F & A)

Ajay Gupta
Company Secretary

P.K. Rajput
Executive Director

For and on behalf of the Board

Sandeep Agarwal
Managing Director

SCHEDULES

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULES FORMING PART OF ACCOUNTS			AS AT 31.03.11 Rs.(In Lacs)	AS AT 31.03.10 Rs.(In Lacs)
1. SHARE CAPITAL				
Authorised Capital				
4,00,00,000(4,50,00,000) Equity Shares of Rs.10/-each			4,000.00	4,500.00
30,50,00,000(13,80,00,000) Cumulative Redeemable Preference Share of Rs.10/-each			30,500.00	13,800.00
			34,500.00	18,300.00
Issued , Subscribed & Paid up				
3,91,14,100(3,45,14,100) Equity Share of Rs. 10/-each fully paid up out of the above, (16257050 Equity Share of Rs. 10/- each have been allotted during 2006-07 as fully paid up Bonus Share by capitalisation of General Reserve)			3,911.41	3,451.41
			3,911.41	3,451.41
9,15,40,811(NIL) 1% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up, redeemable at par w.e.f. 31st January, 2017 onwards. (Refer Note No. 3 of part B of schedule 20)			9,154.08	-
1413076(NIL) 6% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up, redeemable at par w.e.f. 31st January, 2017 onwards. (Refer Note No. 3 of part B of schedule 20)			141.31	-
			9,295.39	-
			13,206.80	3451.41
2. RESERVES AND SURPLUS				
	BALANCE AS ON 01.04.10	ADDITION DURING THE YEAR	UTILISED DURING THE YEAR	BALANCE AS ON 31.03.11
Capital Reserve	260.00	-	-	260.00
Share Premium	16,622.93	46.00	-	16,668.93
Total	16,882.93	46.00	-	16,928.93
3. SECURED LOANS				
(A) Term Loans				
Bank & Financial Institutions			80,048.52	80,964.18
Car/Other Loan			96.47	294.01
(Term loans from Bank & Financial Institutions are Secured by First Pari - Passu charge created /to be created on Fixed Assets and second pari-passu charge on current assets of the Company, both present and Future and by Personal Guarantees of Promoter Directors. (Refer Note No. 3 of part B of schedule 20) (Terms Loan repayable in next twelve months is Rs. 2,573.00 lacs) Car/Other Loans are secured by hypothecation of specific assets				
(B) Working Capital Loan from Banks:			33,235.42	26,597.31
(Secured by First Pari - Passu charge on Stocks of Raw Material, Finished and Semi Finished Goods, Consumable Stores & Spares, Book Debts and Second Pari-Passu charge over Fixed Assets created/to be created and by Personal-Guarantee of Promoter Directors)				
			113,380.41	107,855.50

SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.11 Rs.(In Lacs)	AS AT 31.03.10 Rs.(In Lacs)
4. UNSECURED LOANS (Other than Fixed Deposit)		
(A) Term Loans from Banks and Financial Institution (Refer Note No. 3 of part B of schedule 20)	3,118.65	7,124.71
(B) SHORT TERM DEPOSITS		
From Bodies Corporate	485.95	1,028.05
From Subsidiary Company	500.85	-
	985.95	1,028.05
	4,104.60	8,152.76
5. FIXED ASSETS		

Particulars	Gross Block				Depreciation				Net Block	
	Opening Balance	Addition	Deduction/Sale	Total Upto 31.03.11	Opening Balance	During The Period	On Deduction	Total Upto 31.03.11	As on 31.03.11	As on 31.03.10
Leasehold Land	1,300.75	0.62	-	1,301.37	94.22	14.14	-	108.36	1,193.01	1,206.53
Free Hold Land	637.70	-	-	637.70	-	-	-	-	637.70	637.70
Building	14,147.07	159.81	-	14,306.88	1,585.90	381.44	-	1,967.34	12,339.54	12,561.17
Plant & Machinery	61,227.20	636.74	593.47	61,270.47	10,197.18	3,900.78	4.07	14,093.89	47,176.58	51,030.02
Brand & Trade Mark	646.07	-	-	646.07	537.44	47.45	-	584.89	61.18	108.63
Furniture Fixture	342.10	16.49	1.28	357.31	114.28	21.63	0.76	135.15	222.16	227.82
Vehicles	506.64	50.56	12.49	544.71	165.78	46.88	5.25	207.41	337.30	340.86
Office Equipment	185.57	25.61	0.25	210.93	50.60	9.88	0.12	60.36	150.57	134.97
Computers	685.36	14.88	0.51	699.73	617.35	20.45	0.45	637.35	62.38	68.01
Sub Total	79,678.46	904.71	608.00	79,975.17	13,362.75	4,442.65	10.65	17,794.75	62,180.42	66,315.71
Previous Year	66,462.54	13,353.87	137.95	79,678.46	10,326.95	3,066.07	30.27	13,362.75	66,315.71	56,135.59

6. INVESTMENTS (AT COST)

I Long Term (Fully Paid Unless Otherwise Stated)

(A) Quoted Shares

13400(P.Y.-13400) Equity Shares of Rs. 10/- Each of Kay Pulp & Paper Mills Ltd. (Market Value-not Available)	1.34	1.34
720(P.Y.-720) Equity Shares of Rs. 10/- Each of Parasram Puria Synthetics Ltd. (Market Value- Not Available)	0.22	0.22
2000(P.Y.-2000) Equity Shares of Rs. 10/- Each of Global Syntex Bhilwara Ltd.(Partly of Rs. 5/- Each Paidup) (Market Value- Not Available)	0.10	0.10

(B) Mutual Funds

20000 (P.Y.-20000) Unit of Rs. 10/- Each of SBI One India Fund Market Value-Rs. 216600/-	2.00	2.00
19560(P.Y.-19560) Unit of Franklin India High Growth Co. Market Value - Rs. 251150/-	2.00	2.00
100000(P.Y.-100000) Unit of Rs. 10/- Each of SBI Infrastructure Fund Market Value- Rs. 937000/-	10.00	10.00
2930 (P.Y.-2930) Unit of Reliance Growth Fund Market Value- Rs. 1351990/-	10.00	10.00
10000(P.Y.-10000) of Rs. 10/- Each of UTI Infrastructure	1.00	1.00

SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.11 Rs.(In Lacs)	AS AT 31.03.10 Rs.(In Lacs)
Advantage Fund-Series-I Market Value-Rs 85300/- Kotak Alrt. Opportunities Market Value- N.A. Kotak Mahindra Capital Market Value- N.A.	- - -	235.00 10.00
(C) Unquoted Shares		
Nil (105000) Equity Share of Rs. 10/- Each of Sedona Herbal Pvt. Ltd.	-	10.50
Nil (265000) Redeemable Contestable Preference Share of Rs. 100/- Each of Sedona Herbal Pvt. Ltd.	-	265.00
Nil (4500000) Equity Shares of Rs. 1/- Each of Improve Interior. Com Ltd.	-	45.00
2450(2450)shares of Colombine Cody Corp.	4.11	4.11
Subsidiary Companies		
15 (15) Equity Shares of Alps Usa Inc	500.78	500.78
2259990(2259990) Equity Shares of Rs. 10/- Each Snowflaks Meditech Pvt. Ltd.	226.00	226.00
2259990(2259990) Equity Shares of Rs. 10/- Each Alps Energy (p) Ltd.	226.00	226.00
II Current, Investment	-	-
	983.55	1,549.05
7. CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors : Micro, Small & Medium Enterprises	8.09	14.64
: Others	11,023.49	4,054.87
Advance From Customers	206.08	224.11
Expenses Payable	2,617.38	1,432.83
Book Overdraft	231.27	1,486.28
Unclaimed Dividend	11.35	11.52
B. Provisions		
Gratuity /leave Encashment	339.99	265.17
Fringe Benefit Tax	-	60.00
	14,437.65	7,549.42
8. INVENTORIES		
Raw Materials	28,898.46	21,154.29
Consumable Stores	480.30	362.64
Finished Goods	11,455.60	5,379.98
Semi Finished Goods	5,976.18	3,880.29
Stock-in-transit	-	0.78
	46,810.54	30,777.98

SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.11 Rs.(In Lacs)	AS AT 31.03.10 Rs.(In Lacs)
9. SUNDRY DEBTORS (UNSECURED)		
Debts Outstanding for a period Exceeding Six Months - (considered Good)	1,384.41	777.37
Other Debts		
Considered Good	8,174.16	12,148.09
Considered Doubtful	116.90	182.08
Less: Provision For Doubtful Debts	116.90	182.08
	9,558.57	12,925.46
10. CASH & BANK BALANCES		
Cash In Hand	119.15	90.47
Balances with Scheduled Banks		
In Current Accounts	650.52	715.56
In Fixed Deposit Given Agt. Margin	1,229.15	1,257.24
	1,998.82	2,063.27
11. LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
Advance Recoverable In Cash or in Kind or For Value to be Received	3595.29	4501.07
Security Deposit	658.59	609.24
Advance to Subsidiaries	702.07	660.21
Advance Income Tax (Net of Provisions)	68.35	585.33
Minimum Alternate Tax Adjustable	322.81	322.81
Claim Agst. Fire (stock)	147.24	-
	5,494.35	6,678.66
12. MISCELLANEOUS EXPENDITURE (To the Extent Not Written off or Adjusted)		
Opening Balance		
Capital Issue Expenses	276.39	
Product Development & Other D.R.E.	40.73	
Less : Written off During the Period		
Capital Issue Expenses	49.86	
Product Development & Other D.R.E.	39.41	
Closing Balance		
Capital Issue Expenses	226.53	307.32
Product Development & Other- Deferred Revenue Expenses	1.32	9.80
	227.85	317.12

