

**Vista**  
WINDOW FASHIONS  
FLOOR FASHIONS  
HOME FASHIONS

*Le Pashmina*



**Alps Industries Limited**

40th Annual Report 2011-2012



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# ALPS INDUSTRIES LTD.

## CORPORATE DIRECTORY

### Unit I

#### Eco-Friendly Yarn Spinning & Dyeing Mill

Plot No. 1A, Sec. 10, I.I.E., SIDCUL, Haridwar,  
Uttarakhand- 249403

Email - commlharidwar@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

Email - alpsjaspur@alpsindustries.com

### Unit X

#### Showroom and Fashion Accessories Division

B-2, Loni Road Industrial Area, Opp. Mohan  
Nagar, Ghaziabad – 201 007 (U.P.)

Ph : 0120-2657 649

Fax : 0120-2657 540

Email - b2alps@alpsindustries.com

### REGISTERED OFFICE

B-2, Loni Road Industrial Area,  
Opp. Mohan Nagar,  
Ghaziabad - 201 007 (U.P.)

Ph. : 0120 - 2657 649

Fax: 0120 - 2657 540

Email - b2alps@alpsindustries.com

### Unit II

#### High Quality Compact Yarn Spinning Mill

Plot No. 1B, Sec. 10, I.I.E., SIDCUL, Haridwar,  
Uttarakhand- 249403

Email - commlharidwar@alpsindustries.com

### Unit V

#### Home Furnishing Made-Ups

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

### Unit VIII

#### Vista Flooring

A-3, Loni Road Industrial Area  
Ghaziabad – 201 007 (U.P.)

Email - vista@alpsindustries.com

### Unit III

#### Automotive, Technical And Cotton Fabric Weaving and Processing Project

Village –Aminagar, Bhoor Baral, Meerut Delhi  
Road, Meerut – 250103 (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

#### Roller Blinds

B - 160-161, Industrial Estate, Mettupalayam,  
Puducherry – 605 009

### CORPORATE OFFICE, SALES OFFICE & SHARE DEPTT.

57/2, Site-IV, Industrial Area, Sahibabad  
Ghaziabad - 201010 (U.P.)

Tel: 0120 - 4161700

Fax: 0120 - 2895299, 2896041

Product Enquiry No. - +91-9560556655

Email- info@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,  
Bangalore – 560 001

Ph.: 080-40914620

Telefax: 080-41136070

Email : alps.blr@airtelmail.in

### STATUTORY AUDITORS

P. Jain & Co., Chartered Accountants

### COST AUDITORS

Neeraj Sharma & Co., Cost Accountants

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ajay Gupta

Ph (D) : 0120-4161716

Fax : 0120-2896041, 2895299

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investorsgrievance@alpsindustries.com

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Industrial Area, Sahibabad, Ghaziabad –  
201010

Tel: 0120- 4161822 , 0120 – 4161700

Fax: 0120- 2896134

E-mail: sales@alpsindustries.com

**KOLKATA:** Room No. 8 & 9, M.A. Business  
Centre, Poddar Point Rear Street, 113, Park  
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Mob: 09831545591

Email: prajjal\_chatterjee@rediffmail.com

**CHENNAI:** No. 36/25, Premises No.36,  
Krishna Arcade, First Floor, Raja Bathar Street,  
T. Nagar, Chennai – 600 017

Ph: 044-28156210

Email : alpschennai@rediffmail.com

**MUMBAI :** Flat No. 3116-3117, C-Wing,  
Oberoi Estate, Chandivali Farm Road,  
Chandivali, Andheri (E), Mumbai-400 072

Tel/Fax: 022-28472111

Email: vistabom3@mtnl.net.in

**PUNE:** 122 and 123, Patil Plaza Near

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Fax: +91-20-66066296

E-mail: vistapune@yahoo.com

**HYDERABAD:** 2-3-531/19/A1 First Floor,  
Kachi Colony, D.V. Colony Minister Road,  
Secunderabad

Hyderabad-500003

Tel: 040-30688452

Email: alpsahyd2011@gmail.com

**LUCKNOW:** G – 24, Tej Kumar Plaza,  
Hazratganj, Lucknow – 226001

Tel: 0522 – 3015452 Fax: 0522 – 3015453

Email: vista\_lko@yahoo.com

**E-mail : info@alpsindustries.com**  
**Website : www.alpsindustries.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 half century in the textile industry. He had been deeply involved in extensive Research & Development with Indian Institute of Technology, New Delhi to produce Eco-friendly products for Home-furnishing market. He has received many awards from Central/State Governments and various Export Promotion Councils and the company has also developed association with Cotton Council International and membership from Indian Green Building Council (IGBC) under his valuable guidance. He has also enjoyed different positions in various organizations like Chairman-North Zone AIMO, Executive Member of FICCI, FIEO, CII & HEPC. He has been nominated as Sr. Vice-President- NITMA. He is a Executive Member of CITI and member of Cotton Yarn Advisory Board & Vice Chairman of NITRA. He is also involved in various social activities through the educational organizations since long time. He is actively involved in the family charitable trust for helping under privileged children and providing free education, books etc. to them under the name and style of CDK Foundation. He is also the President of Chaudhary Chhabil Das Junior Public School, a reputed institution in education in Ghaziabad.

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

**Mr. Pramod Kumar Rajput, Executive Director**

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

**Mr. Prabhat Krishna, Director**

He is a B. Tech (Chem.) from IIT, Delhi. He 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 qualified Subordinate Accounts Services (S.A.S). He is retired from the post of Dy. Controller of Defence Accounts under the Controller General of Defence Accounts in the Ministry of Defence. He has vast experience in the areas of accounts and auditing of Defence Accounts in various positions like Auditor, Section Officer, Accounts Officer, Sr. Accounts Officer, Asstt. C.D.A. and Dy. C.D.A.

**Mr. Pradyuman Kumar Lamba, Director**

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

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

## DIRECTORS' REPORT

To,  
The Members,  
Alps Industries Limited

Your Directors have pleasure in presenting the 40th Annual Report together with the Audited Statements of Account of the Company for the financial year ended on 31st March, 2012.

The Financial performance of the company, for the year ended March 31, 2012 is summarized below :

### FINANCIAL RESULTS

(Rs. in Millions)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Total Income	<b>6686.09</b>	6934.08
Operating Earnings/Losses before Financial Expenses, Depreciation & Amortization and Tax	<b>(1286.31)</b>	88.42
Finance Cost	<b>1009.91</b>	828.39
Depreciation	<b>456.04</b>	444.26
Profit/Loss Before Tax	<b>(2752.26)</b>	(1184.23)
Provision for Tax	-	-
Deferred Tax	-	(219.15)
Profit/Loss After Tax	<b>(2752.26)</b>	(965.08)
Exceptional Items	<b>(22.78)</b>	-
Surplus of last year <b>Add:</b>	<b>(4156.19)</b>	(3191.11)
<b>Surplus available for appropriation</b>	<b>(6931.23)</b>	(4156.19)
Appropriations		
Surplus carried to Balance Sheet	<b>(6931.23)</b>	(4156.19)
Surplus available for appropriation	<b>(6931.23)</b>	(4156.19)

**PERFORMANCE REVIEW**

In this highly competitive environment, textile business is becoming more innovative in approach. Expertise to assess and consolidate the opportunities are essential pre-requisite and every company needs to utilize the expertise that are available throughout the globe. Out of the total global textile and clothing trade estimated at US\$ 633 Billion today, about 58% constitutes apparel, 18% is home textiles and the balance 24% comprises other textile products like yarns, greige fabrics, industrial fabrics, medical and other textiles. With a share of over 35% in textile trade, home textile are amongst the best performing sectors of the Indian textile industry. The depreciation of the Indian rupee against the US Dollar and Euro since August' 2011 is seen to be improving India's competitive position in the export market, as currencies of competing countries like Bangladeshi Taka, Chinese Yuan, Vietnamese Dong and Euro depreciated by lower rate or appreciated during the same period. Therefore, should the trend remain, the effect will be positive on the rupee revenue of exporters. However, the benefit would be offset for companies with a higher percentage imports in the production for exports. During the second quarter of previous year the international market seen a steep rise in the cotton prices resulting into the maximum export of cotton from country and reflecting the same price trend in the domestic market. To protect the domestic industry in March 2012, India had banned the cotton exports and cotton yarn in January 2011 which resulted into the accumulation of high inventory. During March' 11 and May 2012 the quota of export of cotton yarn and cotton opened respectively which resulted into high supply into international market and consequently crashing of the prices and the situation continued till October 2011. Over the past three years, there has been a marked change in the business strategy of spinning companies as high operational costs pulled down their earnings. Quite a few spinning companies are moving up the value chain in the textiles industry as part of efforts to emerge as vertically integrated textile players. In the past five years, the average net profit margin of spinning companies showed a meagre growth of 140 basis points while that of vertically integrated textile companies almost doubled in the same period.

Recently, your company has started manufacturing value added finished products to supply to different customers in US, UK & other parts of the world. This product category is design based and needs high skilled workmanship. As the company is having in-house spinning, weaving and processing facilities, it gives an edge over others for a better price in today's competitive global condition.

Your company has also started association with renowned UK retailers to expand the customer base and business volumes. The business relationship by way of developing the retail chain in USA Market is also under process, which will help us to enjoy better business opportunities in global market.

Fashion Accessories Division is undergoing a transition & focus is on the product lines being offered to the market. The global recession last year, had put the premium products out of reach for most consumers across the world, where the volumes for the Cashmere, High value products had dipped globally. The market hit by recession and cut in spending power by the consumer, demanded alternate products which could give the same aesthetic appeal, but the costs would remain marginal. This year we see a trend reversal, where there is an upsurge of demand in mid to high value products, where in the average value of the product has risen from last year and volumes are lower, which is being compensated by higher value. The endeavor has been on increasing the bottom line, cut down on turn-around time and deliverables. We have undertaken various steps to streamline our production processes, which have brought down process rejections and increased productivity which reflect in our bottom line.

Currently, we are in a process of consolidation of our existing markets & customers, to increase the value from each customer and a higher share of the market in the first half. In this financial year, we are venturing into new markets where, we are receiving a good response. In the domestic market, which has a huge potential, we have started institutional marketing of Cashmere products as an 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.

Due to various unavoidable reasons and natural calamity, the production of yarn had to be curtailed down in some of the units of the company, just to meet out the urgent market demands. In the yarn segment your company is also expanding and exploring the market to some new countries like Columbia, Peru etc being the focussed markets including some south Indian market. Further some new shades in dyed yarn like Indigo Blue and Grindle Yarns has been added to take more share in the market.

During the year, your company has introduced new variants under the different products like Vertical, Venetian, Roller, Cellular, Roman & Roll Up Blinds, Drapery Rods, Curtain Tracks, Awnings, Umbrellas, Laminated Wooden Flooring and Solid hardwood floorings.

The company has ended the twelve months accounting period ended on March 31, 2012 with a loss of **Rs. 2775.04 millions** in comparison with loss of Rs. 965.08 millions in the previous year. The current year has passed through a very hard faze and witnessed an estimated loss of Rs. 11000 crore to the Indian spinning industries due to intervention of government on export of cotton and yarn marketing policies resulted into a sudden fall in the domestic/international prices of cotton and yarn. However the market is settling down slowly and at present your company is able to earn a positive EBIDTA however your company is still struggling to cover up its Interest and Depreciation cost and is hopeful to perform better in the coming year. The company is also able to gradually enhance the utilization capacity of its Meerut, Kashipur & Jaspur Units and is expecting the better results from these units. This can be evident with an increase in turnover in case of Home Furnishing Segment which has recorded a steep high, by more than 70% in comparison with previous year. Now your directors are hopeful that this trend will continue in current financial year also.

### **FOCUS ON TECHNOLOGICAL GROWTH/EXPANSION**

In one of the major units located at Haridwar, the focus has been diverted to stable & less volatile products which will improve the margins & less exposure to speculations. We have identified the markets & products which not only give us edge in the market but also help us to increase the capacity utilization into value added yarns like dyed yarns, twisted yarns, PVA yarns, slub yarns LE twist, organic yarn, core spun yarn etc. We are further planning to increase production during the current financial year, which will increase the margins to some extent. In one of the lease hold unit located at Kashipur, due to increase in the cotton prices and damage stock of cotton by flood water, the production had curtailed down. But the market improved in the month of January' 2012 and various variants of counts like 2/60s poly, 2/40s poly TFO, 2/30s RT poly, 2/36s RT (optical white poly) etc. were introduced which may improve the performance of the unit in the current financial year. The unit is continuously enhancing the production capacity and may achieve the same level of production, as was earlier during the current financial year.

### **WEAVING AND PROCESSING PLANT AT 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 we are a bit slow in gaining momentum, but now it is coming back on the track. The unit produces 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 has dedicated production Lines. To control the quality checks on international parameter, we have installed Martindale Abrasion Tester in the fabric testing facility, which is very important parameter for upholstery fabric. During the last financial year, your company has 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, breathable, water proof soft toys range and absorbent, provides extreme comfort to the babies' sensitive skin, superior barrier against bed wetting, treated with silver based solution, easily washable and durable, antimicrobial & prevention against dust mite, which otherwise might cause allergic reactions like asthma, eczemaetc etc.

### **FINANCIAL STRATEGY**

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

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

Due to erosion of total Networth of the company as per Audited Accounts as of 31st March 2010, the Company has filed a reference with Hon'ble BIFR under section 15(1) of Sick Industrial Companies Act. The company was registered vide case no.



32/2010 as per BIFR's letter dated June 29, 2010 and subsequently after the hearings and finding justifications, BIFR declared the company as "Sick Industrial Company" under section 3 (1) (o) of the SICA vide their order dated 06.12.2010. In the same order of Hon'ble BIFR, the State Bank of India, was appointed as the Operating Agency (O.A.). In terms of the directions of the BIFR, company had prepared the Draft Rehabilitation Proposal and submitted to State Bank of India and BIFR. After due consideration in the joint meeting held on 15th June' 2011 (with Lenders) and 5th July' 2011 (with Statutory agencies, from whom company sought some reliefs and concessions), State Bank of India has filed the Draft Rehabilitation Scheme (DRS) with BIFR on 07.07.2011. On the directions of Hon'ble BIFR, company has also filed amended DRS with O.A. and Hon'ble BIFR during the month of April' 2012 which is under consideration of O.A. & Hon'ble BIFR. However in the hearing held on July 26, 2012 Hon'ble BIFR directed company to submit revised DRS after considering the Audited Accounts as on March 31, 2012.

## CREDENTIALS

- Certificate for ISO 14001:2004 issued by AFNOR Certification for the management system implemented for Spinning, dyeing, weaving & processing of yarns, fabrics and home furnishings.
- Certificate for ISO 9001:2008 issued by AFNOR Certification for the management system implemented for Spinning, dyeing, weaving & processing of yarns, fabrics and home furnishings.
- COTTON USA License issued by Cotton Council International for compliance with the licensing requirement to use to CCI's registered trade mark has been renewed.
- Certificate of membership from Indian Green Building Council (IGBC) under the category manufacturer/product suppliers.
- Certificate for Global Organic Textile Standard (GOTS) for the processing of fibres from certified organic agriculture issued by Control Union Certifications, Netherlands.

## INSIGHT OF MANAGEMENT FOR COST EFFICIENCY

As the company is facing acute financial crisis and shortage of various resources due to unavoidable reasons, all the units of the company are taking steps to control/reduce the cost of operation under different heads, thereby contributing in reduction of losses of the company. The major units located at Meerut and Haridwar have taken various important steps which includes buying of Raw material in bulk quantity directly from suppliers after proper negotiation and studying market prices, reducing the Fixed overheads, increase the Utilization and Efficiency of machineries to reduce the cost, Standardize the Production Process Flow Chart to avoid the rejection, maintain the Inventory Level as per the requirement, constant check on Power Consumption, Controlling / Reducing Rejections & Re processing, Reusing / recycling all possible items, Strict follow up on regular maintenance schedule to avoid major break downs, Increasing overall efficiency to reduce Production Cost, using low consumption LED lights, Usage of special electrical drives on machines to reduce power consumption, Special furnace design of boiler to ensure low consumption of pet coke, Addition of additive in pet coke to get maximum output, Energy reduction by reuse the cooling water in the Process House, Energy reduction by controlling the Humidification Plant as per the requirement, Optimization of work load to reduce the Manpower Cost, apart from various other minor efforts. In order to reduce the substantial logistic cost the company is opting for land ports nearest to the units. In the unit located at Kashipur and Jaspur, steps have also been taken to control the labour cost, Modernization of Humidity Plant, Enhancement of machine Productivity and Reduction in waste generation.

## DILUTION IN HOLDING OF SUBSIDIARY COMPANIES

During the year under review, the shareholding has been diluted from 100% to 69.75% in case of Alps Energy Pvt. Limited and to 73.94% in Snowflakes Meditech Pvt. Limited, due to the further allotment of shares by these companies in favour of other investors. Hence, the status of these companies has been changed from 100% subsidiary to a ordinary subsidiary company due to holding of more than 51%.

## JOINT VENTURES

The company had investment in Cody Direct Corp (erstwhile Columbine Cody Corp.) of 2,450 Common Stock constituting 50% holding of the above company, which has been diluted, consequent to allotment of further stock by the company to another investor.

## FINANCIAL STATEMENTS OF SUBSIDIARIES COMPANIES

The company had three subsidiaries at the end of the financial year. The Ministry of Corporate Affairs, Government of India, vide General Circular No: 2/2011:51/12/2007-CL-III dated February 8, 2011 has granted general exemption from the

requirement to attach various documents in respect of subsidiary Companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956. Accordingly, the Balance Sheet and Profit & Loss Account and other documents of subsidiary companies are not being attached with the Balance Sheet of the company. However, the summarized financial information of the subsidiary companies, as required by the said circular is disclosed in the Annual Report. The company will make available 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 POLICIES- TEXTILE SECTOR

The union budget for 2012-13 has some welcome features, but it failed to evoke the much needed optimism in the Indian textile industry, since the budget lacked specified fiscal measures to help this sector to meet the difficulties faced during the last couple of year. The abolition of custom duties on automated shuttle less looms and their parts is a welcome move since weaving industry in the country needs urgent modernization. The increase in the rates of excise duty and service tax from 10% to 12% and extension of service tax to several new services would impose substantial additional burden on the textiles industry. The budget has not given any indication about the extension of Technology Upgradation Fund Scheme to the 12th Five Year Plan Period. Extension of the Scheme is essential to upgrade the technology level in the industry. The Indian textile section has been identified as key-labour intensive industry in the National Manufacturing Policy. The new manufacturing policy came into effect three months back. In the union budget for the year 2012-13, the rate of abatement on made-ups bearing a brand name or sold under a brand name has increased from 55% to 70%. Hence, the tariff value for purposes of charging duty would be @ 30% of the retail sale price. The new system of taxation under GST may roll out on April 1, 2013. It will significantly benefit exports by adding to competitiveness through lower incidence of taxation and reducing cost of compliance by simplifying the tax administration.