SCHEDULES FORMING PART OF ACCOUNTS

	31.03.11 Rs.(In Lacs)	31.03.10 Rs.(In Lacs)
13. SALES		
Export	29,259.45	17,713.53
Domestic	40,471.02	29,218.95
	<u>69,730.47</u>	<u>46,932.48</u>
14. OTHER INCOME		
Income From Interest (TDS Rs. 16.34 Lacs - P.Y. Rs. 12.16 lacs)	175.02	121.34
Job Work	9.69	36.82
Others Income	947.38	199.74
Profit on Sale of Investment	14.30	-
	<u>1,146.39</u>	<u>357.90</u>
15. MATERIAL CONSUMED		
Opening Stock	21,154.29	12,773.56
Add: Purchases	60,467.79	42,142.26
	<u>81,622.08</u>	<u>54,915.82</u>
Less: Closing Stock	28,898.46	21,154.29
Less: Stock Agt. Fire Claim	147.24	-
	<u>52,576.38</u>	<u>33,761.53</u>
16. MANUFACTURING EXPENSES		
Wages Including Other Benefits	2,999.72	1,950.36
Contribution To Provident & Other Funds	71.89	44.40
Security & Vigilance	64.40	47.12
Food & Beverage Prov. To Workers	40.92	27.35
Consumption of Stores & Spares	976.39	593.05
Production Expenses	769.74	720.41
Power & Fuel	5,986.67	3,795.27
Carriage & Cartage	32.45	45.77
Research & Development Expenditure	-	5.61
	<u>10,942.18</u>	<u>7,229.34</u>
17. PERSONNEL EXPENSES		
Salaries Including Other Benefits	2,246.55	1,445.05
Contribution To Provident & Others Funds	87.50	66.76
Gratuity	73.50	53.38
Food & Beverage Prov. To Staff	42.53	53.61
	<u>2,450.08</u>	<u>1,618.80</u>
18. OTHER OPERATING EXPENSES		
Rent	337.50	279.33
Rates & Taxes	53.48	28.46
Postage & Telegram	24.03	19.26
Printing & Stationery	66.43	43.04
Legal & Professional Expenses	316.51	247.19
Travelling & Conveyance - Others	374.46	204.12
Travelling & Conveyance - Directors	15.92	20.14
Telephone & Fax	69.45	50.83
Directors' Remuneration	41.77	30.46
Books & Periodicals	0.97	0.67

SCHEDULES FORMING PART OF ACCOUNTS

	31.03.11 Rs.(In Lacs)	31.03.10 Rs.(In Lacs)
Fees & Subscription	108.65	15.55
General Expenses	105.44	26.96
Insurance	156.13	156.22
Payment to Auditors	11.03	14.34
Vehicle Running Expenses	102.16	78.79
Donation	0.19	0.09
Bad Debts	204.97	-
Hank Yarn Obligation	103.26	8.00
Repairs & Maintenance		
Building	30.74	7.72
Machinery	69.97	18.71
Others	38.36	32.02
Loss on Sale of Assets	24.20	74.75
Loss on Sale of Investment	126.00	-
Selling & Distribution Expenses		
Packing & Forwarding	1,287.30	848.11
Sales Promotion & Incentives	807.96	483.45
Advertisement & Publicity	95.08	53.18
Vat / Sales Tax	3.60	9.59
Freight on Exports	1,070.74	705.01
Provision for Doubtful Debts	73.85	26.56
	<u>5,720.51</u>	<u>3,482.55</u>
19. FINANCIAL EXPENSES		
Interest to Banks & Fin. Institutions (including Term Loan Interest of Rs. 4,984.20 Lacs - P.Y. Rs. 3,212.50 Lacs)	7,861.61	5,172.94
Others Charges	499.70	469.12
	<u>8,361.31</u>	<u>5,642.06</u>

20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

• 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.

• 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.

• 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 & exchange fluctuation 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.

• 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 and advances paid for acquisition or construction of Capital Assets are shown as 'Capital Work in Progress'.

• 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.

• 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 Long Term Investment.

• INVENTORIES:

Raw Material, 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.

- **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.

- **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.

- **RESEARCH AND DEVELOPMENT COSTS:**

Research & Development expenses of revenue nature are charged to Profit and Loss Account and those of capital nature are capitalized as Fixed Assets.

- **MISCELLANEOUS EXPENDITURE:**

Preliminary expenses and capital issue expenses are amortised over a period of ten years.

Deferred revenue expenditure includes product development, design development, sampling expenses and human resource development expenses and are written off over a period of five years.

- **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 recognised in the profit and loss account except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

- **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.

- **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.

- **GOVERNMENT GRANTS:**

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

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

• OPERATING LEASE:

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

NOTES TO ACCOUNTS:

1. CONTINGENT LIABILITIES

Contingent liability exists in respect of:

Rs. in Lac

Particulars	As at 31.03.2011	As at 31.03.2010
a) Guarantees issued by banks on behalf of company.	404.67	463.53
b) Letters of Credit outstanding (trade)	4114.87	2298.78
c) Bills discounted with banks	3228.25	2949.77
d) Claims against the company not acknowledged as debt	602.62	624.72
e) Dividend on 1% cumulative redeemable preference shares	32.10	N.A.
f) Dividend on 6% cumulative redeemable preference shares	2.95	N.A.
g) Other Claims against the company not acknowledged as debt :		
I. The Company had certain exotic derivative transactions with ABN Amro Bank (bank), which the Company has disputed in competent court of law in earlier year. Till that time the bank had communicated estimated liability of the Company against these transactions of Rs 125.30 Crore to the Company. The deal was expired in June 2010 and as per assessment by the independent agency the value of this deal is Rs 308 crore (negative to the Company) excluding any fee or any amount received/ paid or payable on settlement. However bank has not communicated any such 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 already stayed the demand of bank. 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 in respect of certain foreign currency derivative transactions. Hon'ble Debt Recovery Appellate Tribunal (DRAT) Mumbai, on appeal of the company, has set aside the 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 and the matter is pending adjudication. Besides this, subsequently Kotak Mahindra Bank has also raised a claim of Rs. 1435 Lac 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 against which the Company has got an interim order for maintenance of status quo with regards to recovery towards these transactions. In view of above facts, no provision against these transactions is considered necessary.		
III. DBS Bank Ltd. and DCB Bank Ltd. have lodged claims amounting to \$ 9109957 (previous year \$ 9109957) & Rs. 667.39 lac (totaling to Rs. 4734.99 lac, approx) and Rs 1362.65 Lac (previous year 1362.65 Lac) respectively against the Company in respect of certain foreign currency derivative/forward 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. In view of above facts, no provision against these transactions is considered necessary.		
IV. Merrill Lynch Capital Services Inc. (MLCS) raised a claim of US\$ 195.80 Lac (previous year 195.80 Lac) (Rs 8742.47 Lac, approx.) against the company in respect of a corporate guarantee of \$ 100 Lac (previous year \$100 Lac) (Rs.4465.00 Lac, 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 the said claim and disputed the same which is pending before the court of law. In view of above facts, no provision against above claim is considered necessary.		

2. Forward/ Derivative Contracts outstanding as on 31.3.2011:

- a) Forward Contracts Rs 3082.75 Lac
- b) Derivative Contracts

CURRENCY	NO. OF DEALS	AMOUNT OUTSTANDING
EURO	1	Euro 180 Lakh

3. Secured Term Loans includes Rs 15178.52 Lacs being debts convertible into 6% Optionally Convertible Cumulative Preference Shares (OCCPS) with option to convert into Equity Shares within 18 months from the date of allotment. In case no option is so executed, then convertible into 6% Cumulative Redeemable Preference Shares (CRPS), and Unsecured Term Loans includes Rs 3058.75 Lacs convertible into 1% CRPS, with interest upto the date of allotment in terms of CDR Scheme.
4. The previous period figures of the company are for 9 months i.e. from 01.07.2009 to 31.03.2010 while the current year figures are for 12 months i.e. from 01.04.2010 to 31.03.2011. In view of above, the current year figures are not comparable with those of previous period.
5. Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.11. The same results into the Deferred Tax Assets (net), which has not been recognized due to uncertainty of sufficient taxable income within reasonable future.
6. The unclaimed dividend amount of Rs.0.17 Lac for the financial year 2002-03 (Rs. 0.14 Lac for the Financial Year 2001-02) has been credited to the Investor Education and Protection Fund, as per the provisions of Section 205C of the Companies Act, 1956.
7. The balances under the head sundry debtors, loans and advances and sundry creditors as reflected in the books of the company are subject to confirmation.
8. In compliance of the Accounting Standard 26 issued by the Institute of Chartered accountants of India, expenses incurred in the current period of the nature of intangible assets are charged to profit & loss account. The earlier expenses of preliminary, capital issue and deferred revenue expenses continued to be amortised as per accounting policy of the company.
9. Sales are net of Rebate & Discounts amounting to Rs. 526.19 Lac (Previous Year 123.34 Lac).
10. 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 and has been declared as "Sick Industrial Company" under section 3(1)(o) of the Sick Industrial Company (Special Provisions) Act, 1985 vide their order dated 06.12.2010. In terms of the directions of the BIFR, company had prepared and submitted the Draft Rehabilitation Proposal to Operative Agency (State Bank of India) & BIFR. Operative Agency, after consideration in the joint meetings with Lenders and Statutory Agencies from whom company sought reliefs and concessions, has filed the Draft Rehabilitation Scheme (DRS) with BIFR. The circulation of the Rehabilitation Scheme is under consideration with Hon'ble BIFR.
11. The information regarding Micro, Small and Medium Enterprises have been determined (refer Schedule 7 – "Current Liabilities and Provisions") to the extent of information available with the Company. The Company has normally made payments to such enterprises within due period and no interest accrued/ paid during the year.
12. Loss on sale of investment includes Rs 45 Lac, the investment in shares of M/s Improve Interior.com Ltd, written off due to closure of the said Company.
13. A fire broke out in one unit of the Company during the year and certain raw materials and some fixed assets were affected. The Company has lodged and expects to receive claim of Rs 259 Lacs from the insurance company.