The DGFT has also issued a new notification regarding the removal of prohibition on export of cotton. It has recently permitted for the purpose of utilization of re-credit of 4% Special Additional Duty (SAD) of customs, revalidation till 30.06.2012, under some of the special circumstance. DEPB allowed on cotton yarn export vide PN 67/04.08.2011 – retrospectively from 01.04.2011 to 30.09.2011. The government has also announced Special Focus Market Scheme (SFMS) under which 41 countries from the existing focus market countries will be entitled for 1% additional duty credit script for exports from 01.04.2011 to 31.03.2012. As regard the Foreign Trade Policy 2009-2014, the DGFT has also made amendment in the Hand book 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. The Government has also announced the Annual Supplement 2012-13 to Foreign Trade Policy 2009-14 extending the interest rate subvention upto March 31, 2013, Technological Upgradation/EPCG Scheme extended upto March 31, 2013 and introduction of a new post-export EPCG Scheme apart from various other incentives which will help the textile industry to perform better.

## DIVIDEND

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

## SHARE CAPITAL

In terms of the Scheme of financial restructuring sanctioned by the Corporate Debt Restructuring Empowered Group (CDREG) on August 31, 2009 and as amended from time to time and in terms of the approval from the shareholders at the Annual General Meeting held on December 11, 2009 and approval taken from the stock exchanges, vide letter reference no. DCS/PREF/SR/PRE/767/10-11 dated 16/11/2010 from Bombay Stock Exchange Limited & Ref. no. NSE/LIST/16331-Q dated 15/04/2011 from National Stock Exchange of India Limited, company has allotted 128,487,790, 6% Optionally Convertible Cumulative Preference Shares (OCCPS) on August 19, 2011 against the approval of 137,250,960 OCCPS. The aforesaid 128,487,790, 6% Optionally Convertible Cumulative Preference Shares (OCCPS) may be converted into 118,750,268 equity shares at a conversion price of Rs. 10.82/- per equity shares, as approved by the stock exchanges, at the option of the bankers on or before February 18, 2013. Further, in terms of the CDR Scheme dated August 31, 2009 and as amended from time to time and in terms of the approval from the shareholders at the AGM held on September 30, 2011, the company has also allotted 5,309,420, 1% Cumulative Redeemable Preference Shares (CRPS) on August 19, 2011 and 2,582,368, 1% Cumulative Redeemable Preference Shares (CRPS) on January 21, 2012 at a issue price and face value of Rs. 10/- each in favour of some of the bankers of the company.

The authorized share capital proposed to be reclassified to accommodate the conversion of OCCPS into equity shares as may be required during the next financial year. The necessary proposal has been included in the Notice of forthcoming AGM.

## DEDICATION TO STOCKHOLDERS

The relationship with the investors continues to be cordial. However, some investors raised the concerns on the performance of the company due to the losses incurred by it. Subsequently, it became a sick industrial company under BIFR. The company has also restructured its borrowings under CDR. Your company's management is fully aware and dedicated to safeguard the hard earned resources of the investors and for survival of the company and committed to take all efforts to resolve the investors' grievances received during the year to the satisfaction of the investors within a reasonable time. Alankit Assignments Limited, the R&T Agent of the company, 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 in the company at this difficult time. Your company not only believes in legal compliance related to the investors, but also morally protects their interest, and treats them as part of Alps family.

## WELLBEING OF MANPOWER

The company is consistently maintaining harmonious relations with the employees. The company is committed for redesigning towards systematic thinking, transparent/target oriented systems and policies to ensure healthier work environment and promote excellent employees relations in the organization.

The company has continuously been promoting the welfare and motivational activities for further strengthening the employee's relations by providing better transportation services for employees, direct from the door step of their residence to the work place. The Company has improved the canteen/food facilities in the factory and in the residential colony. To promote the national policy of gender equality, the company has increased the employment of the women employees at the shop floor, in the Haridwar unit.

The skills development and technical knowledge up gradation workshops have been organized through outsourced agencies by providing training in the areas requiring more technical skill, based upon the production and quality requirement, with an objective of having the manpower, as the best motivated employee's team, to cater to the need of the industry in this changing era of technology.

The motivational policies for "Employees Recognition", for their extra ordinary contribution have proved to be an excellent tool for motivation and have improved the attrition rate of the employees. The company has promoted healthier environment by enhancement of the activities of games & sports. The company has introduced the attendance incentive scheme at the Kashipur Unit of the company to improve capacity utilization. The company is also running the group insurance scheme for the welfare and health risk coverage of the employees at all the units to provide the medical benefits in case of any mis-happening.

The information required under Section 217(2A) of Companies Act, 1956, read the Companies (Particulars of Employees) Rules, 1975, duly amended by the Companies (Particulars of Employees) Rules, 1999 and further amended vide G.S.R. No. 289(E) dated March, 31, 2011, is not applicable to the company as none of the employee is drawing remuneration more than the limits prescribed specified under the said Rules during the financial year 2011-12.

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

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

## REAPPOINTMENT OF 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. Tilak Raj Khosla, Director retire (DIN No.02724242) at the ensuing Annual General Meeting, and being eligible, offer himself for reappointment.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

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

- (i) In the preparation of the annual accounts for the financial year under review, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

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

#### **COMPLIANCE REPORT/COST AUDIT**

In compliance with the Notification dated June 3, 2011 issued by MCA Company has appointed M/s. Neeraj Sharma & Co., Cost Accountants, Ghaziabad, to submit the Compliance Report under the Companies (Cost Accounting Records), Rules 2011, duly approved by the Board of Directors, to the Central Government for the financial year ended on March 31, 2012. The compliance report has been submitted by the Cost Accountants and approved by the Board of Directors at their meeting held on August 13, 2012, which will be filed by the company within the due date i.e. on or before September 27, 2012, being 180 days from the close of the financial year or as may be extended by the department from time to time.

Further, in compliance of Notification reference no. F. No 52/26/CAB-2010 dated January 24, 2012 issued by the Cost Audit Branch under MCA, the aforesaid firm of Cost Accountants has also been appointed as the Cost Auditors of the company under section 233B of the Companies Act 1956, for the financial year ended on March 31, 2013, at the meeting of Audit committee and Board of directors of the company held on May 12, 2012.

#### **FIXED DEPOSITS**

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

#### **CORPORATE GOVERNANCE**

A report as per the requirements of Clause 49 of the listing agreement on the Corporate Governance practices followed by the Company and the Statutory Auditors' Certificate on Compliance of mandatory requirements alongwith Management Discussion and Analysis is given as an **Annexure - 2** to this report. The non-mandatory information is annexed as Part-II of **Annexure-3**. It has always been the endeavor of your company to practice transparency in its management and disclose all requisite information to keep the public well informed of all material developments.

#### **STATUTORY AUDITORS**

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

#### **AUDITORS' OBSERVATIONS**

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

#### **ACKNOWLEDGMENT**

Your directors would like to express their appreciation for the assistance and co-operation received from the foreign institutional Investors, Board for Industrial & Financial Restructuring, CDR-EG, Banks, Government authorities, customers, vendors, Stock Exchanges and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service by the executives, staff and workers of the company.

For and on behalf of the Board  
**Alps Industries Limited**

Place : Ghaziabad  
Date : August 13, 2012

**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.	<b>Conservation of Energy</b> Energy conservation measures taken	:	<p>The company is well aware of global requirements/ demands for energy conservation &amp; keeps on upgrading of technology in this field. Continuous efforts are being made for energy conservation by modification in the system to ensure proper upkeep of equipment to increase the machine efficiencies. Some of the major Energy conservation measures taken are as under:</p> <ul style="list-style-type: none"> <li>• RF Dryer 85 KW converted to Steam Heater from Electric Heater</li> <li>• Proposed to install AC drives in different part of machineries.</li> <li>• Reduction of wharve diameter of spindles.</li> <li>• Speed management of Blow Room.</li> <li>• Motor management in Ring Frame &amp; Doubling.</li> <li>• Air exhaust by natural drift.</li> <li>• Use of energy saving lights.</li> <li>• Reduction of Installed Power load as per requirement.</li> <li>• Modernization of Humidity Plant.</li> <li>• Company has full fledged ETP plant, to treat polluted water generated from processing, to be used for plantation.</li> <li>• Rain Water harvesting system have been maintained.</li> <li>• Heat recovery system is being maintained.</li> <li>• Installation of VFD at Thermopac, Boiler, Jigger, and tester Guider Motor.</li> <li>• Reuse the Cooling water in Process house.</li> <li>• Proper Distribution of Lighting.</li> <li>• Replacement of the street lights from 125 watt to 65 watt.</li> <li>• Installation of Capacitor Panel.</li> <li>• Installation of drive to run the Blower at its maximum efficiency.</li> </ul>
b.	Additional investments and proposals, if	:	NIL
c.	Impact of measures at (a) & (b) above for reduction of Energy consumption and consequent impact on the cost of production of goods.	:	As a result of various energy conservation measures taken by the company, energy and power cost have been controlled 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 31.03.2012	Year ended 31.03.2011
<b>1.</b>	<b>Electricity</b>		
	a. Purchased		
	Units (Nos.)	<b>93,700,633</b>	115,910,388
	Total Amount (Rs.)	<b>433,347,583</b>	506,925,171
	Rate/Unit (Rs.)	<b>4.62</b>	4.37
	b. Own Generation		
	i) Through Diesel/FO		
	Quantity (Ltrs)	<b>442,725</b>	803,883
	Total Amount (Rs.)	<b>15,628,491</b>	26,339,724
	Average Rate (Rs.)	<b>35.30</b>	32.77
	Generation (Units) (Nos.)	<b>1,505,536</b>	2,810,168
	Units per Litre of Diesel oil (Nos.)	<b>3.40</b>	3.50
	Cost/Unit (Rs.)	<b>10.38</b>	9.37
	ii) Through Steam Turbine		
	Generator Units	<b>N.A.</b>	N.A.
	Unit/LTR or Fuel	<b>N.A.</b>	N.A.
	Oil/Gas Cost unit	<b>N.A.</b>	N.A.
<b>2.</b>	<b>Coal</b>		
	Quantity(Tones)	<b>N.A.</b>	N.A.
	Total Cost	<b>N.A.</b>	N.A.
	Average Rate	<b>N.A.</b>	N.A.
	Total Unit Generated	<b>1,505,536</b>	2,810,168
	Total Cost	<b>15,628,491</b>	26,339,724
	Cost/Unit	<b>10.38</b>	9.37
<b>3.</b>	<b>Furnace Oil (Excluding use on Generation of Electricity)</b>		
	Quantity (Ltrs)	<b>0.00</b>	0.00
	Total amount (Rs.)	<b>0.00</b>	0.00
	Average Rate (Rs.)	<b>0.00</b>	0.00
<b>4.</b>	<b>Others/Internal generation</b>		
	Wood		
	Quantity	<b>N.A.</b>	N.A.
	Total Cost	<b>N.A.</b>	N.A.
	Rate/Unit	<b>N.A.</b>	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 31.03.2012	Year Ended 31.03.2011	Year Ended 31.03.2012	Year Ended 31.03.2011	Year Ended 31.03.2012	Year Ended 31.03.2011
1	ELECTRICITY (KWH)	<b>1788.41</b>	1742.19	<b>35.96</b>	35.36	<b>839.31</b>	838.75
2	COAL	<b>N.A.</b>	N.A.	<b>0.00</b>	0.00	<b>N.A.</b>	N.A.
3	OTHERS	<b>N.A.</b>	N.A.	<b>0.00</b>	0.00	<b>N.A.</b>	N.A.

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

<b>A. RESEARCH &amp; DEVELOPMENT (R &amp; D)</b>		
1.	Specific areas in which R&D carried out the Company.	The company has taken steps for development of various ranges in the Dyed Yarn segment for better quality. Due to constant research & development the new range in Upholstery Fabric had been developed by using Cotton and Viscose/ Linen yarn.
2.	Benefits derived as a result of the above R&D	The turnover of yarn in domestic as well as overseas export market will be improved.
3.	Future Plan of Action	The company plan to introduce various new range of product in different segment in coming years to improve the quality to meet the market requirement.
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.	To control the quality checks on international parameter we have installed Martindale Abrasion Tester in the fabric testing facility, which is very important parameter for upholstery fabric. It will improve the quality of products to meet out the latest demand of the market. Company have also added latest technology machine like L/R Ring Frames, Auto Coners, TFOs, Yarn Conditioning machine, L/R speed frame, Draw frame, L/R Cards etc.
2.	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	The quality of production of various products will be improved at the same time cost will also be reduced.

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.	:	Company has started Value Added finished product category supply to different customers in US, UK & other countries. As the company is having in-house spinning, weaving and processing, facilities, which gives an edge over others for a better price in today's competitive global condition. Company have also started, association with renowned UK retailers, to expand the customer base and business volumes. The business relationship by way of developing the retail chain in USA Market is also under process, which will help the company to enjoy the better business opportunities in global market.
2.	Total Foreign Exchange used and earned	:	Used <b>Rs. 48.06 Mn.</b> For the financial year ended March 31, 2012 (Rs. 45.08 Mn for the financial year ended on March 31, 2011) Earned <b>Rs. 1906.74 Mn</b> for the financial year ended March 31, 2012 (Rs. 2745.10 Mn for the financial year ended March 31, 2011)

### 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**

Spinning Companies have diversified into the business of manufacturing fabrics in recent years from the earlier capital-intensive spinning business. There are two factors which have contributed to this shift in the business of spinning companies to fabric business viz high cost of power and interest rates.

**Cotton**

The global cotton price which is largely a function of global demand and supply of cotton has been influenced by factors other than actual user demand and overall supply of cotton in 2011-12. The Chinese policy of accumulating cotton for strategic reserves and occasional policy decisions of Indian Government in relation to export of cotton has caused much volatility in cotton prices. The Cotlook Index -A for the year 2011-12 was 102 US cents /lbs in comparison to 164 US cents/lbs in 2010-11. The global cotton production is estimated at 27.16 million tons in 2011-12, which is expected to decline to 24.9 million tons in 2012-13 due to lower area under cotton cultivation in sync with moderation in global cotton prices to an extent. The global mill consumption of cotton is estimated at 22.7 million tons in 2011-12 and is projected to grow moderately in 2012-13.

**Yarn**

Financial year 2011-12 was a year rampant with nervousness and unpredictability, which was not a conducive environment for business. The ban on the exports of cotton yarn in January, 2011 seriously impacted the industry and there was accumulation of inventory till end of March, 2011. The Government announced its new policy on export of Cotton Yarn in first week of April, 2011 and yarn export was brought under Open General Licence. As a result, the yarn prices moved in a wide range for the first half of the year. Most of the textile mills, particularly which are predominantly spinning, suffered losses including losses incurred by the writing down of the stock of cotton and yarn held by the end of June, 2011. However, it was only in the second half that things showed some signs of stabilization. All India yarn production was lower by an estimated 15% due to:

- (i) Power crisis in the South
- (ii) Huge inventory losses as referred above resulting in severe shortage of working capital availability to some companies
- (iii) Acute labour shortage across India
- (iv) Sharp fall in yarn prices as compared to last year propelling voluntary cut in production.

However, this year production is expected to increase even though margins are expected to be on the lower side only. There is also a noticeable trend of increasing value addition in products. The removal of trade barriers with Bangladesh is yet to show any impact on the Indian Industry.

Overall the year is expected to be more stable due to expectation that cotton will be much less volatile than last year. Growth of the industry will hinge on recovery in the global economy although Indian demand is expected to increase at a relatively moderate rate. In this highly competitive environment, textile business is becoming more innovative in approach. Expertise to assess and consolidate the opportunities are essential pre-requisite and every company need to utilize the expertise that are available throughout the globe. Over the past three year, there has been a marked change in the business strategy of spinning companies as high operational costs pulled down their earnings. Quite a few spinning companies are moving up the value chain in the textiles industry as part of efforts to emerge as vertically integrated textile players. In the past five years, the average net profit margin of spinning companies showed a meagre growth of 140 basis points while that of vertically integrated textile companies almost doubled in the same period.

## **II. OPPORTUNITIES AND THREATS**

### **A. Government policies-Textile Sector**

The abolition of customs duties on automated shuttle less looms and their parts is a welcome move since weaving industry in the country needs urgent modernization. The increase in the rates of excise duty and service tax from 10% to 12% and extension of service tax to several new services would impose substantial additional burden on the textiles industry. The budget has not given any indication about the extension of Technology Upgradation Fund Scheme to the 12th Five Year Plan Period. Extension of the Scheme is essential to upgrade the technology level in the industry. In the union budget for the year 2012-13, the rate of abatement on made-ups bearing a brand name or sold under a brand name is increased from 55% to 70%. Hence, the tariff value for purposes of charging duty would be @ 30% of the retail sale price. The new system of taxation under GST may roll out on April 1, 2013.

It has recently permitted for the purpose of utilization of re-credit of 4% Special Additional Duty (SAD) of customs, revalidation till 30.06.2012 under some of the special circumstance. DEPB allowed on cotton yarn export vide PN 67/04.08.2011 – retrospectively from 01.04.2011 to 30.09.2011. The government has also announced Special Focus Market Scheme (SFMS) under which 41 countries from the existing focus market countries will be entitled for 1% additional duty credit script for exports from 01.04.2011 to 31.03.2012. As regard the Foreign Trade Policy 2009-2014, the DGFT has also made amendment in the Hand book 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. The Government has also announced the Annual Supplement 2012-13 to Foreign Trade Policy 2009-14 extending the interest rate subvention upto March 31, 2013, Technological Upgradation/EPCG Scheme extended upto March 31, 2013 and introduction of a new post-export EPCG Scheme apart from various other incentives which will help the textile industry to perform better.