14. 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 Lac)			
Particulars	SEGMENTS							
	Home Furnishing & Fashion Accessories		Yarn		Architectural Products		Total	
Year	For the Year ended 31 st March 11	9 Month period ended 31 st March 10	For the Year ended 31 st March 11	9 Month period ended 31 st March 10	For the Year ended 31 st March 11	9 Month period ended 31 st March 10	For the Year ended 31 st March 11	9 Month period ended 31 st March 10
Segment Revenues	9809.61	15904.39	57975.63	33648.88	3548.30	2424.37	71333.54	51977.64
Less Inter Segment Revenue	428.33	1956.62	1335.14	3043.10	20.30	95.76	1783.77	5095.48
Net Segment Revenue.	9381.28	13947.77	56640.49	30605.78	3528.00	2328.61	69549.77	46882.16
Segment Results	(2211.65)	(1840.61)	3498.55	1110.72	107.40	134.20	1394.30	(595.69)
Less Financial Expenses	-	-	-	-	-		8361.31	5642.06
Less Un-allocable expenses		-		-		-	6402.01	4660.84
Add Other Income		-		-		-	1146.39	357.90
Profit before tax		-		-		-	(12222.63)	(10540.69)
Other Informations								
Segment Assets	48848.30	49341.49	72149.06	64379.40	2881.14	2633.27	123878.50	116354.16
Unallocated Assets							4617.33	5817.67
Total Assets							128495.83	122171.83
Segment Liability	1957.24	2990.49	11786.05	2539.86	545.87	668.76	14289.16	6199.11
Unallocated Liability							117633.50	119550.08
Share Capital, Reserve & Surplus and Profit & Loss							(3426.83)*	(3577.36)*
Total Liabilities							128495.83	122171.83
Capital Expenditure	(287.61)	(234.75)	387.07	1828.84	33.78	(20.77)	133.24	1573.32
Depreciation	1954.47	1214.33	2388.79	1765.13	50.54	37.14	4393.80	3016.60
Non Cash Expenses	5.58	4.19	32.50	34.78	1.32	0.99	39.40	39.96

- *Includes negative balance of Profit & Loss Rs 41561.86 Lacs (Previous Year Rs 31911.00 Lacs).
- Previous years figures have been regrouped or rearranged to make them comparable with those of current year.

Secondary Segments					Rs. In Lac	
Particulars	SEGMENTS				Total	
	Domestic		Export			
	For the Year ended 31 st March 11	9 month period ended 31 st March 10	For the year ended 31 st March 11	9 month period ended 31 st March 10	For the year ended 31 st March 11	9 month period ended 31 st March 10
Segment Revenue	40290.32	29168.63	29259.45	17713.53	69549.77	46882.16

15. 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 each of them are given below:

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

Wholly owned Subsidiary Companies:

Alps Energy Pvt. Ltd.,
Alps Uttarakhand Energy Pvt. Ltd (a subsidiary of ALPS Energy Pvt Ltd).
Snowflakes Meditech Private Ltd (Formerly known as ALPS Retail Pvt Ltd)
Alps USA INC.

Entities controlled by subsidiaries, key management personnel and their relatives.

SBT Technotex Pvt Ltd (formerly known Alps Textfab (P) Ltd.),
Alps Processors Pvt. Ltd., Careen Fintec (P.) Ltd., Coronation Spinning India (P) Ltd., Improve Interior. Com Ltd , Jhala-Koti Gunsola Power Pvt. 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., Sedona Herbals Pvt. Ltd., Supreme Finvest Pvt. Ltd.,

Key management personnel and their relatives

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

Nature of Transaction	Transactions with Subsidiary Companies		Transactions with Key Management Personnel, Entities controlled by them and their relatives and subsidiaries	
	For the year ended 31st March 11	9 month period ended 31st March 10	For the year ended 31st March 11	9 month period ended 31st March 10
1. Sale of Goods	2.31	NIL	NIL	1466.25
2. Purchase of Goods (including job work)	NIL	NIL	NIL	10.24
3. Allotment of equity shares along with premium	NIL	NIL	99.00	NIL
4. Advances/Loans given	45.82	4.16	10.35	2.55
5. Advances/Loans taken	500.40	5.28	NIL	8.40
6. Remuneration & sitting Fee	NIL	NIL	51.77	36.96

16. Basic & Diluted Earning Per Share has been calculated as under:

Particulars	For the year ended 31st March 11	9 month period ended 31st March 10
Loss attributable to the Equity shareholders (Rs.in Lacs)- (A)	9650.86	9168.95
Weighted average number of equity shares outstanding during the year - (B)	38176018	34514100
Nominal value of equity shares (Rs.)	10.00	10.00
Basic Earnings per share (Rs.)	(25.28)	(26.57)
Diluted Earnings per share (Rs.)	(25.28)	(26.57)

17. Auditors' Remuneration

Rs in Lac

Particulars	For the year ended 31st March 11	9 month period ended 31st March 10
a. Audit Fee	7.72	7.17
b. Other Services	3.31	7.17

18. Directors' Remuneration

Rs in Lac

Particulars	For the year ended 31st March 11	9 month period ended 31st March 10
Salary	38.01	27.92
Perquisites	3.76	2.54
Total	41.77	30.46

The Company continued the payment of remuneration to its directors. However the approval of the same is pending with Company Law Board.

19. Additional information required under Para 3 and 4 of part II of schedule VI, of the Companies Act, 1956.

A. PRODUCTION CAPACITY

Particulars	Unit	Licensed capacity		Installed capacity	
		Current Year	Previous Period	Current Year	Previous Period
Yarn	M.T.	N.A.	N.A.	46500.00	46500.00
Fabric/Made ups/ Fashion Accessories	'000 Sq Mtr	N.A.	N.A.	30000.00	30000.00
Architectural Products	-	N.A.	N.A.	N.A.	N.A.

B. RAW MATERIAL CONSUMPTION

Rs in Lac

Particulars	Unit	For the year ended 31st March 11		9 month period ended 31st March 10	
		Qty.	Value	Qty.	Value
Cotton	M.T.	43939.50	42423.43	32796.12	22432.87
Yarn	M.T.	2397.63	2940.97	2433.90	2754.83
Fabric	'000 Sq Mtr	7571.84	3277.25	13963.56	5404.67
Architectural Products	---	---	1482.31	---	1028.17
Others	---	---	2452.41	---	2140.99
Total	---	---	52576.37	---	33761.53

C. FINISHED PRODUCT

I. Opening Stock

Particulars	Unit	As on 31st March 11		As on 31st March 10	
		Qty.	Value	Qty.	Value
Yarn	M.T.	1028.82	1329.87	1325.95	1556.25
Fabric/Made Ups/ Fashion Accessories	'000 SQ Mtr	8733.00	3981.38	2668.16	1359.08
Others	-	-	68.73	-	52.55
Total	-	-	5379.98	-	2967.88

II. Production/ Purchases (Net of captive consumption)

Rs in Lac

Particulars	Unit	For the year ended 31st March 11	9 month period ended 31st March 10
		Qty.	Qty.
Yarn	M.T.	39414.90	33143.21
Fabric/Made Ups/fashion Accessories	'000 SQ Mtr	6836.63	21751.92

III. Sales

Particulars	Unit	For the year ended 31st March 11		9 month period ended 31st March 10	
		Qty.	Value	Qty.	Value
Yarn	M.T.	33046.56	56245.57	33440.56	32448.93
Fabric/Made Ups/Fashion Accessories	'000 SQ Mtr	13045.68	9738.48	15967.08	11473.45
Architectural Products	---	---	2309.90	---	1822.02
Others	---	---	1436.52	---	1188.07
Total	---	---	69730.47	---	46932.47

IV. Closing Stock

Particulars	Unit	As on 31st March 11		As on 31st March 10	
		Qty.	Value	Qty.	Value
Yarn	M.T.	7397.16	9900.98	1028.82	1329.87
Fabric/Made Ups/ Fashion Accessories	'000 SQ Mtr	2523.94	1383.60	8733.00	3981.38
Others	---	---	171.02	---	68.73
Total	---	---	11455.60	---	5379.98

20. C.I.F. Value of Imports

Rs in Lac

Particulars	For the year ended 31st March 11	9 month period ended 31st March 10
Raw Materials	2569.83	1152.43
Capital Goods	96.92	540.03
Components & Spare Parts	193.24	345.83

21. Expenditure in Foreign Currency

Rs in Lac

Particulars	For the year ended 31st March 11	9 month period ended 31st March 10
Foreign Travels	25.94	45.93
Interest	24.39	70.55
Others	400.51	225.47

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

Rs in Lac

Particulars	For the year ended 31st March 11	% of consumption	9 month period ended 31st March 10	% of consumption
Raw Material				
Imported	2269.83	4.32	1787.35	5.29
Indigenous	50306.55	95.68	31974.18	94.71
Total	52576.38	100.00	33761.53	100.00
Stores				
Imported	173.24	17.74	318.53	53.71
Indigenous	803.15	82.26	274.52	46.29
Total	976.39	100.00	593.05	100.00

23. Earnings in Foreign Exchange

Rs in Lac

Particulars	For the year ended 31st March 11	9 month period ended 31st March 10
F.O.B. Value of Exports	27451.05	14332.25

24. Employee Benefits

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

1. Defined Contribution plans:

The company has recognised the following amounts in the profit and loss account:

Rs. in Lac

Particulars	For the Year ended 31st March 11	9 month 31st March 10
Employers contribution to Provident Fund and Employee's State Insurance Corporation	159.39	111.16