### **B. Export Scenario**

The depreciation of the Indian rupee against the US Dollar and Euro since August 2011 is seen to be improving India's competitive position in the export market, as currencies of competing countries like Bangladeshi Taka, Chinese Yuan, Vietnamese Dong and Euro depreciated by lower rate or appreciated during the same period. Therefore, should the trend remain, the effect will be positive on the rupee revenue of exporters. However, the benefit would be offset for companies with a higher percentage imports in the production for exports. India had banned cotton exports during the year. Currently, the government is not allowing fresh exports. Recently, your company have started Value Added finished product category to supply to different customers in US, UK & other parts of the world. This product category is design based and needs high skilled workmanship. As the company is having in-house spinning, weaving and processing, facilities, which gives an edge over others for a better price in today's competitive global condition. Your company have also started association with renowned UK retailers to expand the customer base and business volumes. The business relationship by way of developing the retail chain in USA Market is also under process, which will help us to enjoy the better business opportunities in global market. While India is not an export driven economy yet, exports are an important constituent since exports are the engine of growth and employment generation.

## **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 23.20 % for Home Furnishing & Fashion Accessories, 71.26 % for Yarn and 5.54 % for Architectural products. The detailed performance has already been discussed in the Directors' Report.

## **IV. OUTLOOK**

Two years ago, government promised a cotton trade policy with all the trimmings of goods governance. After a similar export debacle in 2010, government vowed that the new policy would include transparent contract registration, a tariff driven export regulation policy, and a reserve stock policy designed to ensure the textile industry's viability during



cyclical downturns. But policy goals need the right administrative mechanisms to succeed. The international textile fairs like Tex Trends 2012 puts a window of opportunities for the industry where products from handlooms to technical textiles are under one roof. It caters to product categories in casual wear, city wear, high fashion & occasional wear, specialty garments, sportswear, knitwear & made-ups bed linen, napkins, cushion covers, floor mats, curtains etc.. India, in recent years, has been the focal point of continuous growth, development and the first largest producer of raw jute, second largest producer of silk, cotton yarn, raw cotton and fifth largest producer of synthetic fiber yarn. South Korea has got tremendous presence in apparels thereby providing good scope for the export of fabrics including other products. The provisional data for the fiscal year 2011-12 shows that exports of Cotton Textiles from India reached US \$ 7200 Mn with Cotton Made ups reaching US \$ 3010 Mn, Cotton Yarn valued at US \$ 2650 Mn and Cotton Fabrics at US \$ 1510 Mn. The target of US \$ 7 Bn F.Y. 2011-12 has thus not only been achieved but also surpassed.

## **V. RISKS AND CONCERNS**

There has not been much tangible progress in the overall efforts to get a debt restructuring package for the textile and clothing industry. An agency has been asked by the Department of Textile to study the situation in the industry for a workable debt restructuring package. Export-oriented textile enterprise saw fall in orders and breaking their source of income. According to the statistics, in 2011 the textile and apparel exports reached US \$ 254.21 Billion, growing by 19.9%; which also saw a rise in exports prices by 19.3% year-on-year, but a marginal rise of 0.5% year-on-year in export quantity. Especially in the majority of small and medium sized enterprises of the textile industry. Industry experts negate this possibility as they believe China has the worlds' most perfect mature textile industry chain, with a large number of skilled workers. The relative competitiveness of the Indian textile industry is dependent on rupee exchange rate fluctuations and raw cotton prices. The raw cotton which is a natural fibre continues to depend on the nature i.e. monsoon. A good monsoon results in bumper crop but any shortfall can play a havoc for the textile industry as 65% of the cost of the end products of the industry is cotton. The textile industry shall always be prone to such type of risks.

At macro level your company have been 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. Due to continuous fall in the value of rupee against USD the Company continues to follow the risk management policy as already adopted by the Board. The further hedging has been suspended temporarily. The operations of the company are further subject to the risk evolved due to natural calamities, rate fluctuation of the cotton prices and various government policies which keep on changing, labour unrest and financial crisis which may be faced by the company.

## **VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has appointed Cost Auditors to effectively control the cost in various areas by scrutiny the cost record maintained by the company from time to time. Further 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. As far as production and marketing of the products are concerned, company have very strong quality control checks to built up the image of the company and also to meet the demand of the market at the lowest cost with highest efficiency.

## **VII. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Over the past three year, there has been a marked change in the business strategy of spinning companies as high operational costs pulled down their earnings. Quite a few spinning companies are moving up the value chain in the textiles industry as part of efforts to emerge as vertically integrated textile players. In the past five years, the average net profit margin of spinning companies shoed a meagre growth of 140 basis points while that of vertically integrated textile companies almost doubled in the same period.

The global recession last year , had put the premium products out of reach for most consumers across the world, where the volumes for the Cashmere, High value products had dipped globally. The market hit by recession and cut in spending power by the consumer, demanded alternate products which give the same aesthetic appeal, but the costs being

marginal. This year we see a trend reversal, where there is an upsurge of demand in mid to high value products where in the average value of the product has risen from last year and volumes are lower, which is being compensated by higher value. The endeavor has been increase the bottom line, cut down on turnaround time and deliverables. Your company have undertaken various steps to streamline our production processes, which have brought down process rejections, increased productivity which reflect in our bottom line.

In this financial year, we are venturing in to new markets where we are receiving a good response over all. The company has also launched various new baby products under “Sleep Dry” brand name, to improve the profitability of division for growth various steps are being taken like to add some soft toys range, to increase product promotion etc. Company is also planning to approach neighboring countries for export of baby products. Due to increase in the cotton prices and unavoidable natural calamity the production of yarn had to be curtailed down in some of the units of the company, just to meet out the urgent market demands. In the yarn segment your company is also expanding and exploring the market to some new countries like Columbia , Peru etc being the focused markets including some south Indian markets.

The company has ended the twelve months accounting period ended on March 31, 2012 with a loss of **Rs. 2775.04 millions** in comparison with loss of Rs. 965.08 millions in the previous year. The current year has passed through a very hard faze and witnessed an estimated loss of Rs. 11000 crore to the Indian spinning industries due to intervention of government on export of cotton and yarn marketing policies resulted into a sudden fall in the domestic/international prices of cotton and yarn. However the market is settling down slowly and at present your company is able to earn a positive EBIDTA however your company is still struggling to cover up its Interest and Depreciation cost and is hopeful to perform batter in the coming year. The company is also able to gradually enhance the utilization capacity of its Meerut, Kashipur & Jaspur Units and is expecting the better results from these units. This can be evident with an increase in turnover in case of Home Furnishing Segment which has recorded a steep high, by more than 70% in comparison with previous year. Now your directors are hopeful that this trend will continue in current financial year also.

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

The company has continuously been promoting the welfare and motivational activities for further strengthening the employee’s relations by providing better transportation services for employees. To promote the National policy of sexual equality the company has increased the employment of the women employees at the shop floor, in the Haridwar unit.

The motivational policies for “Employees Recognition”, for their extra ordinary contribution have proved to be an excellent tool for motivation and have improved the attrition rate of the employees by bringing the attrition percentage further down. The company has promoted the healthier environment by enhancement of the activities of games & sports. The company has introduced the attendance incentive scheme at the Kashipur Unit of the company to improve the capacity utilization. It has also secured a group insurance scheme for the welfare and health risk coverage of the employees at all the units to provide the medical benefits in case of any misshaping. The company employees around 2,600 employees as on March 31, 2012 to run the company smoothly.

#### **FORWARD-LOOKING STATEMENTS**

The report contains forward-looking statements, identified by words like plans, expects, will, anticipates, believes, and intends, projects, estimates and so on. All statements that address expectations or projections about the future, but not limited to the Company’s strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the company cannot guarantee that these are accurate or will be realised. The Company’s actual results, performance or achievements could thus differ from those projected in any forwards-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE PART I (MANDATORY REQUIREMENTS)

Annexure-3

- (i) Statement on company's philosophy on code of governance. : Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations and societal expectation. Good governance practices stem from the culture and mindset of the organization and at Alps we are committed to meet the aspirations of all our stakeholders. The demand of corporate governance require professional to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors and Audit Committee.
- Alps not only adheres to the prescribed corporate governance practices as per Clause 49 but also committed to sound corporate governance principles and practices and constantly strives to adopt emerging best practices worldwide. It is our endeavor to achieve higher standard and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.
- (ii) Board of Directors and procedures : A majority of the Board are independent directors. The Board's actions and decisions are aligned with the Company's best interest. The Company has defined guidelines and established framework of the meetings of the Board and Committees. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board committees in an informed and efficient manner.
- The Board is 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 company secretary in consultation with the Board of Directors, finalize the agenda of the board and committee meetings which is distributed to the Board/Committee members well in advance. In terms of the SEBI circular dated April 8, 2008, it is to be mentioned that the relationship between Mr. K.K. Agarwal, Non Executive Chairman & Promoter Director and Mr. Sandeep Agarwal, Managing Director & Promoter Director is of father and son and there is no inter-se relationship amongst other directors, except above.
- (ii) 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](http://www.alpsindustries.com). All Directors and senior management personnel have affirmed compliance with the Code for F.Y. 2011-12. 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%
	Nominee (Special) – BIFR (Independent)	1	12.50%
	<b>Total</b>	<b>8</b>	<b>100.00%</b>

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

Name of the Directors	Nature of Directorship	Relationship with other Director	Sitting fees paid during the year	No. of Board Meetings		Attended by
			(Rs. in 000')	Held	Attended	AGM 30.09.2011
Mr. K.K. Agarwal	Non-Executive Chairman & promoter	Father of Mr. Sandeep Agarwal	40.00	4	4	Yes
Mr. Sandeep Agarwal	Executive & promoter	Son of Mr. K.K. Agarwal	Nil	4	4	No
Mr. P.K. Rajput	Director & Non-independent	-	Nil	4	4	Yes
Mr. Prabhat Krishna	Independent	-	65.00	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	-	45.00	4	4	No
Mr. M.L. Sharma	Special Director by BIFR	-	45.00	4	4	No

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

Name of the Directors	No. of Outside Directorship Held			Outside Committees \$	
	Public	Private	Others	Member	Chairman/Chairperson
Mr. K.K. Agarwal	-	2	2	1	-
Mr. Sandeep Agarwal	-	2	1	-	-
Mr. P.K. Rajput	1	-	-	-	-
Mr. Prabhat Krishna	1	-	-	-	-
Mr. Tilak Raj Khosla	-	-	-	-	-
Mr. P.K. Lamba	-	-	-	-	-
Mr. Sonalal Datta	-	-	-	-	-
Mr. M.L. Sharma	4	-	-	1	-

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

- (d) Number of BoD meetings held, dates on : No. of Board Meetings held : 4 : Dates - 07/05/2011, 6/08/2011, which held. 14/11/2011 and 11/02/2012
- (e) Details of the Directors liable to retire by rotation and proposed to be reappointed :
- (i) Details of Mr. Tilak Raj Khosla, Director (DIN : He is an Arts Graduate with qualified Subordinate Accounts Services (S.A.S). He is retired from the post of Dy. Controller of Defence Accounts under the Controller General of Defence Accounts in the Ministry of Defence. He has vast experience in the areas of accounts and auditing of Defence Accounts in various positions like Auditor, Section Officer, Accounts Officer, Sr. Accounts Officer, Asstt. C.D.A. and Dy. C.D.A. No. 02724242) proposed to be reappointed. 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.

### (iii) AUDIT COMMITTEE

- (a) Brief description of terms of reference
- : The composition of Audit Committee meets with the requirements of Section of 292A of the Companies Act 1956 and clause 49 of the listing agreement.
  - (a) As specified under Clause 49 of the Listing Agreement;
  - (b) Review the unaudited quarterly result.
  - (c) Any matter related with Annual Report.
  - (d) Review of Un-audited Financial Results.
  - (e) Review of Internal Audit System.
  - (f) Approve and recommend the Compliance Report under the Companies (Cost Accounting Records), Rules 2011.
  - (g) Approve and recommend the appointment of Cost Auditor.
  - (h) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - (i) Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
  - (j) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
  - (k) Any other specific matters referred by the Board of Directors from time to time.
- (b) Composition, name of members and Chairperson.
- |    |                      |   |          |
|----|----------------------|---|----------|
| 1. | Mr. Prabhat Krishna  | – | Chairman |
| 2. | Mr. Sandeep Agarwal  | – | Member   |
| 3. | Mr. Tilak Raj Khosla | – | Member   |
| 4. | Mr. P.K. Lamba       | – | Member   |
- (c) Meetings and attendance during the year
- |                       |                      |                  |              |
|-----------------------|----------------------|------------------|--------------|
| : Meetings held: Four |                      |                  |              |
| Present Members :     |                      | Meeting Attended |              |
| 1.                    | Mr. Prabhat Krishna  | -                | Chairman - 4 |
| 2.                    | Mr. Sandeep Agarwal  | -                | Member - 4   |
| 3.                    | Mr. Tilak Raj Khosla | -                | Member - 4   |
| 4.                    | Mr. P.K. Lamba       | -                | Member - 4   |



**(iv) REMUNERATION COMMITTEE**

- (a) Brief description of terms of reference : (a) As specified under Clause 49 of the Listing Agreement.  
(b) To decide the company's policy and specific remuneration package for the Executive Directors.  
(c) To decide any revision/ amendment/ addition/deletion/ recomposition in the remuneration package of the Whole Time Directors.  
(d) Any matter related with the retirement benefits of the Executive and Whole Time Directors.  
(e) Any other matter, as may be assigned by the Board with respect to financial commitment for whole time directors.
- (b) Composition, name of members and Chairperson. : 1. Mr. Prabhat Krishna - Chairman  
2. Mr. Sandeep Agarwal - Member  
3. Mr. Sonalal Datta - Nominee-SBI  
4. Mr. M.L. Sharma - Special Director- BIFR
- (c) Meetings and attendance during the year : Meeting held: One, on August 6, 2011 and attended by :  
1. Mr. Prabhat Krishna - Chairman  
2. Mr. Sandeep Agarwal - Member  
3. Mr. Sonalal Datta - Nominee-SBI  
4. Mr. M.L. Sharma - Special Director- BIFR
- (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, 2012 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	<b>44.00</b>
Mr. Sandeep Agarwal	1927.26	165.13 \$	0	0	<b>2092.39</b>
Mr. P.K. Rajput	750.40	200.76 #	0	0	<b>951.16</b>
Mr. Prabhat Krishna	0.00	0.00	65.00	4.00	<b>69.00</b>
Mr. Tilak Raj Khosla	0.00	0.00	60.00	4.00	<b>64.00</b>
Mr. P.K. Lamba	0.00	0.00	60.00	4.00	<b>64.00</b>
Mr. Sonalal Datta	0.00	0.00	45.00	4.00	<b>49.00</b>
Mr. M.L. Sharma	0.00	0.00	45.00	4.00	<b>49.00</b>
<b>TOTAL</b>	<b>2677.66</b>	<b>365.89</b>	<b>315.00</b>	<b>24.00</b>	<b>3382.55</b>

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

\$ Reimbursement of Electricity charges and Telephone Expenses.

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

**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 31<sup>st</sup> March, 2012 is as under:

## Details of Shareholding of Directors:

Sl. No.	Name	Shareholding	Percentage
1	Mr. K.K. Agarwal, Non Executive Chairman	1,147,460	2.93
2	Mr. Sandeep Agarwal, Managing Director	651,510	1.67
3	Mr. P.K. Rajput, Executive Director	30,000	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
	<b>Total</b>	<b>1,828,970</b>	<b>4.68</b>

## (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) To review of split, consolidation & demat/remat of shares.  
 (e) Any matter related with the Investors' Grievances.  
 (f) The committee also looks after redressal of investors' grievances and performance of the Registrar and Transfer Agent of the company.  
 (g) Monitoring the violations of the code of conduct for prevention of insider trading, if any.  
 (h) Any other matter as may be assigned by the Board of Directors from time to time.
- (b) Composition, name of members and Chairperson. : 1. Mr. Prabhat Krishna - Chairman  
 2. Mr. Sandeep Agarwal - Member  
 3. Mr. Tilak Raj Khosla - Member  
 4. Mr. P.K. Lamba - Member
- (c) Meetings and attendance during the year : Meeting held: NIL
- (d) Name and designation of compliance officer and contact details : Mr. Ajay Gupta,  
 Company Secretary & General Manager - Legal.  
 Ph (D) : 0120-4161716 Fax : 0120-2896041, 2895299  
 Email ID : ajaygupta@alpsindustries.com  
 investorsgrievance@alpsindustries.com
- (e) Number of shareholders' complaints received so far. : Details of complaints received and redressed during the period 2011-2012:

Sr. No	Particulars	Received	Redressed	Pending as on 31.03.12
1.	Non-receipt of refund order	2	2	--
2.	Non-receipt of Dividend Warrants	1	1	--
3.	Non-Receipt of Share Certificates	1	1	--
4.	Others	1	1	--
	<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>--</b>

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

(g) Number of pending share transfers.

**1. Share Transfer Details:**

Sr. No	Particulars	Equity Share
1.	Number of Transfers	74
2.	Average No. of Transfers per month	6-7
3.	Number of shares transferred	307

**2. Demat/Remat of Shares:**

Sr. No	Particulars	Equity Share
1.	Number of Demat Transfers approved	16
2.	Number of shares Dematerialized	1002100
3.	Percentage of shares Dematerialized	2.56
4.	Number of Rematerialization Requests approved	1
5.	Number of shares rematerialized	100

**(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.)	11.12.2009	10:00 A.M.	AGM
2.	57/2, Site IV Industrial Area, Sahibabad, Ghaziabad, U.P.	06.05.2010	11:00 A.M.	Court Convened Shareholders Meeting
3.	--Do--	13.08.2010	10:00 A.M.	AGM
4.	--Do--	30.09.2011	10:00 A.M.	AGM

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

: Yes, as per following details:

**At the AGM held on 11.12.2009**

1. Reappointment of Executive Director.
2. Preferential Allotment of equity shares & quasi equity shares in terms of CDR Scheme.
3. Increase in the authorized share capital.
4. Sale of some of assets of the company in terms of CDR scheme.
5. Compliance u/s. 23 of SICA.