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		Earned Leave	
	(Unfunded)		(Unfunded)	
	For the Year ended 31st March 11	9 months period ended 31.03.10	For the Year ended 31st March 11	9 months period ended 31.03.10
Discount Rate (per annum)	8%	8%	8%	8%
Future Salary Increase	5.5%	5.5%	5.5%	5.5%
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 Profit & Loss Account				
Current Service Cost	62.47	40.13	23.45	15.41
Past Service Cost - Vested	13.60	Nil	Nil	Nil
Interest Cost	16.12	14.75	5.09	3.24
Net Actuarial (gain)/ Loss recognized in the year	(19.39)	(9.48)	0.33	3.05
Total Expenses	72.80	45.40	28.87	21.70
II. Net Assets /(Liability) recognized in the Balance Sheet				
Present value of the Defined Benefit obligation	259.74	201.53	80.24	63.63
Fund Status (Deficit)	(259.74)	(201.53)	(80.24)	(63.63)
Net assets/ (Liability)	(259.74)	(201.53)	(80.24)	(63.63)
III. Change in present value of obligation				
Present Value of obligation as at the beginning of the period	201.53	245.56	63.63	54.01
Interest Cost	16.12	14.75	5.09	3.24
Past Service Cost - Vested	13.60	Nil	Nil	Nil
Current Service Cost	62.47	40.13	23.45	15.41
Benefits Paid	(14.59)	(89.43)	(12.26)	(12.08)
Actuarial (gains)/ Loss on obligation	(19.39)	(9.48)	0.33	3.05
Present Value of obligation as at the end of the period	259.74	201.53	80.24	63.63

25. The previous period figures have been regrouped and rearranged, wherever considered necessary to make them comparable with those of current period.

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

Munish Kr. Jain
Partner
Membership No. 70335

Place: Ghaziabad
Dated: 6th August, 2011

A.K.Singhal
President (F & A)

Ajay Gupta
Company Secretary

For and on behalf of the Board

Sandeep Agarwal
Managing Director

P. K. Rajput
Executive Director

AUDITORS' CERTIFICATE

We have examined the attached Cash flow Statement of Alps Industries Limited for the period of financial year ended on 31st March 2011, 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 August 6, 2011 to the members of the Company.

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

Place : Ghaziabad
Dated: 6th August, 2011

Munish Kr. Jain
Partner
Membership No. 70335

SCHEDULES FORMING PART OF ACCOUNTS

Rs. In Lacs

Year Ended 31.03.2011

Period Ended 31.03.2010

(A) CASH FLOW FROM OPERATING ACTIVITIES

Net Profit/ (Loss) Before Tax and Extraordinary items		(12,222.63)		(10,540.69)
Adjustment for :				
Depreciation	4,442.65		3,066.07	
Interest etc. Received	(175.02)		(121.34)	
Interest on Borrowed Capital	8,361.31		5,642.06	
Loss on Sale of Assets	24.20		74.75	
Loss / (Profit) on Sale of Investment	111.70		-	
Miscellaneous Expenditure W/Off	89.27	12,854.11	89.72	8,751.26
Operating Profit Before Working Capital Changes		631.48		(1,789.43)
Adjustment for Working Capital Changes				
Inventories	(16,032.56)		(10,549.57)	
Trade & other Receivable	4,034.22		3,798.71	
Trade Payable & other Liabilities	6,948.23		(3,817.64)	
Increase in Working Capital		(5,050.11)		(10,568.50)
Interest Paid	(8,361.31)		(5,642.06)	
Direct Taxes received/ (Paid)	456.98	(7,904.33)	(8.98)	(5,651.04)
Cash Flow Before Extraordinary Items		(12,322.96)		(18,008.97)
Extraordinary Items/Prior Period Adjustments		380.26		1,496.74
Net Cash From Operating Activities		(11,942.70)		(16,512.23)

(B) CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(601.86)		(1,799.22)	
Sale of Fixed Assets	573.15		32.93	
(includes subsidy received of Rs 562.87 Lacs)				
Sale/(purchase) of securities (inc. of subsidiaries)	453.80		(245.00)	
Interest/Dividend received	175.02		121.34	
Decrease in Fixed Deposits	28.09		765.39	
Net Cash used in Investment Activities		628.20		(1,124.56)

(C) CASH FLOW FROM FINANCING ACTIVITIES

Net proceeds / Repayment of Borrowings	1,476.75		17,492.46	
Proceeds from issue of Share Capital/ Premium	9,801.39		-	
Net Cash From Financing Activities		11,278.14		17,492.46
Net Increase in Cash & Cash Equivalents includes		(36.36)		(144.33)
Opening Balance of Cash and Cash Equivalents		806.03		950.36
Closing Balance of Cash and Cash Equivalents		769.67		806.03

Notes:

- 1- Reconciliation of Cash and Cash Equivalents at the end of the year with Schedule 10

Cash & Bank Balances as per Schedule 10	1998.82	2,063.27
Less: Fixed Deposits against Margin	1,229.15	1,257.24
Cash and Cash equivalent at the end of the year	769.67	806.03
- 2- Figures in brackets are for decrease.
- 3- Previous years figures have been regrouped or rearranged to make them comparable with those of current year.

As per our report of even date attached

For P. JAIN & CO.

Chartered Accountants

Firm Registration No. 000711C

MUNISH KR. JAIN

Partner

Membership No. 70335

Place : Ghaziabad

Date : 6th August' 2011

A.K. Singhal
President (F & A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

Balance Sheet Abstract and Company's General Business Profile

1 Registration details

Registration No. State Code

Balance Sheet date
Date Month Year

2 Capital raised during the year (Amount in Rs. '000)

Public Issue : Right Issue :

Bonus Issue : Private Placement/ Others :

3 Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities : Total Assets :

Sources of Funds :

Paid-up Capital : Reserves & Surplus :

Application Money Unsecured Loans :

Secured Loans : Deferred Tax Liability:

Application of Funds :

Net Fixed Assets : Investments :

Net Current Assets : Misc. Expenditure :

Accumulated Losses :

4 Performance of Company (Amount in Rs. '000)

Turnover : Total Expenditure :

Including Other Income) + - Profit/Loss before tax ☒ Profit/Loss after tax ☒

Earning per share in Rs. : Dividend @ % :

5 Generic Names of Three Principle Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

As per our report of even date attached

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. 000711C)

For and on behalf of the Board

Sandeep Agarwal
Managing Director

Munish Kr. Jain

Partner

Membership No. 70335

Place : Ghaziabad

Date : August 6, 2011

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

P.K. Rajput
Executive Director

CONSOLIDATED

Financial Statements for the year
ended 31st March, 2011

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To,
 The Board of Directors of
 Alps Industries Limited and Its Subsidiaries
 Ghaziabad.

Sub: Auditors' Report on the Accounts for the year ended on 31st March, 2011 in compliance with Section 227 of the Companies Act, 1956.

1. We have audited the attached Consolidated Balance Sheet of ALPS INDUSTRIES LIMITED (the Company) and its subsidiaries (collectively called "ALPS Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statement of Alps USA Inc. whose financial statements reflect the groups share of total assets of Rs. 236.64 Lacs as at 31st March, 2011 and total revenue receipt of Rs. (0.09) Lac and total cash flow of Rs Nil for the year ended 31st March, 2011 (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 calculated at 1 US\$ equivalent to INR 44.65.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India.
5. *Referring to note nos. 1(g) I, II and III of part B of Schedule 20, Notes to Accounts, the Company has not assessed and made any provision towards the losses on derivative contracts crystallized amounting to Rs 206.64 Crore and claims of Rs 44.65 Crore against the corporate guarantee provided by the Company on behalf of one of its subsidiary company (refer to note no. 1 (g) IV of part B of schedule 20 notes to accounts), hence to that extent the loss as shown in the profit & loss account, accumulated losses and current liabilities as understated.*
6. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - (a) In the case of Consolidated Balance Sheet, of the state of affairs of the ALPS Group as at 31st March, 2011;
 - (b) In the case of Consolidated Profit and Loss Account, of the loss of the ALPS Group for the year ended on that date; and
 - (c) In the case of Consolidated Cash Flow Statement, of the cash flow's of the ALPS Group for the year ended on that date.

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

Date: August 6th, 2011
 Place: Ghaziabad

Munish Kr. Jain
 Partner
 Membership No. 70335

ALPS INDUSTRIES LTD. CONSOLIDATED



BALANCE SHEET

BALANCE SHEET AS ON 31st MARCH' 2011

Sources of Funds	Schedule	AS AT 31.03.11 Rs.(In Lacs)	AS AT 31.03.10 Rs.(In Lacs)
1 Shareholders Funds			
Share Capital	1	13,206.80	3,451.41
Reserves and Surplus	2a	17,376.93	16,882.93
Application Money		111.86	97.86
		<u>30,659.59</u>	<u>20,432.20</u>
2 Loan Funds			
Secured Loans	3	113,380.41	107,855.50
Unsecured Loans	4	3,613.74	8,162.75
		<u>116,994.15</u>	<u>116,018.25</u>
3 Deferred Tax Liability		-	2,191.51
Total		<u>147,689.74</u>	<u>138,641.96</u>
Application of Funds			
1 Fixed Assets			
Gross block	5	80,853.47	80,549.91
Less : Depreciation		17,794.84	13,362.81
Net Block		<u>63,058.63</u>	<u>67,187.10</u>
Capital Work in Progress		1,478.80	1,752.96
2 Investments	6	214.99	780.49
3 Current Assets, Loans & Advances			
Inventories	8	46,811.43	30,778.22
Sundry Debtors	9	9,770.89	13,137.78
Cash & Bank Balances	10	2,007.20	2,084.67
Loans & Advances	11	4,880.39	6,096.51
		<u>63,469.91</u>	<u>52,097.18</u>
Less : Current Liabilities & Provisions	7	14,593.64	7,671.60
Net Current Assets		<u>48,876.27</u>	<u>44,425.58</u>
4 Misc. Expenditure	12	239.62	332.72
Deferred Revenue Expenses (to the extent Not Written Off or Adjusted)			
Profit & Loss Account	2b	41,820.73	32,162.41
Less : General Reserve		(7,999.30)	(7,999.30)
		<u>33,821.43</u>	<u>24,163.11</u>
Total		<u>147,689.74</u>	<u>138,641.96</u>

Significant Accounting Policies and Notes on Accounts

Schedules referred to above form an integral part of the Financial Statements

As per our report of even date attached

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 : August 6, 2011

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

PROFIT & LOSS ACCOUNT

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH' 2011

	Schedule	31.03.11 Year Ended Rs.(In Lacs)	31.03.10 Period Ended Rs.(In Lacs)
Income			
Sales	13	69,730.71	46,932.61
Less :Excise Duty		180.70	50.32
Net Sales		69,550.01	46,882.29
Other Income	14	1,147.34	357.90
Increase(decrease)in Stock		8,171.51	2,069.30
		<u>78,868.86</u>	<u>49,309.49</u>
Expenditure			
Purchase of Traded Goods		1,287.30	1,037.65
Material Consumed	15	52,576.60	33,761.66
Manufacturing Expenses	16	10,942.20	7,229.36
Personnel Expenses	17	2,450.08	1,618.80
Other operating Expenses	18	5,727.13	3,482.99
Misc. and Deferred Revenue Expenditure W/Off		91.00	91.43
Exchange Fluctuation		5,220.62	3,922.34
Financial Expenses	19	8,361.41	5,641.66
Depreciation	5	4,442.68	3,066.09
		<u>91,099.02</u>	<u>59,851.98</u>
Profit/(Loss) Before Tax		(12,230.16)	(10,542.49)
Less : Deferred Tax Adjustments		(2,191.51)	125.00
Profit/(Loss) After Tax		(10,038.65)	(10,667.49)
(Less)/Add : Prior Year Adjustments (Net)		380.26	1,491.20
		<u>(9,658.39)</u>	<u>(9,176.29)</u>
Add : Profit/(Loss) B/F from Previous Period		(32,249.65)	(23,073.36)
Profit/(Loss) Available for Appropriation		<u>(41,908.04)</u>	<u>(32,249.65)</u>
Appropriations			
Profit/(Loss) carried to Balance Sheet		(41,908.04)	(32,249.65)
		<u>(41,908.04)</u>	<u>(32,249.65)</u>
Basic and Diluted Earning Per Share (Rs.)		(25.30)	(26.59)
Significant Accounting Policies and Notes of Accounts	20		
Schedules referred to above form an integral part of Accounts			

As per our report of even date attached
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 : August 6, 2011

A.K. Singhal
 President (F&A)

Ajay Gupta
 Company Secretary

Sandeep Agarwal
 Managing Director

P.K. Rajput
 Executive Director

SCHEDULES
SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.11 Rs.(In Lacs)	AS AT 31.03.10 Rs.(In Lacs)
1. SHARE CAPITAL		
Authorised Capital		
4,00,00,000(4,50,00,000) Equity Shares of Rs.10/-each	4,000.00	4,500.00
30,50,00,000(13,80,00,000) Cumulative Redeemable Preference Share of Rs.10/-each	30,500.00	13,800.00
	34,500.00	18,300.00
Issued , Subscribed & Paid up		
3,91,14,100(3,45,14,100) Equity Share of Rs. 10/-each fully paid up	3,911.41	3,451.41
out of the above, (16257050 Equity Share of Rs. 10/- each		
have been allotted during 2006-07 as fully paid up Bonus		
Share by capitalisation of General Reserve)	3,911.41	3,451.41
9,15,40,811(NIL) 1% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up,	9,154.08	-
redeemable at par w.e.f. 31st January, 2017 onwards. (Refer Note No. 3 of part B of schedule 20)		
1413076(NIL) 6% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up,	141.31	-
redeemable at par w.e.f. 31st January, 2017 onwards. (Refer Note No. 3 of part B of schedule 20)	9,295.39	-
	13,206.80	3451.41

2a. RESERVES AND SURPLUS

	BALANCE AS ON 01.04.10	ADDITION DURING THE YEAR	UTILISED DURING THE YEAR	BALANCE AS ON 31.03.11
Capital Reserve	260.00	-	-	260.00
Share Premium	16,622.93	494.00	-	17,116.93
Total	16,882.93	494.00	-	17,376.93

2b. PROFIT & LOSS A/C

Exchange Fluctuation Reserve	(87.24)	(0.07)	-	(87.31)
P&L A/c	32,249.65	9,658.39	-	41,908.04
Total	32,162.41	9,658.32	-	41,820.73

3. SECURED LOANS
(A) Term Loans

Bank & Financial Institutions	80,048.52	80,964.18
Car/Other Loan	96.47	294.01

(Term loans from Bank & Financial Institutions are Secured by First Pari - Passu charge created / to be created on Fixed Assets and second pari-passu charge on current assets of the Company, both present and Future and by Personal Guarantees of Promoter Directors. (Refer Note No. 3 of part B of schedule 20)

(Terms Loan repayable in next twelve months is Rs. 2,573.00 lacs)

Car/Other Loans are secured by hypothecation of specific assets

(B) Working Capital Loan from Banks:

(Secured by First Pari - Passu charge on Stocks of Raw Material, Finished and Semi Finished Goods, Consumable Stores & Spares, Book Debts and Second Pari-Passu charge over Fixed Assets created/to be created and by Personal-Guarantee of Promoter Directors)	33,235.42	26,597.31
	113,380.41	107,855.50

SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.11 Rs.(In Lacs)	AS AT 31.03.10 Rs.(In Lacs)
4. UNSECURED LOANS (Other than Fixed Deposit)		
(A) Term Loans from Banks and Financial Institution (Refer Note No. 3 of part B of schedule 20)	3,118.65	7,124.71
(B) SHORT TERM DEPOSITS		
From Bodies Corporate	485.10	1,028.05
Others	9.99	9.99
	3,613.74	8,162.75

5. FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	Opening Balance	Addition	Deduction/Sale	Total Upto 31.03.11	Opening Balance	During The Period	On Deduction	Total Upto 31.03.11	As on 31.03.11	As on 31.03.10
Leasehold Land	2,171.66	7.47	-	2,179.13	94.22	14.14	-	108.36	2,070.77	2,077.44
Free Hold Land	637.70	-	-	637.70	-	-	-	-	637.70	637.70
Building	14,147.07	159.81	-	14,306.88	1,585.90	381.44	-	1,967.34	12,339.54	12,561.17
Plant & Machinery	61,227.20	636.74	593.47	61,270.47	10,197.20	3,900.80	4.07	14,093.93	47,176.54	51,030.00
Brand & Trade Mark	646.07	-	-	646.07	537.44	47.45	-	584.89	61.18	108.63
Furniture Fixture	342.10	16.49	1.28	357.31	114.28	21.63	0.76	135.15	222.16	227.82
Vehicles	506.64	50.56	12.49	544.71	165.78	46.88	5.25	207.41	337.30	340.86
Office Equipment	186.11	25.61	0.25	211.47	50.64	9.89	0.12	60.41	151.06	135.47
Computers	685.36	14.88	0.51	699.73	617.35	20.45	0.45	637.35	62.38	68.01
Sub Total	80,549.91	911.56	608.00	80,853.47	13,362.81	4,442.68	10.65	17,794.84	63,058.63	67,187.10
Previous Year	67,334.00	13,353.86	137.95	80,549.91	10,326.99	3,066.09	30.27	13,362.81	67,187.10	57,007.01

6. INVESTMENTS (AT COST)

I Long Term (Fully Paid Unless Otherwise Stated)

(A) Quoted Shares

13400(P.Y.-13400) Equity Shares of Rs. 10/- Each of Kay Pulp & Paper Mills Ltd. (Market Value-not Available) **1.34** 1.34

720(P.Y.-720) Equity Shares of Rs. 10/- Each of Parasram Puria Synthetics Ltd. (Market Value- Not Available) **0.22** 0.22

2000(P.Y.-2000) Equity Shares of Rs. 10/- Each of Global Syntex Bhilwara Ltd.(Partly of Rs. 5/- Each Paidup) (Market Value- Not Available) **0.10** 0.10

(B) Mutual Funds

20000 (P.Y.-20000) Unit of Rs. 10/- Each of SBI One India Fund Market Value-Rs. 216600/- **2.00** 2.00

19560(P.Y.-19560) Unit of Franklin India High Growth Co. Market Value - Rs. 251150/- **2.00** 2.00

100000(P.Y.-100000) Unit of Rs. 10/- Each of SBI Infrastructure Fund Market Value- Rs. 937000/- **10.00** 10.00

2930 (P.Y.-2930) Unit of Reliance Growth Fund Market Value- Rs. 1351990/- **10.00** 10.00

10000(P.Y.-10000) of Rs. 10/- Each of UTI Infrastructure **1.00** 1.00

SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.11 Rs.(In Lacs)	AS AT 31.03.10 Rs.(In Lacs)
Advantage Fund-Series-I Market Value-Rs 85300/- Kotak Alrt. Opportunities Market Value- N.A. Kotak Mahindra Capital Market Value- N.A.	- - -	235.00 10.00
(C) Unquoted Shares		
Nil (105000) Equity Share of Rs. 10/- Each of Sedona Herbal Pvt. Ltd.	-	10.50
Nil (265000) Redeemable Contestable Preference Share of Rs. 100/- Each of Sedona Herbal Pvt. Ltd.	-	265.00
Nil (4500000) Equity Shares of Rs. 1/- Each of Improve Interior. Com Ltd.	-	45.00
343000 (Nil) Equity Shares of Rs. 10/- Each of Gunsola Hydro Power Generation Pvt. Ltd.	184.21	184.21
2450(2450)shares of Colombine Cody Corp.	4.12	4.12
II Current, Investment	-	-
	214.99	780.49
7. CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors : Micro, Small & Medium Enterprises	8.09	14.64
: Others	11,145.70	4,175.75
Advance From Customers	206.08	224.12
Expenses Payable	2,619.16	1,434.10
Book Overdraft	231.27	1,486.29
Unclaimed Dividend	11.35	11.53
B. Provisions		
Gratuity /leave Encashment	339.99	265.17
Fringe Benefit Tax	-	60.00
Minority Shareholders Interest	32.00	-
	14,593.64	7,671.60
8. INVENTORIES		
Raw Materials	28,899.36	21,154.54
Consumable Stores	480.30	362.64
Finished Goods	11,455.60	5,379.98
Semi Finished Goods	5,976.17	3,880.28
Stock-in-transit	-	0.78
	46,811.43	30,778.22