**At the AGM held on 13.08.2010**

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

**At the AGM held on 30.09.2011**

1. Reappointment of Statutory Auditor under section 224A of the Companies Act, 1956.
2. Preferential Allotment of OCCPS/CRPS in terms of CDR Scheme.
3. Amendment in CDR Scheme.
4. Powers to mortgaged fixed assets.
5. Reappointment of Executive Director.

- (c) Special Resolutions were put through postal ballot last year, details of voting pattern. : Yes at the AGM held on 30.09.2011, related to Powers to mortgaged fixed assets of the company. It was passed based on the postal ballot slips received by the company and approved by the scrutinizer.
- (d) Person who conducted the postal ballot exercise. : Mr. Rajiv Khosla, Practicing Company Secretary
- (e) Any Special Resolution is proposed to be conducted through postal ballot. : No
- (f) Procedure for postal ballot. : As per Section 192 A of the Companies Act, 1956 and Rules made there under will be followed, if applicable.

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

## (viii) Means of Communication

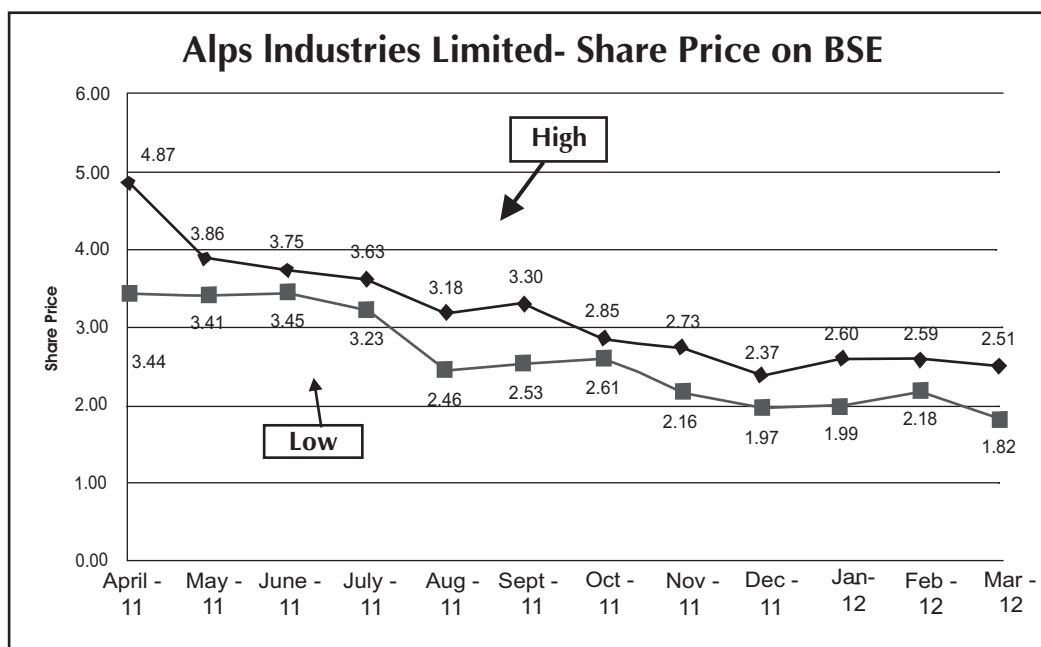
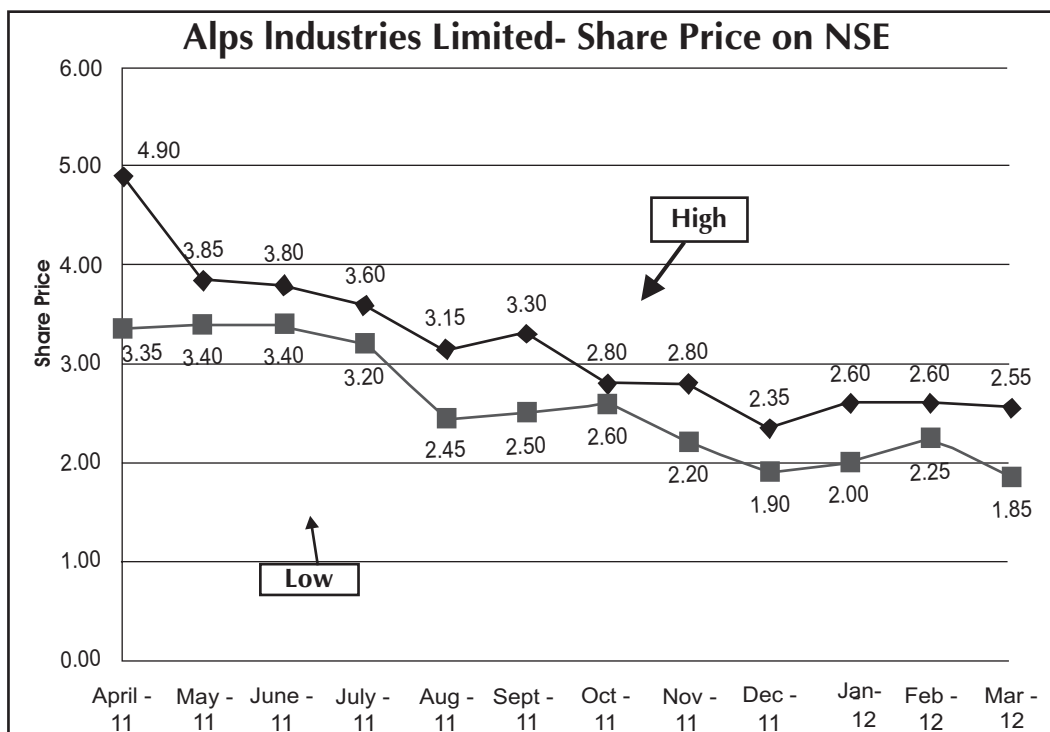
- (a) Quarterly results. : Published in the News Paper and sent to the Stock Exchanges where Shares of the Company are listed and also displayed on the company website.
- (b) shareholding pattern and any other material information on the business/joint venture/agreements entered into by the Company : On company website alongwith information to the stock exchanges separately.

- (c) Which newspapers normally published in. : Money Makers (English) and Dainik Mahalaxmi Bhagyodaya (Hindi)
- (d) Reminder to Investors for unclaimed shares : As per the requirement of Clause 5A of the Listing Agreement, three reminders for unclaimed shares held in physical mode have been sent on April 28, 2012, further on June 16, 2012 and finally on July 23, 2012 to the eligible shareholders.
- (e) NSE Electronic Application Processing System (NEAPS) : The NEAPS is a web based application designed by NSE for corporate. The shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS by the company on quarterly basis.
- (f) SEBI Complaints Redress System (SCORES) : The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- (g) Any website, where displayed. : [www.alpsindustries.com](http://www.alpsindustries.com)  
In compliance of the General Circular No. 17/2011 dated 21.04.2011 & 18/2011 dated 29.04.2011, the company is sending the Annual Report by email to all the members by adopting the Green Initiative as directed by the Government. The full text of the documents will be available on the Company's Website.
- (h) Whether it also display official news release : Yes.
- (i) The presentations made to institutional investors or to the analysts. : The Financial Results are sent to the major investors including Institutional Investors, banks & various other government/ statutory agencies and analysts.
- (j) Whether MD&A is a part of Annual Report or not. : Yes. Company also display on the official website.
- (ix) General Shareholder information**
- (a) AGM: Date, time and venue (Tentative) : Date : September 29, 2012  
Day : Saturday  
Time : 10:00 A.M  
Venue: 57/2, Site IV, Industrial Area, Sahibabad, Ghaziabad, (U.P.) Pin- 201010
- (b) Financial Calendar (Tentative) : 2012-13  
Financial Year : April 1, 2012 to March 31, 2013  
Annual General Meeting : September 29, 2012  
Result for quarter ending June 30, 2012 : Second Week of August, 2012.  
Result for quarter ending Sept 30, 2012. : Second Week of November, 2012  
Result for quarter ending Dec 31, 2012. : Second Week of February, 2013  
Result for quarter ending March 31, 2013. : Second Week of May, 2013  
Audited Accounts for the financial year : Last Week of May, 2013  
ending on March 31, 2013



- (c) Date of Book Closure : Wednesday, September 26, 2012 to Thursday, September 27, 2012 (Both days inclusive)
- (d) Dividend Payment Date : The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2012.
- (e) Listing on Stock Exchanges : Equity Shares of the company are listed at the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd., Mumbai.
- (f) Stock Code : NSE : ALPSINDUS – EQ  
BSE : 530715/ALPSIND
- (g) Issue 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 128,487,790, 6% Optionally Convertible Cumulative Preference Shares (OCCPS) at a issue price and face value of Rs. 10/- each & 5,309,420, 1% Cumulative Redeemable Preference Shares (CRPS) on August 19, 2011, and 2,582,368, 1% Cumulative Redeemable Preference Shares (CRPS) on January 21, 2012 in favour of some of the Bankers of the company.
- (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 – 11	4.90	07.04.2011	3.35	01.04.2011	4.87	07.04.2011	3.44	01.04.2011
2	May – 11	3.85	02.05.2011	3.40	30.05.2011	3.86	03.05.2011	3.41	26.05.2011
3	June – 11	3.80	17.06.2011	3.40	22.06.2011	3.75	17.06.2011	3.45	21.06.2011
4	July – 11	3.60	15.07.2011	3.20	28.07.2011	3.63	15.07.2011	3.23	28.07.2011
5	Aug – 11	3.15	02.08.2011	2.45	26.08.2011	3.18	02.08.2011	2.46	19.08.2011
6	Sept – 11	3.30	14.09.2011	2.50	02.09.2011	3.30	14.09.2011	2.53	06.09.2011
7	Oct – 11	2.80	24.10.2011	2.60	05.10.2011	2.85	19.10.2011	2.61	11.10.2011
8	Nov – 11	2.80	08.11.2011	2.20	28.11.2011	2.73	04.11.2011	2.16	28.11.2011
9	Dec – 11	2.35	13.12.2011	1.90	21.12.2011	2.37	05.12.2011	1.97	29.12.2011
10	Jan – 12	2.60	27.01.2012	2.00	03.01.2012	2.60	27.01.2012	1.99	03.01.2012
11	Feb – 12	2.60	16.02.2012	2.25	28.02.2012	2.59	21.02.2012	2.18	27.02.2012
12	Mar – 12	2.55	16.03.2012	1.85	27.03.2012	2.51	16.03.2012	1.82	27.03.2012

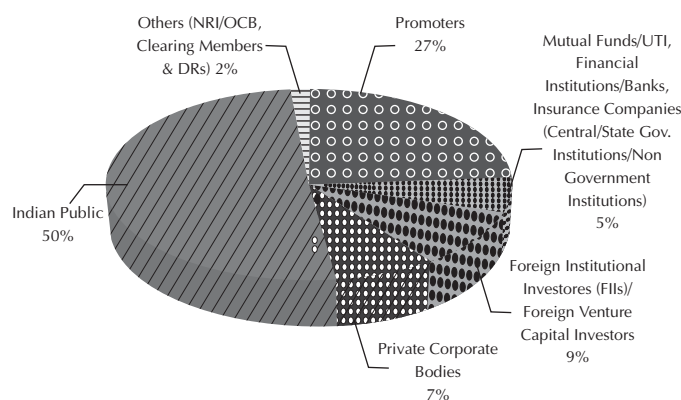


(i) Shareholding Pattern as on 31.03.2012  
 Scrip Code: NSE–ALPSINDUS & BSE -530715/ALPSIND  
 Name of the Scrip : Alps Industries Limited  
 Class of the Security : Equity Shares

Category Code	Category of Shareholder	Number of Share holders	Total Number of Share holders	As a percentage of (A+B+C)
(A)	<b>Shareholding of Promoter and Promoter Group<sup>1</sup></b>			
(1)	Indian	19	8,586,018	21.95
(2)	Foreign	1	2,000,000	5.11
	<b>Total Shareholding Pattern of Promoter and Promoter Group</b>	<b>20</b>	<b>10,586,018</b>	<b>27.06</b>
(B)	<b>Public Shareholding<sup>2</sup></b>			
(1)	Institutions	9	5,629,438	14.39
(2)	Non Institutions	26,307	22,898,644	58.55
	<b>Total Public Shareholding</b>	<b>26,316</b>	<b>28,528,082</b>	<b>72.94</b>
(C)	<b>Shares held by Custodian and against which Depository Receipts have been issued</b>			
(1)	Promoter and Promoter Group	-	-	-
(2)	Public	-	-	-
	<b>TOTAL (A+B+C)</b>	<b>26,336</b>	<b>39,114,100</b>	<b>100.00</b>

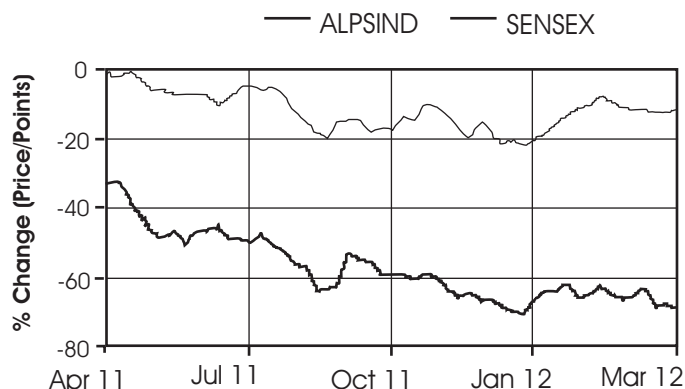
- For definitions of “Promoter Shareholding” and “Promoter Group” refer to Clause 40A of Listing Agreement.
- For definition of “Public Shareholding”, refer to Clause 40A of Listing Agreement.

**Shareholding Pattern as on March 31, 2012**



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

**BSE CHART FOR THE YEAR 2011-12 OF ALPS INDUSTRIES LTD. Vs. BSE SENSEX**



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

Particulars	Number of share holders	Number of equity shares	Number of share holders	Number of equity shares
	Demat		Physical (Now in demat mode)	
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2011	24	2464	82	13305
Number of shareholders who approached the company for transfer of shares from suspense account during the year	1	100	--	--
Number of shareholders to whom shares were transferred from the suspense account during the year	1	100	--	--
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2012	23	2364	82	13305
No of request received for claiming of shares with no of shares	1	100	--	--
No of request accepted for claiming of shares with no of shares	1	100	--	--
No of request rejected for claiming of shares with no of shares	1	--	--	--

: 1303 shares were transferred to the shareholder's account from 1.4.2012 to till date. The 0.04% voting rights on all the unclaimed shares in physical or demat mode has been frozen. Company is also having only one class of security i.e. Equity Shares, hence no different voting pattern is applicable to the company.

(n) Distribution of shareholding : As on 31<sup>st</sup> March, 2012

Share holding of nominal value In Rs.	Shareholders		Share Amount	
	Number	%	Rs. In 000's	%
Upto- 5000	20022	76.025	33172.72	8.481
5001- 10000	2856	10.844	24301.33	6.213
10001- 20000	1607	6.102	25396.47	6.493
20001- 30000	579	2.199	14974.95	3.829
30001- 40000	306	1.162	11114.92	2.842
40001- 50000	271	1.029	12884.80	3.294
50001- 100000	401	1.523	29900.34	7.644
100001 and above	294	1.116	239395.47	61.204
<b>TOTAL</b>	<b>26336</b>	<b>100.000</b>	<b>391141.00</b>	<b>100.000</b>

(o) Dematerialization of shares and liquidity : 99.72 % of Issued Capital is in Dematerialized form as on 31<sup>st</sup> March 2012. The shares are listed at the two stock exchanges.

(p) Outstanding GDRs/ADRs /Warrants or any Convertible instrument, conversion date and likely impact on equity :  
 (i) No GDRs is outstanding as on 31<sup>st</sup> March 2012.  
 (ii) The company has not issued any ADRs.  
 (iii) The company has issued 128,487,790 6% Optionally Convertible Cumulative Preference shares (OCCPS), on August 19, 2011 in favour of the bankers of the company. In terms of the CDR Scheme approved on August 31, 2009, these instruments are convertible into equity at a conversion price of Rs. 10.82/- per equity shares. The 118,750,268 equity shares which may arise on the conversion of above instruments on or before the completion of 18 months from the date of allotment i.e. February 18, 2013, at the option of the bankers, will dilute the voting rights of the existing equity shares as the quantum of issued equity shares will be increased accordingly.

(q) Plant Locations

- 1) Plot No. 1-A, Sector 10 Integrated Industrial Estate, SIDCUL Haridwar-249403, Uttarakhand
- 2) Plot No. 1-B, Sector 10 Integrated Industrial Estate, SIDCUL, Haridwar-249403, Uttarakhand
- 3) Village- Aminagar, Bhoor Baral, Meerut Delhi Road, Distt-Meerut -250103 (Uttar Pradesh)
- 4) A-2, Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (Uttar Pradesh)

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

- (r) Address for correspondence : Corp. Office: 57/2, Site - IV, Sahibabad Industrial Area, Ghaziabad-201 010 (U.P.)
- (s) CEO/CFO Certification : As required under Clause 49 of the Listing Agreement, a Certificate duly signed by the CEO/CFO was placed at the meeting of Board of Directors held on August 13, 2012.
- (t) Secretarial Audit for Reconciliation of Capital : The Securities and Exchange Board of India has directed vide Circular No.CIR/MRD/DP/30/2010 dated September 6, 2010, that all issuer companies shall submit a Reconciliation of Share Capital Audit Certificate, reconciling the total share held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid-up capital.  
The said certificate duly certified by the Practicing Company Secretary, is submitted to the Stock Exchanges where the securities of the company are listed within the prescribed time in each quarter.
- (u) Company CIN No. and ROC : Company CIN No. is L51109UP1972PLC003544 and Registered with Registrar of Companies, Kanpur, Uttar Pradesh (State Code 20).

#### GREEN INITIATIVE

The Ministry of Corporate Affairs ('MCA'), Government of India, through its Circular No. 17/2011 dated April 21 2011 and 18/2011 and 29th April, 2011 has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Director'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 are sending all the communications in electronic mode to the email address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit. Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to provide their details (name, folio no, e-mail id) on the company's email address viz. [ajaygupta@alpsindustries.com](mailto:ajaygupta@alpsindustries.com), [investorgrievance@alpsindustries.com](mailto:investorgrievance@alpsindustries.com) or the R&T i.e. M/s. Alankit Assignments Ltd. e-mail id [jksingla@alankit.com](mailto: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, It is authorized to approve and recommend the company's policies on specific remuneration packages for executive directors including pension rights and any compensation payment.
  - (ii) Constitution of the committee :
    1. Mr. Prabhat Krishna - Chairman
    2. Mr. Sandeep Agarwal - Member
    3. Mr. Sonalal Datta - Nominee-SBI
    4. Mr. M.L. Sharma - Special Director- BIFR
  - (iii) Presence at the meeting. : Meeting held: August 6, 2011 and attended by :
    1. Mr. Prabhat Krishna - Chairman
    2. Mr. Sandeep Agarwal - Member
    3. Mr. Sonalal Datta - Nominee-SBI
    4. Mr. M.L. Sharma - Special Director- BIFR
  - (iv) Presence of the Chairman of the committee at the Annual General Meeting. : The Chairman of the meeting was present at the Annual General Meetings.
3. Shareholders rights  
Half Yearly Financial Results and summary of significant events during the last six months may be sent to each household of shareholders. : The Financial Results and summary of significant events during the last six months were sent to the members as and when demanded by 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, 2012 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](http://www.alpsindustries.com). The necessary disclosure for compliance has been made at the meeting of Board of Directors held on May 12, 2012
10. Disclosure for Non-Mandatory requirements : All the major and effective Non-Mandatory requirements have been complied with.

The Members of  
Alps Industries Limited  
Ghaziabad.

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

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

Place: Ghaziabad  
Date: May 12, 2012

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](http://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 2012, 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

Place : Ghaziabad  
Date : August, 13, 2012

**(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. 2011-12**

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 31.03.2012 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, 2012;
  - (ii) Significant changes in the accounting policies during the year ended on March 31, 2012 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**

Sd/-  
**SANDEEP AGARWAL**  
(MANAGING DIRECTOR)  
(CHIEF EXECUTIVE OFFICER)

**PLACE: GHAZIABAD**  
**DATE: AUGUST 13, 2012**

**FOR ALPS INDUSTRIES LIMITED**

Sd/-  
**A. K. SINGHAL**  
**PRESIDENT CORP. (FINANCE & ACCOUNTS)**  
(CHIEF FINANCIAL OFFICER)

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

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

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

2. The Company has paid listing fees for the year 2012-2013 to both the Stock Exchanges.  
 3. Annual Custodian/Issuer Fees for the year 2012-13 have been paid by the company to NSDL & CDSL.

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

**SUBSIDIARY COMPANIES AS ON MARCH 31, 2012.**

**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, 2012	March 31, 2012	March 31, 2012
3.	No. of shares in the Subsidiary	15 shares of no par value	22,60,000 of Rs. 10/- each	22,60,000 of Rs. 10/- each
4.	Percentage of Holding (Equity)	100%	69.75%	73.94%
5.	Percentage of Holding (Preference)	Nil	Nil	Nil
6.	The net aggregate of profits/ (losses) of the Subsidiary Company for its financial years so far as they concern the members of the Company:			
a)	Dealt with in the account for the period ended 31st March 2012	(USD 609)	Rs 158.20 Lacs	Rs.41.90 Lacs
b)	Not dealt with in the accounts for the period ended 31st March 2012 (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	(USD 193)	(Rs 4.39 Lacs)	(Rs. 3.04 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 that of meeting current liabilities	No Change	No Change	No Change

**Undertaking**

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

**For and on behalf of the Board**

Place: Ghaziabad  
Dated August 13, 2012

**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 2012, and also the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, in our opinion, none of the director is disqualified as on 31.03.2012 from being appointed as director u/s 274 (1) (g) of the Companies Act, 1956.
5. Referring to note no 35 (d) I, II and III of Notes to Accounts, *the Company has not made any provision towards the losses on derivative contracts crystallized amounting to Rs 395.27 Crore and claims of Rs 51.16 Crore against the corporate guarantee provided by the Company on behalf of one of its subsidiary company (refer to note no. 35 (d) IV of notes to accounts), hence to that extent the loss as shown in the Statement of profit & loss, accumulated losses and current liabilities is 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, 2012.
  - b) In the case of Statement of Profit and Loss, 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 13, 2012

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the Financial Statements for the year ended 31st March, 2012 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 completion.  
(b) As explained to us, the management has during the year physically verified all the fixed assets in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company. We have been informed that no material discrepancies were noticed on such physical verification during the year.  
(c) During the year the Company has not disposed off substantial part of its fixed assets 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 purchases of inventory and fixed assets and for the sale of goods and services. In our opinion, there is no continuing failure to correct major weaknesses in internal control procedures.
- V. (a) According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register as required to be maintained under that section, wherever applicable.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at the prices, which appear reasonable as per information available with the Company.
- VI. In our opinion and according to the information and explanations given to us, the company has 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 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) The undisputed amounts payable in respect of Sales Tax and Service Tax aggregating to Rs. 6.20 lac and Rs. 6.03 Lac respectively were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- c) The disputed statutory dues aggregating to Rs. 351.21 lacs have not been deposited on account of disputed matters pending before appropriate authorities as on 31st March, 2012, 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. 26.96 Lac	Addl. Commissioner (Appeal)
2	Nagar Nigam Act, 1959	Sewerage Tax	Rs. 4.75 Lac	Hon'ble Allahabad High Court
3	Uttarakhand Agriculture Produce Marketing (Development & Regulation) Act 2011	Market Fee and Development Cess	Rs. 319.50 Lac	Hon'ble Uttarakhand High Court at Nainital

- X. (a) The accumulated losses of the company as at 31st March, 2012 are more than fifty percent of its net worth.
- (b) The Company has incurred cash losses during the current year ended 31st March, 2012 and in the immediately preceding financial year.
- XI. Based on our audit procedure and the information and explanations given to us, the Company has defaulted in repayment to the Banks as given below.

Nature of Dues		Rs. in Lacs
Principal	Interest	Default w.e.f
1500.00	498.75	February 2009
1000.00	321.34	March 2009

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

- XII. Based on our examination of records and explanations given to us during the year, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. As per the information and explanations given to us, the provisions of special statute applicable to chit fund do not apply to the company. The company is also not a Nidhi/Mutual Benefit Fund/ Society.
- XIV. In our opinion, and according to the information and explanations given to us, the Company is not dealing or trading in Shares, Securities.
- 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 year, 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 year.
- XXI. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor have 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 13, 2012

# ALPS INDUSTRIES LTD.



## BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH' 2012

		AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>		
<b>Shareholders Funds</b>			
Share Capital	1	26,844.76	13,206.80
Reserves and Surplus	2	(44,384.09)	(16,633.68)
		<u>(17,539.33)</u>	<u>(3,426.88)</u>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	72,508.13	84,192.95
Deferred Tax Liabilities(Net)			
Other Long Term Liabilities	4	6,318.54	372.01
Long-Term Provisions	5	288.54	339.99
		<u>79,115.21</u>	<u>84,904.95</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	39,971.08	36,463.67
Trade Payables	7	5,437.33	11,465.50
Other Current Liabilities	8	2,431.41	2,342.05
		<u>47,839.82</u>	<u>50,271.22</u>
<b>Total</b>		<u>109,415.70</u>	<u>131,749.29</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		58,207.55	62,111.28
Intangible Assets		63.68	69.14
Capital Work in Progress (Tangible)		574.40	751.82
Non-Current Investments	10	958.56	958.56
Long-Term Loans and Advances	11	769.54	1,162.13
Other Non-Current Assets	12	538.06	615.43
		<u>61,111.79</u>	<u>65,668.36</u>
<b>Current Assets, Loans &amp; Advances</b>			
Current Investments	13	25.00	25.00
Inventories	14	30,272.99	46,810.52
Trade Receivables	15	13,342.25	12,842.49
Cash & Bank Balances	16	2,075.49	1,998.82
Short-Term Loans & Advances	17	1,816.63	3,835.18
Other Current Assets	18	771.55	568.92
		<u>48,303.91</u>	<u>66,080.93</u>
<b>Total</b>		<u>109,415.70</u>	<u>131,749.29</u>
Significant Accounting Policies and Other Notes on Financial Statements	1-50		

Notes referred to above form an integral part of Financial Statements

As per our report of even date

**For 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 13, 2012

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

**Ajay Gupta**  
Company Secretary

**P.K. Rajput**  
Executive Director

## STATEMENT OF PROFIT & LOSS

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH' 2012

	Notes	31.03.12 Year Ended Rs.(In Lacs)	31.03.11 Year Ended Rs.(In Lacs)
<b>Revenue from operations</b>			
Sale of Products	19	64,725.05	66,966.17
Other Operating Revenues		2,379.15	2,555.37
Less :Excise Duty		243.29	180.70
Net Revenue		66,860.91	69,340.84
Other Income	20	991.74	1,516.96
<b>Total Revenue</b>		<b>67,852.65</b>	<b>70,857.80</b>
<b>Expenses</b>			
Cost of Materials Consumed	21	56,089.21	52,592.50
Purchase of Stock-in-Trade	22	499.43	1,287.30
Changes in Inventories of Finished Goods & Work-in-Progress	23	7,056.31	(8,171.51)
Employee Benefit Expenses	24	5,249.59	5,604.37
Finance Cost	25	10,099.11	8,283.95
Depreciation/Amortization of Expenses	9	4,560.42	4,442.65
Other Expenses	26	11,821.14	18,660.91
<b>Total Expenses</b>		<b>95,375.21</b>	<b>82,700.17</b>
<b>Profit/(Loss) Before Exceptional and Extraordinary Items and Tax</b>		<b>(27,522.56)</b>	<b>(11,842.37)</b>
<b>Exceptional Items</b>			
Preliminary and Deferred Revenue Expenditure		227.85	-
<b>Profit/(Loss) Before Extraordinary Items and Tax</b>		<b>(27,750.41)</b>	<b>(11,842.37)</b>
Extraordinary Items		-	-
<b>Profit/(Loss) Before Tax</b>		<b>(27,750.41)</b>	<b>(11,842.37)</b>
Tax Expense			
(1) Current Tax		-	-
(2) Deferred Tax		-	(2,191.51)
<b>Profit/(Loss) for the year</b>		<b>(27,750.41)</b>	<b>(9,650.86)</b>
<b>Basic &amp; Diluted Earning Per Share (Rs.)</b>	27	<b>(70.94)</b>	<b>(25.28)</b>
Significant Accounting Policies and other Notes on Financial Statements	1-50		

Notes referred to above form an integral part of Financial Statements

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

**MUNISH KR. JAIN**  
Partner  
Membership No. 70335  
Place : Ghaziabad  
Date : August 13, 2012

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

**Ajay Gupta**  
Company Secretary

**Sandeep Agarwal**  
Managing Director

**P.K. Rajput**  
Executive Director



## CASH FLOW STATEMENT FOR THE YEAR ENDED

		31.03.2012	31.03.2011	Rs. In Lacs
<b>(A) Cash Flow From Operating Activities</b>				
<b>Net Profit/(Loss) Before Tax and Extraordinary items</b>		<b>(27,750.41)</b>	<b>(11,842.37)</b>	
Adjustment for :				
Depreciation	4,560.42		4,442.65	
Interest/Dividend Received	(113.72)		(175.02)	
Finance Cost	10,099.11		8283.95	
Loss on Sale of Assets	4.45		24.20	
Loss/(Profit) on Sale of Investment	-		111.70	
Miscellaneous Expenditure W/Off	227.85	14,778.11	89.27	12,776.75
<b>Operating Profit/Loss Before Working Capital Changes</b>		<b>(12,972.30)</b>	<b>934.38</b>	
Adjustment for Working Capital Changes				
Inventories	16,537.53		(16,032.56)	
Trade & other Receivable	1,511.26		4,034.22	
Trade Payable & other Liabilities	(43.73)	-	6,948.23	-
Direct taxes received/(paid)	47.01	18,052.07	456.98	(4,593.13)
<b>Net Cash From Operating Activities</b>		<b>5079.77</b>	<b>(3,658.75)</b>	
<b>(B) Cash Flow From Investing Activities</b>				
Purchase of Fixed Assets	(484.75)		(601.86)	
Sale of Fixed Assets	6.49		573.15	
Sale/(purchase) of securities (inc. of subsidiaries)	-		453.80	
Interest/Dividend received	113.72		175.02	
Increase/Decrease in Fixed Deposits	(98.91)		28.09	
<b>Net Cash used in Investment Activities</b>		<b>(463.45)</b>	<b>628.20</b>	
<b>(C) Cash Flow From Financing Activities</b>				
Finance Cost	(10,099.11)		(8,283.95)	
Proceeds from issue of Share Capital/Premium	-		506.00	
Proceeds from borrowings (Net)	5460.55		10772.14	
<b>Net Cash From Financing Activities</b>		<b>(4,638.56)</b>	<b>2,994.19</b>	
<b>Net Increase in Cash &amp; Bank Balances includes</b>		<b>(22.24)</b>	<b>(36.36)</b>	
Opening Balance of Cash & Bank Balances		<b>769.67</b>	<b>806.03</b>	
Closing Balance of Cash & Bank Balances		<b>747.43</b>	<b>769.67</b>	

### Notes:

- Reconciliation of Cash & Bank Balances at the end of the year
 

Cash & Bank Balances as per Note No. 16	2,075.49	1,998.82
Less: Fixed Deposits against Margin	1,328.06	1,229.15
Cash & Bank Balances at the end of the year	747.43	769.67
- Figures in brackets are for decrease.
- Previous years figures have been grouped or rearranged to make them comparable with those of current year.

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

For and on behalf of the Board

**MUNISH KR. JAIN**  
 Partner  
 Membership No. 70335  
 Place : Ghaziabad  
 Date : August 13, 2012

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

**Ajay Gupta**  
 Company Secretary

**Sandeep Agarwal**  
 Managing Director

**P.K. Rajput**  
 Executive Director

## **SIGNIFICANT ACCOUNTING POLICIES**

### **A. USE OF ESTIMATES:**

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

### **B. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:**

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

### **C. REVENUE RECOGNITION:**

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

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

### **D. FIXED ASSETS:**

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

### **E. DEPRECIATION:**

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

### **F. INVESTMENTS:**

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

### **G. INVENTORIES:**

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

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

### **H BORROWING COST:**

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

**I. RETIREMENT AND OTHER EMPLOYEE BENEFITS :**

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

**J. RESEARCH AND DEVELOPMENT COSTS:**

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

**K. DEFERRED REVENUE EXPENDITURE:**

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

**L. FOREIGN CURRENCY TRANSACTIONS:**

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

**M. IMPAIRMENT OF ASSETS :**

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

**N. TAXATION:**

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

**O. GOVERNMENT GRANTS:**

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

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

**P. OPERATING LEASE:**

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

## NOTES FORMING PART OF ACCOUNTS

### 1. SHARE CAPITAL

#### (A) Authorised Capital

	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
40000000(40000000) Equity Shares of Rs. 10/- each	4,000.00	4,000.00
305000000(305000000) Preference Shares of Rs.10/- each	30,500.00	30,500.00
	<b>34,500.00</b>	<b>34,500.00</b>

#### (B) Issued , Subscribed & Paid up

39114100(39114100) Equity Share of Rs. 10/- each fully paid up	3,911.41	3,911.41
	<b>3,911.41</b>	<b>3,911.41</b>
99432599(91540811) 1% Cumulative Redeemable Preference Shares (1%CRPS) of Rs. 10/- each fully paid-up.	9,943.26	9,154.08
1413076(1413076) 6% Cumulative Redeemable Preference Shares (6%CRPS) of Rs. 10/- each fully paid-up.	141.31	141.31
128487790(Nil) 6% Optionally Convertible Cumulative Preference Shares (6%OCCPS) of Rs. 10/- each allotted.	12,848.78	-
	<b>22,933.35</b>	<b>9,295.39</b>
	<b>26,844.76</b>	<b>13,206.80</b>

#### 1.1 Reconciliation of Shares outstanding is Set out Below:

No. of Shares

Particulars	Beginning of the year	Issue during the year	At the end year
Equity Shares	39114100	Nil	39114100
6% CRPS	1413076	Nil	1413076
1% CRPS	91540811	7891788	99432599
6% OCCPS	Nil	128487790	128487790

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

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

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

**6% CRPS:-** Such shares have right of 6% dividend and preference of Repayment over 1% CRPS.

**6% Optionally Convertible Cumulative Preference Share (OCCPS):-**

Such Shares have right of 6% Cumulative dividend and preference of repayment over CRPS other than 6% CRPS which is at par in Repayment and Dividend with OCCPS.

**1% Cumulative Redeemable Preference Share:-**

1% Cumulative Redeemable Preference Share of Category 'C' which have preference of repayment over Category 'D' 1% CRPS.

#### Terms of Conversion of 6% Optionally Convertible Cumulative Preference Shares:

6% OCCPS holders have right to exercise their option to convert into Equity shares within 18 months at par from the date of allotment i.e. 19.08.2011. If such option within the stipulated period is not exercised, it will be treated as CRPS of 6% coupon rate and will be redeemed w.e.f 31.01.2017 to 30.01.2019.

#### Repayment terms of CRPS:

Earliest date of redemption of 6% CRPS and 1% CRPS is w.e.f. 31.01.2017 to 30.01.2019

#### Detail of Shares reserved under option and Contracts/Commitment:

**In Terms of CDR :-** The Company is require to issue –

- 1457.90 lacs Equity Shares of Rs. 10/- each at par aggregating to Rs. 14579 lacs.
- 326.30 lacs 6% OCCPS of Rs. 10/- each at par aggregating to Rs 3263 lacs.
- 230.72 lacs 1% CRPS of Rs. 10/- each at par aggregating to Rs. 2307.25 lacs.

Shares issued for consideration other than cash in last 5 financial years - Nil (P/Y Nil).

Bonus Shares in last 5 financial years 16257050 Equity Share Rs. 10/- each have been allotted during 2006-07 as fully paid up Bonus Shares by capitalisation of General Reserve.