SCHEDULES FORMING PART OF ACCOUNTS	AS AT 31.03.11 Rs.(In Lacs)	AS AT 31.03.10 Rs.(In Lacs)
9. SUNDRY DEBTORS (UNSECURED)		
Debts Outstanding for a period Exceeding Six Months - (considered Good)	1,596.73	989.69
Other Debts		
Considered Good	8,174.16	12,148.09
Considered Doubtful	116.90	182.09
Less: Provision For Doubtful Debts	116.90	182.09
	<u>9,770.89</u>	<u>13,137.78</u>
10. CASH & BANK BALANCES		
Cash In Hand	120.50	97.16
Balances with Scheduled Banks		
In Current Accounts	657.55	730.27
In Fixed Deposit Given Agt. Margin	1,229.15	1,257.24
	<u>2,007.20</u>	<u>2,084.67</u>
11. LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
Advance Recoverable In Cash or in Kind or For Value to be Received	3,663.40	4,559.14
Security Deposit	678.59	629.23
Advance Income Tax (Net of Provisions)	68.35	585.33
Minimum Alternate Tax Adjustable	322.81	322.81
Claim Agst. Fire (stock)	147.24	-
	<u>4,880.39</u>	<u>6,096.51</u>
12. MISCELLANEOUS EXPENDITURE (To the Extent Not Written off or Adjusted)		
Capital Issue Expenses	226.79	308.85
Product Development & Other- Deferred Revenue Expenses	12.83	23.87
	<u>239.62</u>	<u>332.72</u>

SCHEDULES FORMING PART OF ACCOUNTS

	31.03.11 Rs.(In Lacs)	31.03.10 Rs.(In Lacs)
13. SALES		
Export	29,259.44	17,713.53
Domestic	40,471.27	29,219.08
	69,730.71	46,932.61
14. OTHER INCOME		
Income From Interest (TDS Rs. 16.34 Lacs - P.Y. Rs. 12.16 lacs)	175.02	121.34
Profit on Sale of Investment	14.30	-
Job Work	9.69	36.82
Others Income	948.33	199.74
	1,147.34	357.90
15. MATERIAL CONSUMED		
Opening Stock	21,154.54	12,773.56
Add: Purchases	60,468.66	42,142.64
	81,623.20	54,916.20
Less: Closing Stock	28,899.36	21,154.54
Less: Stock Agt. Fire Claim	147.24	
	52,576.60	33,761.66
16. MANUFACTURING EXPENSES		
Wages Including Other Benefits	2,999.72	1,950.37
Contribution To Provident & Other Funds	71.89	44.40
Security & Vigilance	64.40	47.12
Food & Beverage Prov. To Workers	40.92	27.35
Consumption of Stores & Spares	976.39	593.05
Production Expenses	769.76	720.42
Power & Fuel	5,986.67	3,795.27
Carriage & Cartage	32.45	45.77
Research & Development Expenditure	-	5.61
	10,942.20	7,229.36
17. PERSONNEL EXPENSES		
Salaries Including Other Benefits	2,246.55	1,445.05
Contribution To Provident & Others Funds	87.50	66.76
Gratuity	73.50	53.38
Food & Beverage Prov. To Staff	42.53	53.61
	2,450.08	1,618.80
18. OTHER OPERATING EXPENSES		
Rent	337.50	279.33
Rates & Taxes	53.48	28.46
Postage & Telegram	24.03	19.26
Printing & Stationery	66.43	43.04
Legal & Professional Expenses	317.77	247.26
Travelling & Conveyance - Others	374.46	204.12
Travelling & Conveyance - Directors	15.92	20.14
Telephone & Fax	69.45	50.86
Directors' Remuneration	41.77	30.46
Books & Periodicals	0.97	0.67

SCHEDULES FORMING PART OF ACCOUNTS

	31.03.11 Rs.(In Lacs)	31.03.10 Rs.(In Lacs)
Fees & Subscription	108.66	15.55
General Expenses	105.47	27.05
Insurance	156.13	156.22
Payment to Auditors	11.36	14.59
Vehicle Running Expenses	102.16	78.79
Donation	0.19	0.09
Bad Debts	204.97	-
Hank Yarn Obligation	103.26	8.00
Repairs & Maintenance		
Building	30.74	7.72
Machinery	69.97	18.71
Others	38.36	32.02
Loss on Sale of Assets	24.20	74.75
Loss on Sale of Investment	131.00	-
Selling & Distribution Expenses		
Packing & Forwarding	1,287.65	848.11
Sales Promotion & Incentives	807.96	483.45
Advertisement & Publicity	95.08	53.18
Vat / Sales Tax	3.60	9.59
Freight on Exports	1,070.74	705.01
Provision for Doubtful Debts	73.85	26.56
	<u>5,727.13</u>	<u>3,482.99</u>
19. FINANCIAL EXPENSES		
Interest to Banks & Fin. Institutions (including Term Loan Interest of Rs. 4,984.20 Lacs - P.Y. Rs. 3,212.50 Lacs)	7,861.61	5,172.94
Others Charges	499.80	468.72
	<u>8,361.41</u>	<u>5,641.66</u>

20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**A. SIGNIFICANT ACCOUNTING POLICIES:****• 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.

• 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 but indirectly controlled by the parent company.

• 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 & exchange fluctuation 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.

• 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 and advances paid for acquisition or construction of Capital Assets 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.

• 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.

• 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 Long Term Investment.

- **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.

- **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.

- **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.

- **RESEARCH AND DEVELOPMENT COSTS:**

Research & Development expenses of revenue nature are charged to Profit and Loss Account and those of capital nature are capitalized as Fixed Assets.

- **MISCELLANEOUS EXPENDITURE:**

Preliminary expenses and capital issue expenses are amortised over a period of ten years.

Deferred revenue expenditure includes product development, design development, sampling expenses and human resource development expenses and are written off over a period of five years.

- **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 recognised in the profit and loss account 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.

- **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.

- **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.

• GOVERNMENT GRANTS:

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

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

• OPERATING LEASE:

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

B. NOTES TO ACCOUNTS:

1. CONTINGENT LIABILITIES

Contingent liability exists in respect of:

	Rs. in Lac	
	As at	As at
Particulars	31.03.2011	31.03.2010
a) Guarantees issued by banks on behalf of company.	404.67	463.53
b) Letters of Credit outstanding (trade)	4114.87	2298.78
c) Bills discounted with banks	3228.25	2949.77
d) Claims against the company not acknowledged as debt	602.62	624.72
e) Dividend on 1% cumulative redeemable preference shares	32.10	N.A.
f) Dividend on 6% cumulative redeemable preference shares	2.95	N.A.
g) Other Claims against the company not acknowledged as debt :		
I. The Company had certain exotic derivative transactions with ABN Amro Bank (bank), which the Company has disputed in competent court of law in earlier year. Till that time the bank had communicated estimated liability of the Company against these transactions of Rs 125.30 Crore to the Company. The deal was expired in June 2010 and as per assessment by the independent agency the value of this deal is Rs 308 crore (negative to the Company) excluding any fee or any amount received/ paid or payable on settlement. However bank has not communicated any such 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 already stayed the demand of bank. 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 in respect of certain foreign currency derivative transactions. Hon'ble Debt Recovery Appellate Tribunal (DRAT) Mumbai, on appeal of the company, has set aside the 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 and the matter is pending adjudication. Besides this, subsequently Kotak Mahindra Bank has also raised a claim of Rs. 1435 Lac 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 against which the Company has got an interim order for maintenance of status quo with regards to recovery towards these transactions. In view of above facts, no provision against these transactions is considered necessary.		
III. DBS Bank Ltd. and DCB Bank Ltd. have lodged claims amounting to \$ 9109957 (previous year \$ 9109957) & Rs. 667.39 lac (totaling to Rs. 4734.99 lac, approx) and Rs 1362.65 Lac (previous year 1362.65 Lac) respectively against the Company in respect of certain foreign currency derivative/forward 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. In view of above facts, no provision against these transactions is considered necessary.		
IV. Merrill Lynch Capital Services Inc. (MLCS) raised a claim of US\$ 195.80 Lac (previous year 195.80 Lac) (Rs 8742.47 Lac, approx.) against the company in respect of a corporate guarantee of \$ 100 Lac (previous year \$100 Lac) (Rs.4465.00 Lac,		

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 the said claim and disputed the same which is pending before the court of law. In view of above facts, no provision against above claim is considered necessary.