Shares bought back in last 5 financial years - Nil (P/Y Nil).

## NOTES FORMING PART OF ACCOUNTS

AS AT  
31.03.12  
Rs.(In Lacs)

AS AT  
31.03.11  
Rs.(In Lacs)

### Details of Share holders holding more than 5 % Share Capital

PARTICULARS	As at 31 Mar'2012 No. of Shares	Percentage (%)	As at 31 Mar'2011 No. of Shares	Percentage (%)
<b>Equity Shares:</b>				
Pacific Texmark Pvt. Ltd.	2835872	7.25	2835872	7.25
Billsworth Investment Pvt. Ltd	2000000	5.11	2000000	5.11
<b>6% OCCPS</b>				
State Bank of India	40376560	31.42	-	-
State Bank of Patiala	23081900	17.96	-	-
State Bank of Mysore	12155480	9.46	-	-
State Bank of Hyderabad	9665390	7.52	-	-
Punjab National Bank	14357330	11.17	-	-
Syndicate Bank	7416190	5.77	-	-
UCO Bank	6813950	5.30	-	-
<b>6% CRPS</b>				
IDBI Bank Ltd.	1413076	100.00	1413076	100.00
<b>1% CRPS</b>				
State Bank of India	38384749	38.60	38384749	41.93
ICICI Bank Limited	9816345	9.87	9816345	10.72
HDFC Bank	15482087	15.57	10172667	11.11
Standard Chartered Bank	35749418	35.95	33167050	36.23

## 2. RESERVES AND SURPLUS

### Capital Reserve

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

### Securities Premium

At the Beginning of the year 16,668.93 16,622.93

Add : Share Premium - 46.00

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

### General Reserves

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

### Statement of Profit and Loss

Loss At the Beginning of the year (41,561.91) (31,911.05)

Add: Loss for the year (27,750.41) (9,650.86)

Loss At the end of the year (69,312.32) (41,561.91)

**Total** (44,384.09) (16,633.68)

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>3. LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>(a) Term Loans</b>		
(1) Banks & Financial Institutions (See Note Below i & ii)	67,645.39	80,048.52
(2) Others (Vehicle Loan) (See Note Below iii)	5.78	38.04
(i) Term loans Rs. 55758.86 Lacs from Bank & Financial Institutions are Secured by First Pari - Passu charge created on Fixed Assets and second pari-passu charge on Current Assets of the Company, alongwith Personal Guarantees of Promoter Directors.		
(ii) WCTL Rs. 8784.81 Lacs and FITL Rs. 3101.72 Lacs from bank & Financial Institutions are secured by first pari- passu charges on fixed assets of the company, alongwith Personal Guarantees of Promoter Directors.		
(iii) Other (Vehicle Loan) are secured by hypothecation of specific vehicle.		
<b>Unsecured Loans</b>		
<b>(a) Term Loans</b>		
Banks & Financial Institutions	2,307.25	3,118.65
<b>(b) Loans and Advances from Related Parties</b>	2,549.71	502.65
<b>(c) Other Loans</b>		
From Bodies Corporate	-	485.09
<b>Total</b>	<b>72,508.13</b>	<b>84,192.95</b>
<b>Term Loans from Banks &amp; Financial Institutions</b>		
3.1 By order dated 02.09.2011 of Hon'ble BIFR, the amount of Bank and Financial Institutions becoming due after May 2011 are deferred till the date of sanction of the scheme by Hon' ble BIFR.		
3.2 Maturity Profile of Vehicle Loans		
Particulars Amount in Lacs Period		
Principal 5.78 2013-14		
<b>4. OTHER LONG TERM LIABILITIES</b>		
Interest accrued and due on borrowing (Refer Note No. 3.1 above)	6,318.54	372.01
<b>Total</b>	<b>6,318.54</b>	<b>372.01</b>
<b>5. LONG TERM PROVISION</b>		
Provision for Employee's benefits (Refer Note No 46)	288.54	339.99
<b>Total</b>	<b>288.54</b>	<b>339.99</b>
<b>6. SHORT TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Loan repayble on Demand		
From Banks (Working Capital)	39,971.08	36,463.67
<b>Total</b>	<b>39,971.08</b>	<b>36,463.67</b>
1) Working capital Rs. 39971.08 Lacs from banks are secured by first pari - passu charge on current assets and second pari - passu charge on fixed assets of the company, alongwith Personal Guarantees of promotor Directors.		



## NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>7. TRADE PAYABLE</b>		
(a) Micro, Small & Medium Enterprises	11.58	8.10
(b) Other	5,425.75	11,457.40
<b>Total</b>	<b>5,437.33</b>	<b>11,465.50</b>

7.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March, 2012 as per the terms of Contract.

<b>8. OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term debt	29.49	58.44
(b) Unpaid dividend	10.74	11.35
(c) Other payable		
(1) Expenses payable (Refer Note No. 8.1)	1,737.27	1,511.13
(2) Creditors for Fixed Assets	320.18	323.77
(3) Book overdraft	176.54	231.27
(4) Advance from Customers	157.19	206.09
<b>Total</b>	<b>2,431.41</b>	<b>2,342.05</b>

8.1 Expenses Payable include the liabilities to employees, Sales Tax/Vat, other taxes, Rebate to customers etc.

## 9. FIXED ASSETS

Rs. in Lac

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.11	Addition	Deduction/ Sale	As at 31.03.12	As at 01.04.11	During the year	Deduction/ Adjustment	Upto 31.03.12	As at 31.03.12	As at 31.03.11
<b>TANGIBLE ASSETS</b>										
Leasehold Land	1,301.37	-	-	1,301.37	108.36	13.84	-	122.20	1,179.17	1,193.01
Free Hold Land	637.70	86.31	-	724.01	-	-	-	-	724.01	637.70
Building	14,306.88	181.21	-	14,488.09	1,967.34	487.23	-	2,454.57	12,033.52	12,339.54
Plant & Machinery	61,270.68	339.67	-	61,610.35	14,093.89	3,938.00	-	18,031.89	43,578.46	47,176.79
Furniture Fixture	357.31	9.06	-	366.37	135.15	22.83	-	157.98	208.39	222.16
Vehicles	544.71	9.60	19.51	534.80	207.41	48.86	8.57	247.70	287.10	337.30
Office Equipment	210.72	9.67	-	220.39	60.36	10.29	-	70.65	149.74	150.36
Computers	657.65	7.92	-	665.57	603.23	15.18	-	618.41	47.16	54.42
<b>Sub Total A</b>	<b>79,287.02</b>	<b>643.44</b>	<b>19.51</b>	<b>79,910.95</b>	<b>17,175.74</b>	<b>4,536.23</b>	<b>8.57</b>	<b>21,703.40</b>	<b>58,207.55</b>	<b>62,111.28</b>
<b>INTANGIBLE ASSETS</b>										
Computer (Software)	42.10	18.73	-	60.83	34.12	7.95	-	42.07	18.76	7.98
Brand & Trade Mark	646.05	-	-	646.05	584.89	16.24	-	601.13	44.92	61.16
<b>Sub Total B</b>	<b>688.15</b>	<b>18.73</b>	<b>-</b>	<b>706.88</b>	<b>619.01</b>	<b>24.19</b>	<b>-</b>	<b>643.20</b>	<b>63.68</b>	<b>69.14</b>
<b>Total</b>	<b>79,975.17</b>	<b>662.17</b>	<b>19.51</b>	<b>80,617.83</b>	<b>17,794.75</b>	<b>4,560.42</b>	<b>8.57</b>	<b>22,346.60</b>	<b>58,271.23</b>	<b>62,180.42</b>
Previous Year	79,678.46	904.71	608.00	79,975.17	13,362.75	4,442.65	10.65	17,794.75	62,180.42	-
<b>Capital Work in Progress</b>									<b>574.40</b>	<b>751.82</b>

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>10. NON - CURRENT INVESTMENTS (AT COST )</b>		
Long Term (Fully Paid Unless Otherwise Stated)		
<b>Other Investment</b>		
Investment in Equity Instruments		
<b>(A) QUOTED SHARES</b>		
13400(13400) Equity Shares of Rs. 10/- each of Kay Power and Paper Ltd. Market Value - Rs. 95274 (P.Y. Not Available)	1.34	1.34
720(720) Equity Shares of Rs. 10/- each of Parasram Puria Synthetics Ltd. (Market Value- Not Available)	0.22	0.22
2000(2000) Equity Shares of Rs. 10/- each of Global Syntex (Bhilwara) Ltd. (partly of Rs. 5/- each paid up) (Market Value- Not Available)	0.10	0.10
<b>(B) UNQUOTED SHARES</b>		
2450(2450) Shares of Colombine Cody Corp. N.P.V.	4.12	4.12
<b>Other Non - Current Investments (at cost )</b>		
<b>SUBSIDIARY COMPANIES</b>		
15(15) Equity Shares at N.P.V. of Alps USA Inc.	500.78	500.78
2259990(2259990) Equity Shares of Rs. 10/- each Snowflakes Meditech Pvt. Ltd.	226.00	226.00
2259990 (2259990) Equity Shares of Rs. 10/- each Alps Energy Pvt. Ltd.	226.00	226.00
<b>Total</b>	<b>958.56</b>	<b>958.56</b>
<b>11. LONG-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, Considered Good)</b>		
Capital Advance	75.79	503.54
Security Deposits	693.75	658.59
<b>Total</b>	<b>769.54</b>	<b>1,162.13</b>
<b>12. OTHER NON CURRENT ASSETS</b>		
<b>(Unsecured)</b>		
<b>Considered Good</b>	166.67	64.77
<b>Considered Doubtful</b>	64.77	-
Less : Provision for Doubtful	(16.19)	-
Minimum Alternate Tax Adjustable	322.81	322.81
Preliminary and Deferred Revenue Expenditure	-	227.85
<b>Total</b>	<b>538.06</b>	<b>615.43</b>
<b>13. CURRENT INVESTMENT</b>		
<b>Investment in Mutual Funds</b>		
20000 (20000) Unit of Rs. 10/- each of SBI One India Fund Market Value- Rs. 206200 (216600/-)	2.00	2.00
19560(19560) Unit of Franklin India High Growth Co. Market Value - Rs. 236637 (251150/-)	2.00	2.00
100000(100000) Unit of Rs. 10/- each of SBI Infrastructure Fund Market Value- Rs. 781000 (937000/-)	10.00	10.00
2930(2930) Unit of Reliance Growth Fund Market Value- Rs. 1283988(1351990/-)	10.00	10.00
10000(10000) of Rs. 10/- each of UTI Infrastructure Advantage Fund-Series-I Market Value Rs. 70659 (85300/-)	1.00	1.00
<b>Total</b>	<b>25.00</b>	<b>25.00</b>

## NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>14. INVENTORIES</b>		
(Valued as per Accounting Policy)		
Raw Materials	19,514.49	28,898.46
Work-in-progress (Refer Note No. 49A)	3,898.35	5,976.17
Finished Goods (Refer Note No. 49A)	6,477.11	11,455.60
Stores & Spares Parts	383.04	480.29
<b>Total</b>	<b>30,272.99</b>	<b>46,810.52</b>
<b>15. TRADE RECEIVABLES</b>		
<b>Outstanding for a Period Exceeding Six Months from the date they are due for payment</b>		
Unsecured Considered Good	1,167.09	1,396.70
Doubtful	83.98	84.65
Less: Provision for Doubtful Receivable	83.98	84.65
	<b>1,167.09</b>	<b>1,396.70</b>
<b>Other Trade Receivable</b>		
Unsecured Considered Good	12,175.16	11,445.79
<b>Total</b>	<b>13,342.25</b>	<b>12,842.49</b>
<b>16. CASH &amp; BANK BALANCES</b>		
Balances with Scheduled Banks		
In Current Accounts	663.84	639.05
In Unpaid Dividends	10.84	11.47
In Fixed Deposit (Pledged for Margin and other Commitments)	1,328.06	1,229.15
Cheques and Draft in Hand	3.75	-
Cash in Hand	69.00	119.15
<b>Total</b>	<b>2,075.49</b>	<b>1,998.82</b>
<b>17. SHORT TERMS LOANS &amp; ADVANCES</b>		
<b>(Unsecured, Considered Good)</b>		
<b>(A) Loans &amp; Advances to Related Parties (with Subsidiaries Company)</b>	<b>449.67</b>	<b>702.06</b>
<b>(B) Others</b>		
Balances With Revenue Authority	153.05	181.21
Security Deposit	-	-
Advance Income Tax /TDS Recoverable	21.34	68.35
Other Receivables #	1,192.57	2,883.56
<b>Total</b>	<b>1,816.63</b>	<b>3,835.18</b>
# Includes Advance to suppliers, Staff , Prepaid Expenses, Tufts Subsidy etc.		
<b>18. OTHER CURRENT ASSETS</b>		
Export Incentive Receivable	501.15	312.55
Insurance and other Claim Receivable	240.37	214.57
Interest Accrued	30.03	41.80
<b>Total</b>	<b>771.55</b>	<b>568.92</b>

NOTES FORMING PART OF ACCOUNTS

	Year Ended 31.03.12 Rs.(In Lacs)	Year Ended 31.03.11 Rs.(In Lacs)
<b>19. REVENUE FROM OPERATIONS</b>		
<b>(A) Sales of Products</b>		
Export	19,865.45	28,634.79
Domestic (including Traded Goods)	44,859.60	38,331.38
<b>Sub Total (A)</b>	<b>64,725.05</b>	<b>66,966.17</b>
<b>(B) Other Operating Revenues</b>		
Scrap/Waste Sale	1,140.53	2,169.53
D.E.P.B./Duty Drawback/Export Incentives	1,184.69	376.15
Job Work Income	53.93	9.69
<b>Sub Total (B)</b>	<b>2,379.15</b>	<b>2,555.37</b>
<b>Total (A+B)</b>	<b>67,104.20</b>	<b>69,521.54</b>
<b>Details of Product Sold</b>		
Yarn	45,788.21	54,289.14
Fabric/Made up/Fashion Accessories	15,144.94	9,054.80
Architectural Products	2,287.85	2,185.71
Others	1,504.05	1,436.52
<b>Total</b>	<b>64,725.05</b>	<b>66,966.17</b>
<b>20. OTHER INCOME</b>		
(a) Income from Interest	113.72	175.02
(b) Other Non Operating Income	336.86	947.38
(c) Profit on Investment	-	14.30
(d) Net Gain/Loss on Foreign Currency Translation	541.16	-
(e) Prior Period Income	-	380.26
<b>Total</b>	<b>991.74</b>	<b>1,516.96</b>
<b>21. COST OF MATERIAL CONSUMED (Refer Note No. 48)</b>		
Opening Stock	28,898.46	21,154.28
Add: Purchases	46,705.24	60,483.92
	75,603.70	81,638.20
Less: Closing Stock	19,514.49	28,898.46
Less: Stock agst. Fire Claim	-	147.24
<b>Total</b>	<b>56,089.21</b>	<b>52,592.50</b>
<b>22. PURCHASES OF STOCK-IN-TRADE (Refer Note No. 49)</b>	<b>499.43</b>	<b>1,287.30</b>
<b>23. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
<b>Inventories (at commencement)</b>		
Finished Goods	11,455.60	5,473.55
Work-in-Progress	5,976.17	3,786.71
<b>Sub Total (A)</b>	<b>17,431.77</b>	<b>9,260.26</b>
<b>Inventories (at close)</b>		
Finished Goods	6,477.11	11,455.60
Work-in-Progress	3,898.35	5,976.17
<b>Sub Total (B)</b>	<b>10,375.46</b>	<b>17,431.77</b>
<b>Total (A-B)</b>	<b>7,056.31</b>	<b>(8,171.51)</b>

## NOTES FORMING PART OF ACCOUNTS

	Year Ended 31.03.12 Rs.(In Lacs)	Year Ended 31.03.11 Rs.(In Lacs)
<b>24. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries Including other Benefits	2,351.51	2,246.55
Wages Including other Benefits	2,593.62	2,999.72
Contribution to Provident & other Funds-Wages	128.88	71.89
Contribution to Provident & others Funds-Salary	35.61	87.50
Gratuity	31.99	73.50
Staff Welfare	77.54	83.44
Managerial Remuneration (refer Note No. 47)	30.44	41.77
<b>Total</b>	<b>5,249.59</b>	<b>5,604.37</b>
<b>25. FINANCE COSTS</b>		
Interest to Banks & Fin. Institutions	9,468.20	7,807.51
Interest to others	474.82	246.47
Other Borrowing Cost	156.09	229.97
<b>Total</b>	<b>10,099.11</b>	<b>8,283.95</b>
<b>26. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Production Expenses	657.62	769.74
Security & Vigilance	60.44	64.40
Consumption of Stores & Spares	1,174.40	973.41
Power & Fuel	5,107.74	5,986.67
Carriage & Cartage	20.37	32.45
Rent	375.31	337.50
Insurance	161.89	156.13
Rates & Taxes	61.49	53.50
Postage & Telegram	20.80	24.03
Printing & Stationery	66.36	66.43
Legal & Professional Expenses	251.78	316.51
Travelling & Conveyance - Others	374.54	374.46
Travelling & Conveyance - Directors	20.06	15.92
Telephone & Fax	62.41	69.45
Books & Periodicals	0.79	0.97
Fees & Subscription	17.46	108.65
General Expenses	70.01	103.95
Bank Charges	65.76	77.37
Payment to Auditors ( Refer Note 31)	17.18	11.03
Vehicle Running Expenses	107.15	102.16
Donation	0.07	0.19
Hank Yarn Obligation	30.12	103.26
Net Loss on Foreign Currency Fluctuation & Translation	-	4,955.58
Misc. and Deferred Revenue Expenditure W/off	-	89.27
Loss on Sale of Investment	-	126.00

NOTES FORMING PART OF ACCOUNTS

	Year Ended 31.03.12 Rs.(In Lacs)	Year Ended 31.03.11 Rs.(In Lacs)
<b>Repairs &amp; Maintenance</b>		
Building	60.66	30.74
Machinery	65.03	69.97
Others	49.98	38.36
Prior Period Expenses	13.08	-
Loss on Sale of Fixed Assets	4.45	24.20
<b>Selling &amp; Distribution Expense</b>		
Packing & Forwarding	1,381.31	1,287.65
Sales Promotion & Incentives	688.30	808.17
Cash Discount	16.52	29.90
Bad Debts	132.69	283.47
Advertisement & Publicity	26.95	95.08
VAT/Sales Tax Paid	2.28	3.60
Freight on Exports	656.14	1,070.74
<b>Total</b>	<b>11,821.14</b>	<b>18,660.91</b>

## NOTES FORMING PART OF ACCOUNTS

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

Particulars	For the year ended 31st March 12	For the year ended 31st March 11
Profit/(Loss) attributable to the Equity shareholders (Rs.in Lacs)- (A)	(27750.41)	(9650.86)
Weighted average number of equity shares outstanding during the year - (B)	39114100	38176018
Nominal value of equity shares (Rs.)	10.00	10.00
Basic & Diluted Earnings per share (Rs.)	(70.94)	(25.28)

28. **Earnings in Foreign Exchange**

Rs in Lac

Particulars	For the year ended 31st March 12	For the year ended 31st March 11
F.O.B. Value of Exports	19067.43	27451.05

29. **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 12	% of consumption	For the Year ended 31st March 11	% of consumption
<b>Raw</b>				
Imported	3290.62	5.86	2269.83	4.32
Indigenous	52798.59	94.14	50322.67	95.68
<b>Total</b>	<b>56089.21</b>	<b>100.00</b>	<b>52592.50</b>	<b>100.00</b>
<b>Stores</b>				
Imported	190.23	16.20	173.24	17.74
Indigenous	984.17	83.80	800.17	82.26
<b>Total</b>	<b>1174.40</b>	<b>100.00</b>	<b>973.41</b>	<b>100.00</b>

30. **C.I.F. Value of Imports**

Rs in Lac

Particulars	For the year ended 31st March 12	For the year ended 31st March 11
Raw Materials	2253.54	2569.83
Capital Goods	-	96.92
Components & Spare Parts	143.61	193.24

31. **Payment to Auditors'**

Rs in Lac

Particulars	For the year ended 31st March 12	For the year ended 31st March 11
a. Audit Fee	13.32	7.72
b. Other Services	3.86	3.31



NOTES FORMING PART OF ACCOUNTS

**32. Expenditure in Foreign Currency**

Rs in Lac

Particulars	For the year ended 31st March 12	For the year ended 31st March 11
Foreign Travels	15.89	25.94
Interest	28.98	24.39
Others	435.74	400.51

**33. Related Party Transactions**

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

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

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

**Entities controlled by subsidiaries, key managerial personnel and their relatives** : Alps Processors Pvt. Ltd., Careen Fintec (P) Ltd., Coronation Spinning India (P) 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., Supreme Finvest Pvt. Ltd.

**Key managerial personnel and their relatives** : 1. Mr K.K.Agarwal  
2. Mr. Sandeep Agarwal  
3. Mrs. Nidhi Agarwal  
4. Mr. P.K. Rajput

Rs. in Lac

Nature of Transaction	Transactions with Subsidiary Companies		Transactions with Key Management Personnel, Entities controlled by them, their relatives and subsidiaries	
	For the Year ended 31st March 12	For the Year ended 31st March 11	For the Year ended 31st March 12	For the Year ended 31st March 11
1. Sale of Goods	NIL	2.31	NIL	NIL
2. Purchase of Goods (including job work)	NIL	NIL	NIL	NIL
3. Allotment of equity shares along with premium	NIL	NIL	NIL	99.00
4. Interest Paid	152.66	NIL	NIL	NIL
5. Advances/Loans given	NIL	45.82	NIL	10.35
6. Advances/Loans taken	1970.00	500.40	NIL	NIL
7. Remuneration & sitting Fee	NIL	NIL	40.44	51.77

## NOTES FORMING PART OF ACCOUNTS

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

Primary Segments							Rs. in Lac	
Particulars	SEGMENTS							
	Home Furnishing & Fashion Accessories		Yarn		Architectural Products		Total	
Year	For the Year ended 31 <sup>st</sup> March 12	For the Year ended 31 <sup>st</sup> March 11	For the Year ended 31 <sup>st</sup> March 12	For the Year ended 31 <sup>st</sup> March 11	For the Year ended 31 <sup>st</sup> March 12	For the Year ended 31 <sup>st</sup> March 11	For the Year ended 31 <sup>st</sup> March 12	For the Year ended 31 <sup>st</sup> March 11
Segment Revenues	15897.15	9809.61	48428.85	57766.70	3706.21	3548.30	68032.21	71124.61
Less Inter Segment Revenue	385.20	428.33	783.05	335.14	3.05	20.30	1171.30	1783.77
Net Segment Revenue,	15511.95	9381.28	47645.80	56431.56	3703.16	3528.00	66860.91	69340.84
Segment Results	(5337.38)	(2211.65)	(12613.72)	3430.87	164.83	107.40	(17786.27)	1326.62
Less Financial Expenses	-	-	-	-	-	-	(10099.11)	(8283.95)
Less Un-allocable expenses	-	-	-	-	-	-	(856.77)	(6402.00)
Add Other Income	-	-	-	-	-	-	991.74	1516.96
Profit before tax	-	-	-	-	-	-	(27750.41)	(11842.37)
Other Informations								
Segment Assets	37057.38	48848.30	65558.58	72149.06	2993.60	2881.14	105609.56	123878.50
Unallocated Assets							3806.14	7870.79
Total Assets							109415.70	131749.29
Segment Liability	3119.38	1957.24	4319.79	11786.05	557.30	545.87	7996.47	14289.16
Unallocated liability							118958.58	120885.01
Share Capital, Reserve & Surplus and Profit & Loss							(17539.33)	(3426.88)
Total Liability							109415.70	131749.29
Capital Expenditure	36.12	(287.61)	246.29	387.07	17.13	33.78		
Depreciation	1572.15	1457.46	2914.38	2885.79	54.54	50.54		
Non Cash Expenses	-----	5.58	-----	32.50	1.32	1.32		

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

NOTES FORMING PART OF ACCOUNTS

Secondary Segments		SEGMENTS				Rs. in Lac	
Particulars		Domestic		Export		Total	
		For the Year ended 31st March 12	For the Year ended 31st March 11	For the Year ended 31st March 12	For the Year ended 31st March 11	For the Year ended 31st March 12	For the Year ended 31st March 11
Segment Revenue		46995.46	40706.05	19865.45	28634.79	66860.91	69340.84

**35. CONTINGENT LIABILITIES**

Contingent liability exists in respect of:

Particulars	Rs. in Lac	
	As at 31.03.2012	As at 31.03.2011
a) Guarantees issued by banks on behalf of company.	375.02	404.67
b) Letters of Credit outstanding (trade)	139.95	4114.87
c) Claims against the company not acknowledged as debts	428.50	602.62
d) Other Claims against the company not acknowledged as debt :		
I. The Company had certain exotic derivative transactions with ABN Amro Bank, which the Company has disputed in competent court of law in an earlier year. Till that time the ABN Amro bank had communicated estimated liability of the Company against these transactions as Rs 12530 Lac. Subsequently the deal was expired in June 2010 and as per assessment by the independent agency, the value of this deal is Rs 30800 Lac as of June 2010 (negative to the Company) excluding any fee or any amount received/ paid or payable on settlement. However bank has not communicated any further amount to the company. On the basis of legal opinion, the Company has not admitted the claim and matter became subjudice and the competent court had issued an interim order for maintenance of status quo with regard to recovery towards these transactions which is still continued. In view of above facts, no provision against these transactions is considered necessary.		
II. Kotak Mahindra Bank Limited filed an Original Application (O.A.) before Hon'ble Debt Recovery Tribunal-II, Mumbai (DRT) for recovery of it's claim amounting to Rs. 601.11 lac in respect of certain foreign currency derivative transactions against which vide an interim order Hon'ble DRT has restrained the company to sale of its certain Fixed Assets. Hon'ble Debt Recovery Appellate Tribunal (DRAT) Mumbai, on appeal of the company, has set aside the said order of the DRT. Aggrieved with the order of DRAT, Kotak Mahindra Bank has filed a writ before Bombay High Court. The Hon'ble High Court has stayed the order of DRAT & allowed the operation of order of DRT till next order, where the matter is pending adjudication. Besides this, subsequently Kotak Mahindra Bank has also raised a claim of Rs. 1435 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 pending adjudication. 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 US\$ 91.09957 Lac (previous year US\$ 91.09957 Lac) & Rs. 667.39 lac (totaling to Rs. 5327.63 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 which is still continued. In view of above facts, no provision against these transactions is considered necessary.		
IV. Merrill Lynch Capital Services Inc. raised a claim of US\$ 195.80 Lac ( previous year US\$ 195.80 Lac) (Rs 10016.44 Lac, approx.) against the company in respect of a corporate guarantee of \$ 100 Lac ( previous year \$100 Lac) (Rs.5115.65 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 and disputed the said claim which still is pending before the court of law. In view of above facts, no provision against above claim is considered necessary.		

## NOTES FORMING PART OF ACCOUNTS

36. Forward/ Derivative Contracts outstanding as on 31.3.2012:

- |                         |   |
|-------------------------|---|
| a) Forward Contracts    | Nil (Previous Year Rs 3082.75 Lac)                |
| b) Derivative Contracts | Nil (Previous Year Euro 180 Lac/ No of deal: one) |

37. In terms of the issue of Preference Share, dividend is to be accumulated and payable in the year of distributable profits. Due to loss during the current and previous year, the company has accumulated dividend on the Preference share amounting to Rs.874.71 lac for the year 2011-12 and Rs.35.05 lac for the year 2010-11.

38. Secured Term Loans includes Rs 3263.00 Lac 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 exercised, then convertible into 6% Cumulative Redeemable Preference Shares ( CRPS), and Unsecured Term Loans includes Rs 2307.25 Lac convertible into 1% CRPS, along with interest upto the date of allotment in terms of CDR approved restructuring Scheme.

39. Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.12 and the same results into the Deferred Tax Assets (net), which has not been recognized due to uncertainty of sufficient taxable income in future within reasonable period.

40. The unclaimed dividend amount of Rs.0.61 Lac for the financial year 2003-04 (Rs. 0.17 Lac for the Financial Year 2002-03) has been transferred to the Investor Education and Protection Fund, as per the provisions of Section 205C of the Companies Act, 1956.

41. The balances of sundry debtors, loans and advances and sundry creditors are subject to confirmation and reconciliation.

42. In compliance of the Accounting Standard 26 issued by the Institute of Chartered accountants of India the brought forward deferred revenue expenses have been fully amortized during the year, resulting excess loss of Rs.178.25 Lac in the Statement of Profit & loss during the year.

43. Sales are net of Rebate & Discounts amounting to Rs 829.96. Lac (Previous Year 526.19 Lac).

44. 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. Subsequently, Hon'ble BIFR has issued directions in its meeting held on 26.07.12 to submit the revised DRS based on the Audited Financial Statements as of 31.03.12.

45. CDR EG had sanctioned a rework scheme on 31st March 2011 w.e.f 1st January 2011 against its earlier restructured scheme dated 11th September 2009, intimated vide LOA dated 4th May 2011. The implementation of the same is under process.

### 46. 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 Statement of profit and loss

Particulars	Rs in Lac	
	For the year ended 31st March 12	For the year ended 31st March 11
Employers contribution to Provident Fund and Employee's State Insurance Corporation	164.49	159.39

NOTES FORMING PART OF ACCOUNTS

2. Defined Benefit plans

- I. Gratuity
- II. Earned leave

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

Particulars	Gratuity (Unfunded)		Earned Leave (Unfunded)	
	For the Year ended 31st March 12	For the Year ended 31st March 11	For the Year ended 31st March 12	For the Year ended 31st March 11
Discount Rate ( per annum)	8.50%	8.00%	8.50%	8.00%
Future Salary Increase	6.00%	5.50%	6.00%	5.50%
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%
<b>I. Expenses recognized in Statement of Profit &amp; Loss</b>				
Current Service Cost	43.63	62.47	21.36	23.45
Past Service Cost - Vested	Nil	13.60	Nil	Nil
Interest Cost	22.13	16.12	6.84	5.09
Net Actuarial (gain)/ Loss recognized in the year	(36.01)	(19.39)	(9.04)	0.33
<b>Total Expenses</b>	<b>29.76</b>	<b>72.80</b>	<b>19.16</b>	<b>28.87</b>
<b>II. Net Assets /(Liability) recognized in the Balance Sheet</b>				
Present value of the Defined Benefit obligation	213.23	259.74	75.30	80.24
Fund Status (Deficit)	(213.23)	(259.74)	(75.30)	(80.24)
<b>Net assets/(Liability)</b>	<b>(213.23)</b>	<b>(259.74)</b>	<b>(75.30)</b>	<b>(80.24)</b>
<b>III. Change in present value of obligation</b>				
Present Value of obligation as at the beginning of the period	259.74	201.53	80.24	63.63
Interest Cost	22.14	16.12	6.84	5.09
Past Service Cost - Vested	Nil	13.60	Nil	Nil
Current Service Cost	43.63	62.47	21.36	23.45
Benefits Paid	(76.27)	(14.59)	(24.10)	(12.26)
Actuarial (gains)/Loss on obligation	(36.01)	(19.39)	(9.04)	0.33
<b>Present Value of obligation as at the end of the period</b>	<b>213.23</b>	<b>259.74</b>	<b>75.30</b>	<b>80.24</b>

47. Directors' Remuneration

Rs in Lac

Particulars	For the year ended 31st March 12	For the year ended 31st March 11
Salary	26.78	38.01
Perquisites	3.66	3.76
<b>Total</b>	<b>30.44</b>	<b>41.77</b>

## NOTES FORMING PART OF ACCOUNTS

### 48. PARTICULARS OF RAW MATERIAL CONSUMPTION

Particulars	Rs in Lac	
	For the year ended 31st March 12	For the year ended 31st March 11
Cotton	38253.25	42423.43
Yarn	2750.22	2940.97
Fabric	11570.12	3277.25
Architectural Products	1511.56	1482.31
Others	2004.06	2468.54
<b>Total</b>	<b>56089.21</b>	<b>52592.50</b>

### 49. DETAILS OF PURCHASES OF STOCK-IN-TRADE

Particulars	Rs in Lac	
	For the year ended 31st March 12	For the year ended 31st March 11
Yarn	459.91	1004.08
Fabric	39.52	283.22
<b>Total</b>	<b>499.43</b>	<b>1287.30</b>

### 49 A. INVENTORIES

Particulars	Rs in Lac	
	For the year ended 31st March 12	For the year ended 31st March 11
<b>Work-in-Progress</b>		
Cotton/Fibre	1772.99	2621.53
Yarn	1650.23	2752.56
Fabric/Made up	372.08	494.32
Others	103.05	107.76
<b>Total</b>	<b>3898.35</b>	<b>5976.17</b>
<b>Finished Goods</b>		
Yarn	5123.55	9900.98
Fabric/Made up	1044.12	1383.60
Others	309.44	171.02
<b>Total</b>	<b>6477.11</b>	<b>11455.60</b>

50. Revised Schedule VI has become effective w.e.f. 01.04.2011 for preparation of financial statements. This has significantly impacted the disclosure and presentation made in financial statements. The previous period figures have been regrouped and rearranged, wherever necessary to make them corresponded with those of current period classification and disclosure.

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

For and on behalf of the Board

**MUNISH KR. JAIN**  
 Partner  
 Membership No. 70335  
 Place : Ghaziabad  
 Date : August 13, 2012

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

**Ajay Gupta**  
 Company Secretary

**Sandeep Agarwal**  
 Managing Director

**P.K. Rajput**  
 Executive Director

# CONSOLIDATED

Financial Statements for the year  
ended 31st March, 2012



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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, 2012 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, 2012, and also the Consolidated Statement of Profit and Loss and 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 total assets share of Rs. 270.84 Lacs as at 31st March, 2012 and total revenue expenses of Rs. 0.31 Lac and total cash flow of Rs Nil for the year ended 31st March, 2012 (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 @ 51.16.
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. 37(d) I, II and III of notes to accounts,, the Company has not made any provision towards the losses on derivative contracts crystallized amounting to Rs 395.27 Crore and claims of Rs 51.16 Crore against the corporate guarantee provided by the Company on behalf of one of it's subsidiary company ( refer to note no. 37(d) IV of notes to accounts), hence to that extent the loss as shown in the Statement of profit & loss, accumulated losses and current liabilities are understated.*
6. Based on our audit and to the best of our information and according to the explanations given to us *subject to para 5 above* 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, 2012;
  - b) In the case of Consolidated Statement of Profit and Loss, 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 flows of the ALPS Group for the year ended on that date.