2. Forward/ Derivative Contracts outstanding as on 31.3.2011:

a) Forward Contracts Rs 3082.75 Lac

b) Derivative Contracts

CURRENCY	NO. OF DEALS	AMOUNT OUTSTANDING
EURO	1	Euro 180 Lakh

3. Secured Term Loans includes Rs 15178.52 Lacs being debts convertible into 6% Optionally Convertible Cumulative Preference Shares (OCCPS) with option to convert into Equity Shares within 18 months from the date of allotment. In case no option is so executed, then convertible into 6% Cumulative Redeemable Preference Shares (CRPS), and Unsecured Term Loans includes Rs 3058.75 Lacs convertible into 1% CRPS, with interest upto the date of allotment in terms of CDR Scheme.
4. The previous period figures of the company are for 9 months i.e. from 01.07.2009 to 31.03.2010 while the current year figures are for 12 months i.e. from 01.04.2010 to 31.03.2011. In view of above, the current year figures are not comparable with those of previous period.
5. Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.11. The same results into the Deferred Tax Assets (net), which has not been recognized due to uncertainty of sufficient taxable income within reasonable future.
6. The unclaimed dividend amount of Rs.0.17 Lac for the financial year 2002-03 (Rs. 0.14 Lac for the Financial Year 2001-02) has been credited to the Investor Education and Protection Fund, as per the provisions of Section 205C of the Companies Act, 1956.
7. The balances under the head sundry debtors, loans and advances and sundry creditors as reflected in the books of the company are subject to confirmation.
8. In compliance of the Accounting Standard 26 issued by the Institute of Chartered accountants of India, expenses incurred in the current period of the nature of intangible assets are charged to profit & loss account. The earlier expenses of preliminary, capital issue and deferred revenue expenses continued to be amortised as per accounting policy of the company.
9. Sales are net of Rebate & Discounts amounting to Rs. 526.19 Lac (Previous Year 123.34 Lac).
10. 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 and has been declared as "Sick Industrial Company" under section 3(1)(o) of the Sick Industrial Company (Special Provisions) Act, 1985 vide their order dated 06.12.2010. In terms of the directions of the BIFR, company had prepared and submitted the Draft Rehabilitation Proposal to Operative Agency (State Bank of India). Who, after consideration in the joint meetings with Lenders and Statutory Agencies from whom company sought some reliefs and concessions has filed the Draft Rehabilitation Scheme (DRS) with BIFR. The circulation of the Rehabilitation Scheme is under consideration with Hon'ble BIFR.
11. The information regarding Micro, Small and Medium Enterprises have been determined (refer Schedule 7 – "Current Liabilities and Provisions") to the extent of information available with the Company. The Company has normally made payments to such enterprises within due period and no interest accrued/ paid during the year.
12. Loss on sale of investment includes Rs 45 Lac, the investment in shares of M/s Improve Interior.com Ltd, written off due to closure of the said Company.
13. A fire broke out in one unit of the Company during the year and certain raw materials and some fixed assets were affected. The Company has lodged and expects to receive claim of Rs 259 Lacs from the insurance company.

14. 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 Lac)			
Particulars	SEGMENTS							
	Home Furnishing & Fashion Accessories		Yarn		Architectural Products		Total	
Year	For the Year ended 31 st March 11	9 Month period ended 31 st March 10	For the Year ended 31 st March 11	9 Month period ended 31 st March 10	For the Year ended 31 st March 11	9 Month period ended 31 st March 10	For the Year ended 31 st March 11	9 Month period ended 31 st March 10
Segment Revenues	9809.85	15904.52	57975.63	33648.88	3548.30	2424.37	71333.78	51977.77
Less Inter Segment Revenue	428.33	1956.62	1335.14	3043.10	20.30	95.76	1783.77	5095.48
Net Segment Revenue.	9381.52	13947.90	56640.49	30605.78	3528.00	2328.61	69550.01	46882.29
Segment Results	(2222.00)	(1842.41)	3498.55	1110.72	107.40	134.20	1383.95	(597.49)
Less Financial Expenses	-	-	-	-	-		8361.41	5642.07
Less Un-allocable expenses		-		-		-	6402.01	4660.89
Add Other Income		-		-		-	1147.34	357.90
Profit before tax		-		-		-	(12232.13)	(10542.55)
Other Informations								
Segment Assets	49571.27	50728.63	72149.06	64379.40	2881.14	2633.27	124601.47	117741.30
Unallocated Assets							3860.51	4409.15
Total Assets							128461.98	122150.45
Segment Liability	2113.20	3112.63	11786.05	2539.86	545.87	668.76	14445.12	6321.25
Unallocated Liability							117142.67	119560.11
Share Capital, Reserve & Surplus and Profit & Loss							(3125.81)*	(3730.91)*
Total Liabilities							128461.98	122150.45
Capital Expenditure	(258.21)	842.12	387.07	1828.84	33.78	(20.77)	162.64	2650.19
Depreciation	1954.47	1214.35	2388.79	1765.13	50.54	37.14	4393.80	3016.62
Non Cash Expenses	7.31	5.90	32.50	34.78	1.32	0.99	41.13	41.67

- *Includes negative balance of Profit & Loss Rs 41908.04 Lacs (Previous Year Rs 32249.65 Lacs).

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

Secondary Segments					Rs. In Lac	
Particulars	SEGMENTS				Total	
	Domestic		Export			
	For the Year ended 31 st March 11	9 month period ended 31 st March 10	For the year ended 31 st March 11	9 month period ended 31 st March 10	For the year ended 31 st March 11	9 month period ended 31 st March 10
Segment Revenue	40290.57	29168.76	29259.44	17713.53	69550.01	46882.29

15. Holdings of Alps Industries Limited in it's Subsidiaries:

Name of the Subsidiary	Country of Incorporation	Holding as on 31st March 2011
Alps Energy Pvt. Ltd	India	87.60%
Snowflakes Meditech Private Ltd.	India	99.99%
Alps USA INC.	USA	100%

Alps Uttarakhand Energy Pvt. Ltd. which was a wholly owned subsidiary of Alps Energy Pvt. Ltd has been dissolved during the year.

All the companies are directly or indirectly wholly owned subsidiaries of Alps Industries Ltd.

16. 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 each of them are given below:

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

Wholly owned Subsidiary Companies:

Alps Energy Pvt. Ltd.,
Alps Uttarakhand Energy Pvt. Ltd (a subsidiary of ALPS Energy Pvt Ltd).
Snowflakes Meditech private Ltd (Formerly known as ALPS Retail Pvt Ltd)
Alps USA INC.

Entities controlled by subsidiaries, key management personnel and their relatives.

SBT Technotex Pvt Ltd (formerly known Alps Texfab (P) Ltd.),
Alps Processers Pvt. Ltd., Careen Fintec (P.) Ltd., Coronation Spinning India (P) Ltd., Improve Interior. Com Ltd, Jhala-Koti Gunsola Power Pvt. 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., Sedona Herbals Pvt. Ltd., Supreme Finvest Pvt. Ltd.,

Key management personnel and their relatives

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

Nature of Transaction	Transactions with Key Management Personnel, Entities controlled by them and their relatives and subsidiaries	
	For the year ended 31st March 11	9 month period ended 31st March 10
1. Sale of Goods	NIL	1466.25
2. Purchase of Goods (including job work)	NIL	10.24
3. Subscription to shares Capital along with premium	99.00	NIL
4. Advances/Loans given	10.35	2.55
5. Advances/Loans taken	NIL	8.40
6. Remuneration & sitting Fee	51.77	36.96

17. Basic & Diluted Earning Per Share has been calculated as under:

Particulars	Rs in Lac	
	For the year ended 31st March 11	9 month period ended 31st March 10
Loss attributable to the Equity shareholders (Rs.in Lacs)- (A)	9658.39	9176.29
Weighted average number of equity shares outstanding during the year - (B)	38176018	34514100
Nominal value of equity shares (Rs.)	10.00	10.00
Basic Earnings per share (Rs.)	(25.30)	(26.59)
Diluted Earnings per share (Rs.)	(25.30)	(26.59)

18. Auditors' Remuneration

Particulars	Rs in Lac	
	For the year ended 31st March 11	9 month period ended 31st March 10
a. Audit Fee	8.05	7.42
b. Other Services	3.31	7.17

19. Directors' Remuneration

The directors' remuneration paid is within the limits prescribed in Section 198/349 of The Companies Act, 1956. However, during the period the company has incurred losses and the procedure for requisite permissions from the respective authorities is under progress

Particulars	Rs in Lac	
	For the year ended 31st March 11	9 month period ended 31st March 10
Salary	38.01	27.92
Perquisites	3.76	2.54
Total	41.77	30.46

The Company continued the payment of remuneration to its directors. However the approval of the same is pending with Company Law Board.

20. Additional information required under Para 3 and 4 of part II of schedule VI, of the Companies Act, 1956.
A. PRODUCTION CAPACITY

Product	Unit	Rs in Lac	
		Licensed capacity	Installed capacity
Yarn	M.T.	N.A.	46500.00
Fabric / Made ups / Fashion Accessories	'000 SQ Mtr	N.A.	30000.00
Architectural Products	-	N.A.	N.A.

B. RAW MATERIAL CONSUMPTION

Rs in Lac

Particulars	Unit	For the year ended 31st March 11		9 month period ended 31st March 10	
		Qty.	Value	Qty.	Value
Cotton	M.T.	43939.50	42423.43	32796.12	22432.87
Yarn	M.T.	2397.63	2940.97	2433.90	2754.83
Fabric	'000 Sq Mtr	7571.84	3277.45	13963.68	5404.79
Architectural Products	---	---	1482.31	---	1028.17
Others	---	---	2452.41	---	2140.99
Total	---	—	52576.57	---	33761.65

C. FINISHED PRODUCT

I. Opening Stock

Particulars	Unit	As on 31st March 11		As on 31st March 10	
		Qty.	Value	Qty.	Value
Yarn	M.T.	1028.82	1329.87	1325.95	1556.25
Fabric/Made Ups/Fashion Accessories	'000 SQ Mtr	8733.26	3981.64	2668.16	1359.08
Others	-	-	68.73	-	52.55
Total	-	-	5380.24	-	2967.88

II. Production/ Purchases (Net of captive consumption)

Rs in Lac

Particulars	Unit	For the year ended 31st March 11		9 month period ended 31st March 10	
		Qty.		Qty.	
Yarn	M.T.	39414.90		33143.21	
Fabric/Made Ups/fashion Accessories	'000 SQ Mtr	6836.63		21751.92	

III. Sales (Inclusive of Excise Duty)

Particulars	Unit	As on 31st March 11		As on 31st March 10	
		Qty.	Value	Qty.	Value
Yarn	M.T.	33046.56	56245.57	33440.56	32448.93
Fabric/Made Ups/Fashion Accessories	'000 SQ Mtr	13045.68	9738.72	15967.20	11473.58
Architectural Products	---	---	2309.90	---	1822.02
Others	---	---	1436.52	---	1188.07
Total	---	—	69730.71	---	46932.60

IV. Closing Stock

Particulars	Unit	As on 31st March 11		As on 31st March 10	
		Qty.	Value	Qty.	Value
Yarn	M.T.	7397.16	9900.98	1028.82	1329.87
Fabric/Made Ups/Fashion Accessories	'000 SQ Mtr	2523.95	1383.60	8733.26	3981.64
Others	-	-	171.02	-	68.73
Total	-	-	11455.60	-	5380.24

21. C.I.F. Value of Direct Imports

Particulars	Rs in Lac	
	For the year ended 31st March 11	9 month period ended 31st March 10
	Amount	Amount
Raw Materials	2569.83	1152.43
Capital Goods	96.92	540.03
Components & Spare Parts	193.24	345.83

22. Expenditure in Foreign Currency

Particulars	Rs in Lac	
	For the year ended 31st March 11	9 month period ended 31st March 10
Foreign Travels	25.94	45.93
Interest	24.39	70.55
Others	400.51	225.47

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

Particulars	Rs in Lac			
	For the year ended 31st March 11	% of consumption	9 month period ended 31st March 10	% of consumption
Raw Material				
Imported	2269.83	4.32	1787.35	5.29
Indigenous	50306.75	95.68	31974.30	94.71
Total	52576.58	100.00	33761.65	100.00
Stores				
Imported	173.24	17.74	318.53	53.71
Indigenous	803.15	82.26	274.52	46.29
Total	976.39	100.00	593.05	100.00

24. Earnings in Foreign Exchange

Particulars	Rs in Lac	
	For the year ended 31st March 11	9 month period ended 31st March 10
F.O.B. Value of Exports	27451.05	14332.25

25. Employee Benefits

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

1. Defined Contribution plans:

The company has recognised the following amounts in the profit and loss account:

	Rs. in Lac	
	For the year ended 31st March 11	9 month 31st March 10
Employers contribution to Provident Fund and Employee's State Insurance Corporation	159.39	111.16

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		Earned Leave	
	(Unfunded)		(Unfunded)	
	For the Year ended 31st March 11	9 months period ended 31st March 10	For the Year ended 31st March 11	9 months period ended 31st March 10
Discount Rate (per annum)	8%	8%	8%	8%
Future Salary Increase	5.5%	5.5%	5.5%	5.5%
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 Profit & Loss Account				
Current Service Cost	62.47	40.13	23.45	15.41
Past Service Cost - Vested	13.60	Nil	Nil	Nil
Interest Cost	16.12	14.75	5.09	3.24
Net Actuarial (gain)/ Loss recognized in the year	(19.39)	(9.48)	0.33	3.05
Total Expenses	72.80	45.40	28.87	21.70
II. Net Assets /(Liability) recognized in the Balance Sheet				
Present value of the Defined Benefit obligation	259.74	201.53	80.24	63.63
Fund Status (Deficit)	(259.74)	(201.53)	(80.24)	(63.63)
Net assets/ (Liability)	(259.74)	(201.53)	(80.24)	(63.63)
III. Change in present value of obligation				
Present Value of obligation as at the beginning of the period	201.53	245.56	63.63	54.01
Interest Cost	16.12	14.75	5.09	3.24
Past Service Cost - Vested	13.60	Nil	Nil	Nil
Current Service Cost	62.47	40.13	23.45	15.41
Benefits Paid	(14.59)	(89.43)	(12.26)	(12.08)
Actuarial (gains)/ Loss on obligation	(19.39)	(9.48)	0.33	3.05
Present Value of obligation as at the end of the period	259.74	201.53	80.24	63.63

26. The previous period figures have been regrouped and rearranged, wherever considered necessary to make them comparable with those of current period.

As per our report of even date attached

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. 000711C)

For and on behalf of the Board

Sandeep Agarwal
Managing Director

Munish Kr. Jain

Partner

Membership No. 70335

Place : Ghaziabad

Date : August 6, 2011

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

P.K. Rajput
Executive Director

AUDITORS' CERTIFICATE

We have examined the attached Consolidated Cash flow Statement of Alps Industries Limited for the financial year ended on 31st March 2011, 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 August 6, 2011 to the members of the Company.

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

Place : Ghaziabad
Dated: 6th August, 2011

Munish Kr. Jain
Partner
Membership No. 70335

SCHEDULES

CASH FLOW STATEMENT FOR THE YEAR ENDED :

Rs. In Lacs

Year Ended 31.03.2011

Period Ended 31.03.2010

(A) CASH FLOW FROM OPERATING ACTIVITIES

Net Profit Before Tax and Extraordinary items		(12,230.16)		(10,542.49)
Adjustment for :				
Depreciation	4,442.68		3,066.09	
Interest etc. Received	(175.02)		(121.34)	
Interest on Borrowed Capital	8,361.41		5,172.94	
Loss on Sale of Assests	24.20		74.75	
Loss / (Profit) on Sale of Investment	116.70		-	
Miscellaneous Expenditure W/Off	93.10	12,863.07	91.43	8,283.87
Operating Profit Before Working Capital Changes		632.91		(2,258.62)
Adjustment for Working Capital Changes				
Inventories	(16,033.21)		(10,549.80)	
Trade & other Receivable	4,066.03		3,822.59	
Trade Payable & other Liabilities	6,982.04		(3,855.08)	
Increase in Working Capital		(4,985.14)		(10,582.29)
Interest Paid	(8,361.41)			(5,172.94)
Direct Taxes received/(Paid)	456.98	(7,904.43)	(8.98)	(5,181.92)
Cash Flow Before Extraordinary Items		(12,256.66)		(18,022.83)
Extraordinary Items/Prior Period Adjustments		380.26		1,491.20
Net Cash From Operating Activities		(11,876.40)		(16,531.63)

(B) CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(637.33)		(1,801.87)	
Sale of Fixed Assets (includes subsidy received of Rs 562.87 Lacs)	573.15		32.93	
Sale/(purchase) of securities (inc. of subsidiaries)	448.80		(245.00)	
Interest/Dividend received	175.02		121.34	
Decrease in Fixed Deposits	28.09		903.10	
Net Cash used in Investment Activities		587.73		(989.50)

(C) CASH FLOW FROM FINANCING ACTIVITIES

Net proceeds / Repayment of Borrowings	975.90		17,492.46	
Proceeds from issue of share capital / premium	10,249.39			
Proceeds from application money agst. Equity Shares	14.00		-	
Net Cash From Financing Activities		11,239.29		17,492.46
Net Increase in Cash & Cash Equivalents includes		(49.38)		(28.67)
Opening Balance of Cash and Cash Equivalents		827.43		856.10
Closing Balance of Cash and Cash Equivalents		778.05		827.43

Notes:

- 1- Reconciliation of Cash and Cash Equivalents at the end of the year with Schedule 10
Cash & Bank Balances as per Schedule 10
Less: Fixed Deposits against Margin
Cash and Cash equivalent at the end of the year
- 2- Figures in brackets are for decrease.
- 3- Previous years figures have been regrouped or rearranged to make them comparable with those of current year.

As per our report of even date attached

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. 000711C)

For and on behalf of the Board

Sandeep Agarwal
Managing Director

Munish Kr. Jain
Partner
Membership No. 70335
Place : Ghaziabad
Date : August 6, 2011

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

P.K. Rajput
Executive Director

Balance Sheet Abstract and Company's General Business Profile

1 Registration details

Registration No. State Code

Balance Sheet date
Date Month Year

2 Capital raised during the year (Amount in Rs. '000)

Public Issue : Right Issue :

Bonus Issue : Private Placement/ Others :

3 Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities : Total Assets :

Sources of Funds :

Paid-up Capital : Reserves & Surplus :

Application Money Unsecured Loans :

Secured Loans : Deferred Tax Liability:

Application of Funds :

Net Fixed Assets : Investments :

Net Current Assets : Misc. Expenditure :

Accumulated Losses :

4 Performance of Company (Amount in Rs. '000)

Turnover : Total Expenditure :

Including Other Income) + - Profit/Loss before tax ☒ Profit/Loss after tax ☒

Earning per share in Rs. : Dividend @ % :

5 Generic Names of Three Principle Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

As per our report of even date attached

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. 000711C)

For and on behalf of the Board

Sandeep Agarwal
Managing Director

Munish Kr. Jain

Partner

Membership No. 70335

Place : Ghaziabad

Date : August 6, 2011

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

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 in	Exchange Rate	Capital	Share application money received	Reserves	Total Assets	Total Liabilities	Investments (other than investments in subsidiaries)	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Provision after Tax	Proposed Dividend	Country
1	Snowflaks Meditech Pvt. Ltd	INR	in Lacs	-	354.59	91.86	(4.06)	1080.24	637.85	-	0.25	(3.04)	-	(3.04)	-	India
2	Alps Energy Pvt Ltd	INR	in Lacs	-	383.93	20.00	446.01	858.93	8.99	-	0.95	(4.39)	-	(4.39)	-	India
3	Alps USA Inc.	INR	in Lacs	44.65	546.96		(317.24)	236.64	6.92	-	-	(0.09)	-	(0.09)	-	USA
		USD	in '000	-	1225		(710.50)	530.00	15.50	-	-	(0.19)	-	(0.19)	-	



Alps Industries Limited

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