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

**Munish Kr. Jain**  
 Partner  
 Membership No. 70335

Place: Ghaziabad  
 Date: August 13, 2012

# ALPS INDUSTRIES LTD. CONSOLIDATED



## BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH' 2012

	Notes	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>Equity and Liabilities</b>			
<b>Shareholders Funds</b>			
Share Capital	1	26,844.76	13,206.80
Reserves and Surplus	2	(42,751.12)	(16,444.50)
		<u>(15,906.36)</u>	<u>(3,237.70)</u>
<b>Share Application Money Pending Allotment</b>		-	111.86
		<u>-</u>	<u>111.86</u>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	69,958.42	83,690.30
Deferred Tax Liabilities (Net)		-	-
Other Long Term Liabilities	4	6,318.54	372.01
Long-Term Provisions	5	288.54	339.99
		<u>76,565.50</u>	<u>84,402.30</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	39,971.08	36,473.66
Trade Payables	7	5,559.01	11,586.61
Other Current Liabilities	8	2,518.29	2,345.00
Short-Term Provisions	9	44.60	-
		<u>48,092.98</u>	<u>50,405.27</u>
<b>Minority Interest</b>		927.57	32.00
<b>Total</b>		<u>109,679.69</u>	<u>131,713.73</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>	10		
Tangible Assets		59,266.45	62,989.49
Intangible Assets		63.68	69.14
Capital Work in Progress (Tangible)		574.40	938.16
Non-Current Investments	11	5.78	190.09
Long-Term Loans and Advances	12	769.54	1,162.13
Other Non-Current Assets	13	538.26	677.93
		<u>61,218.11</u>	<u>66,026.94</u>
<b>Current Assets, Loans &amp; Advances</b>			
Current Investments	14	25.00	25.00
Inventories	15	30,273.91	46,811.44
Trade Receivables	16	13,554.57	13,054.81
Cash & Bank Balances	17	2,442.40	2,007.20
Short-Term Loans & Advances	18	1,383.82	3,219.42
Other Current Assets	19	781.88	568.92
		<u>48,461.58</u>	<u>65,686.79</u>
<b>Total</b>		<u>109,679.69</u>	<u>131,713.73</u>

Significant Accounting Policies and other  
Notes on Financial Statements

1-52

Notes referred to above form an integral part of Financial Statements

As per our report of even date

For and on behalf of the Board

**For P. JAIN & CO.**

Chartered Accountants

(Firm Registration No. 000711C)

**Sandeep Agarwal**  
Managing Director

**MUNISH KR. JAIN**

Partner

Membership No. 70335

Place : Ghaziabad

Date : August 13, 2012

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

**Ajay Gupta**  
Company Secretary

**P.K. Rajput**  
Executive Director

**STATEMENT OF PROFIT & LOSS**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH' 2012**

	Notes	31.03.12 Year Ended Rs.(In Lacs)	31.03.11 Year Ended Rs.(In Lacs)
<b>Revenue from Operations</b>			
Sale of Products	20	64,725.05	66,966.42
Other Operating Revenues		2,379.15	2,555.37
Less :Excise Duty		243.29	180.70
<b>Net Revenue</b>		<b>66,860.91</b>	<b>69,341.09</b>
Other Income	21	1,140.18	1,516.96
<b>Total Revenue</b>		<b>68,001.09</b>	<b>70,858.05</b>
<b>Expenses</b>			
Cost of Materials Consumed	22	56,089.21	52,592.72
Purchase of Stock-in-Trade	23	499.43	1,287.30
Changes in Inventories of Finished Goods & Work-in-Progress	24	7,056.31	(8,171.51)
Employee Benefit Expenses	25	5,249.60	5,604.38
Finance Cost	26	9,946.43	8,283.01
Depreciation/Amortization of Expenses	10	4,566.70	4,442.68
Other Expenses	27	11,916.18	18,669.37
<b>Total Expenses</b>		<b>95,323.86</b>	<b>82,707.95</b>
<b>Profit/(Loss) Before Exceptional and Extraordinary Items and Tax</b>		<b>(27,322.77)</b>	<b>(11,849.90)</b>
Exceptional Items		-	-
Preliminary and Deferred Revenue Expenditure		227.85	-
<b>Profit/(Loss) Before Extraordinary Items and Tax</b>		<b>(27,550.62)</b>	<b>(11,849.90)</b>
Extraordinary Items		-	-
<b>Profit/(Loss) Before Tax</b>		<b>(27,550.62)</b>	<b>(11,849.90)</b>
Tax Expense			
(1) Current Tax		44.60	-
(2) Deferred Tax		-	(2,191.51)
<b>Profit/(Loss) for the Period (before adjustment for Minority Interest)</b>		<b>(27,595.22)</b>	<b>(9,658.39)</b>
<b>Less : Minority Interest</b>		<b>37.04</b>	<b>-</b>
<b>Profit/(Loss) for the Period (after adjustment for Minority Interest)</b>		<b>(27,632.26)</b>	<b>(9,658.39)</b>
<b>Basic &amp; Diluted Earning Per Share(Rs.)</b>	28	<b>(70.65)</b>	<b>(25.30)</b>
Significant Accounting Policies and other Notes on Financial Statements	1-52		

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

For and on behalf of the Board

**MUNISH KR. JAIN**  
Partner  
Membership No. 70335  
Place : Ghaziabad  
Date : August 13, 2012

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

**Ajay Gupta**  
Company Secretary

**Sandeep Agarwal**  
Managing Director

**P.K. Rajput**  
Executive Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED

		31.03.2012	31.03.2011	Rs. In Lacs
<b>(A) Cash Flow From Operating Activities :</b>				
Net Profit Before Tax and Extraordinary items		(27,550.62)		(11,849.90)
Adjustment for :				
Depreciation	4,566.70		4,442.68	
Interest/Dividend Received	(125.20)		(175.02)	
Finance Cost	9,946.43		8,283.01	
Loss on Sale of Assests	4.45		24.20	
Loss / (Profit) on Sale of Investment	(136.96)		116.70	
Exchange Fluctuation	(0.94)		0.07	
Miscellaneous Expenditure W/Off	227.85	14,482.33	93.10	12,784.74
Operating Profit Before Working Capital Changes		(13,068.29)		934.84
Adjustment for Working Capital Changes				
Inventories	16,537.53		(16,033.21)	
Trade & other Receivable	1,580.70		4,066.03	
Trade Payable & other Liabilities	85.37		7,066.67	
Direct Taxes received/ (Paid)	(13.70)	18,189.90	456.98	(4,443.53)
Net Cash From Operating Activities		5,121.61		(3,508.69)
<b>(B) Cash Flow From Investing Activities</b>				
Purchase of Fixed Assets	(485.38)		(637.33)	
Sale of Fixed Assets	6.49		573.15	
Sale/(purchase) of securities (inc. of subsidiaries)			448.80	
Interest/Dividend received	125.20		175.02	
Loss / (Profit) on Sale of Investment	136.96		116.70	
Increase in Fixed Deposits	(398.91)		28.09	
Net Cash used in Investment Activities		(615.64)		471.03
<b>(C) Cash Flow From Financing Activities</b>				
Finance Cost	(9,946.43)		(8283.01)	
Proceeds from long term borrowings (Net)	3,403.50		10,271.29	
Proceeds from issue of share capital / premium	2,073.25		1,000.00	
Net Cash From Financing Activities		(4,469.68)		2,988.28
Net Increase in Cash & Bank Balances		36.29		(49.38)
Opening Balance of Cash and Bank Balances		778.05		827.43
Closing Balance of Cash and Bank Balances		814.34		778.05
<b>Notes:</b>				
1- Reconciliation of Cash and Bank Balance at the end of the year.				
Cash & Bank Balances as per Note 17		2,442.40		2,007.20
Less: Fixed Deposits against Margin		1,628.06		1,229.15
Cash and Bank Balance at the end of the year		814.34		778.05
2- Figures in brackets are for deduction.				
3- Previous years figures have been grouped or rearranged to make them comparable with those of current year.				

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

**MUNISH KR. JAIN**  
Partner  
Membership No. 70335  
Place : Ghaziabad  
Date : August 13, 2012

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

**Ajay Gupta**  
Company Secretary

**Sandeep Agarwal**  
Managing Director

**P.K. Rajput**  
Executive Director

## **SIGNIFICANT ACCOUNTING POLICIES:**

### **A. USE OF ESTIMATES:**

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

### **B. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:**

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

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

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

### **C. REVENUE RECOGNITION:**

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

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

### **D. FIXED ASSETS:**

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

### **E. DEPRECIATION:**

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

### **F. INVESTMENTS:**

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

**G. INVENTORIES :**

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

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

**H. BORROWING COST:**

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

**I. RETIREMENT AND OTHER EMPLOYEE BENEFITS :**

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

**J. RESEARCH AND DEVELOPMENT COSTS:**

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

**K. DEFERRED REVENUE EXPENDITURE:**

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

**L. FOREIGN CURRENCY TRANSACTIONS:**

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

**M. IMPAIRMENT OF ASSETS :**

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



**N. TAXATION:**

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

**O. GOVERNMENT GRANTS:**

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

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

**P. OPERATING LEASE:**

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

# ALPS INDUSTRIES LTD. CONSOLIDATED

## NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>1. SHARE CAPITAL</b>		
<b>(A) Authorised Capital</b>		
40000000(40000000) Equity Shares of Rs.10/- each	4,000.00	4,000.00
305000000(305000000) Preference Shares of Rs.10/- each	30,500.00	30,500.00
	<b>34,500.00</b>	<b>34,500.00</b>
<b>(B) Issued , Subscribed &amp; Paid up</b>		
39114100(39114100) Equity Share of Rs.10/- each fully paid up	3,911.41	3,911.41
	<b>3,911.41</b>	<b>3,911.41</b>
99432599(91540811) 1% Cumulative Redeemable Preference Shares (1%CRPS) of Rs. 10/- each fully paid-up.	9,943.26	9,154.08
1413076(1413076) 6% Cumulative Redeemable Preference Shares (6%CRPS) of Rs. 10/- each fully paid-up.	141.31	141.31
128487790(nil) 6% Optionally Convertible Cumulative Preference Shares (6%OCCPS) of Rs. 10/- each allotted.	12,848.78	-
	<b>22,933.35</b>	<b>9,295.39</b>
<b>Total</b>	<b>26,844.76</b>	<b>13,206.80</b>

### 1.1 Reconciliation of Shares outstanding is Set out Below:

No. of Shares

PARTICULARS	Beginning of the year	Issue during the year	At the end year
Equity Shares	39114100	NIL	39114100
6% CRPS	1413076	NIL	1413076
1% CRPS	91540811	7891788	99432599
6% OCCPS	NIL	128487790	128487790

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

**EQUITY SHARES:-** The Company has one class of Equity Shares having a par value of Rs. 10/- each. Each holder of Equity Shares entitled to one vote per share.

**6% CRPS:-** Such shares have right of 6% dividend and preference of Repayment over 1% CRPS.

**6% Optionally Convertible Cumulative Preference Share (OCCPS):-**

Such Shares have right of 6% Cumulative dividend and preference of repayment over CRPS other than 6% CRPS which is at par in Repayment and Dividend with OCCPS.

**1% Cumulative Redeemable Preference Share:-**

1% Cumulative Redeemable Preference Share of Category 'C' which have preference of repayment over Category 'D' 1% CRPS.

#### Terms of Conversion of 6% Optionally Convertible Cumulative Preference Shares:

6% OCCPS holders have right to exercise their option to convert into Equity shares within 18 months at par from the date of allotment i.e. 19.08.2011. If such option within the stipulated period is not exercised, it will be treated as CRPS of 6% coupon rate and will be redeemed w.e.f 31.01.2017 to 30.01.2019.

#### Repayment terms of CRPS:

Earliest date of redemption of 6% CRPS and 1% CRPS is w.e.f. 31.01.2017 to 30.01.2019

#### Detail of Shares reserved under option and Contracts/Commitment:

**In Terms of CDR :-** The Company is require to issue –

- 1457.90 lacs Equity Shares of Rs. 10/- each at par aggregating to Rs. 14579 lacs.
- 326.30 lacs 6% OCCPS of Rs. 10/- each at par aggregating to Rs 3263 lacs.
- 230.72 lacs 1% CRPS of Rs. 10/- each at par aggregating to Rs. 2307.25 lacs.

Shares issued for consideration other than cash in last 5 financial years - Nil (P/Y Nil).

Bonus Shares in last 5 financial years 16257050 Equity Share Rs. 10/- each have been allotted during 2006-07 as fully paid up Bonus Shares by capitalisation of General Reserve.

Shares bought back in last 5 financial years - Nil (P/Y Nil).

NOTES FORMING PART OF ACCOUNTS

AS AT  
31.03.12  
Rs.(In Lacs)

AS AT  
31.03.11  
Rs.(In Lacs)

Details of Share holders holding more than 5 % Share Capital

PARTICULARS	As at 31 Mar'2012 No. of Shares	Percentage (%)	As at 31 Mar'2011 No. of Shares	Percentage (%)
<b>Equity Shares:</b>				
Pacific Texmark Pvt. Ltd.	2835872	7.25	2835872	7.25
Billsworth Investment Pvt. Ltd	2000000	5.11	2000000	5.11
<b>6% OCCPS</b>				
State Bank of India	40376560	31.42	-	-
State Bank of Patiala	23081900	17.96	-	-
State Bank of Mysore	12155480	9.46	-	-
State Bank of Hyderabad	9665390	7.52	-	-
Punjab National Bank	14357330	11.17	-	-
Syndicate Bank	7416190	5.77	-	-
UCO Bank	6813950	5.30	-	-
<b>6% CRPS</b>				
IDBI Bank Ltd.	1413076	100.00	1413076	100.00
<b>1% CRPS</b>				
State Bank of India	38384749	38.60	38384749	41.93
ICICI Bank Limited	9816345	9.87	9816345	10.72
HDFC Bank	15482087	15.57	10172667	11.11
Standard Chartered Bank	35749418	35.95	33167050	36.23

**2. RESERVES AND SURPLUS**

**CAPITAL RESERVE**

At the Beginning and at the end of the year

260.00

260.00

**SECURITIES PREMIUM**

At the Beginning of the year

17,116.93

16,622.93

Add : Share Premium

2,039.44

494.00

At the end of the year

19,156.37

17,116.93

**GENERAL RESERVES**

At the Beginning and at the end of the year

7,999.30

7,999.30

**EXCHANGE FLUCTUATION RESERVE**

At the Beginning of the year

87.31

87.24

Add : Exchange Fluctuation

(0.94)

0.07

At the end of the year

86.37

87.31

**STATEMENT OF PROFIT AND LOSS**

Loss at the Beginning of the year

(41,908.04)

(32,249.65)

Add: loss for the year

(27,632.26)

(9,658.39)

Loss at the end of the year

(69,540.30)

(41,908.04)

**Group Total**

(42,038.26)

(16,444.50)

Less: Minority Interest

712.86

-

**Total**

(42,751.12)

(16,444.50)

**NOTES FORMING PART OF ACCOUNTS**

	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>3. LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>(a) Term Loans</b>		
(1) Banks & Financial Institutions (See Note Below i & ii )	67,645.39	80,048.52
(2) Others (Vehicle Loan) (See Note Below iii)	5.78	38.04
(i) Term loans Rs. 55758.86 Lacs from Bank & Financial Institutions are Secured by First Pari - Passu charge created on Fixed Assets and second pari-passu charge on current assets of the Company, alongwith Personal Guarantees of Promoter Directors.	-	-
(ii) WCTL Rs. 8784.81 Lacs and FITL Rs. 3101.72 Lacs from bank & Financial Institutions are secured by first pari- passu charges on fixed assets of the company, alongwith Personal Guarantees of Promoter Directors	-	-
(iii) Other (Vehicle Loan) are secured by hypothecation of specific vehicle	-	-
<b>Unsecured Loans</b>		
<b>(a) Term Loans</b>		
Banks & Financial Institutions	2,307.25	3,118.65
<b>(b) Loans and Advances from Related Parties</b>	-	-
<b>(c) Other Loans</b>		
From Bodies Corporate	-	485.09
<b>Total</b>	<u>69,958.42</u>	<u>83,690.30</u>
<b>TERM LOANS FROM BANKS &amp; FINANCIAL INSTITUTIONS</b>		
3.1 By order dated 02.09.2011 of Hon'ble BIFR, the amount of Bank and Financial Institutions becoming due after May 2011 are deferred till the date of sanction of the scheme by Hon' ble BIFR.		
3.2 Maturity Profile of Vehicle Loans		
Particulars Amount in Lacs Period		
Principal 5.78 2013-14		
<b>4. OTHER LONG TERM LIABILITIES</b>		
Interest accrued and due on borrowing (Refer Note No. 3.1 above)	6,318.54	372.01
<b>Total</b>	<u>6,318.54</u>	<u>372.01</u>
<b>5. LONG TERM PROVISION</b>		
Provision for Employee's benefits (Refer Note No 48)	288.54	339.99
<b>TOTAL</b>	<u>288.54</u>	<u>339.99</u>
<b>6. SHORT TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>Loan repayable on Demand</b>		
From Banks (Working Capital)	39,971.08	36,463.67
From Others	-	9.99
<b>Total</b>	<u>39,971.08</u>	<u>36,473.66</u>
1) Working capital Rs. 39971.08 Lacs from banks are secured by first pari - passu charge on current assets and second pari - passu charge on fixed assets of the company, alongwith Personal Guarantees of promotor Directors.		

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>7. TRADE PAYABLE</b>		
(a) Micro, Small & Medium Enterprises	11.58	8.10
(b) Other	5,547.43	11,578.51
<b>Total</b>	<b>5,559.01</b>	<b>11,586.61</b>

7.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March, 2012 as per the terms of Contract.

<b>8. OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term debt	29.49	58.44
(b) Unpaid dividend	10.74	11.35
(c) Other payable		
(1) Expenses payable (Refer Note No. 8.1)	1,748.60	1,514.08
(2) Creditors for Fixed Assets	320.18	323.77
(3) Book overdraft	176.54	231.27
(4) Advance from Customers	157.19	206.09
(5) Other Liabilities	75.55	-
<b>Total</b>	<b>2,518.29</b>	<b>2,345.00</b>

8.1 Expenses Payable include the liabilities to employees, Sales Tax/Vat, other taxes, Rebate to customers etc. and excess share application money received are as other Liabilities.

<b>9. SHORT TERM PROVISIONS</b>		
Others	-	-
Provision for Tax	44.60	-
<b>Total</b>	<b>44.60</b>	<b>-</b>

**10. FIXED ASSETS**

Rs. in Lac

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.11	Addition	Deduction/ Sale	As at 31.03.12	As at 01.04.11	During The Year	Deduction/ Adjustment	Total Upto 31.03.12	As at 31.03.12	As at 31.03.11
<b>TANGIBLE ASSETS</b>										
Leasehold Land	2,179.14	-	-	2,179.14	108.36	13.84	-	122.20	2,056.94	2,070.78
Free Hold Land	637.70	86.31	-	724.01	-	-	-	-	724.01	637.70
Building	14,306.88	368.18	-	14,675.06	1,967.34	493.48	-	2,460.82	12,214.24	12,339.54
Plant & Machinery	61,270.87	339.67	-	61,610.54	14,093.93	3,938.01	-	18,031.94	43,578.60	47,176.94
Furniture Fixture	357.32	9.06	-	366.38	135.15	22.83	-	157.98	208.40	222.17
Vehicles	544.71	9.60	19.51	534.80	207.41	48.86	8.57	247.70	287.10	337.30
Office Equipment	211.06	9.67	-	220.73	60.41	10.31	-	70.72	150.01	150.65
Computers	657.64	7.92	-	665.56	603.23	15.18	-	618.41	47.15	54.41
<b>Sub Total A</b>	<b>80,165.32</b>	<b>830.41</b>	<b>19.51</b>	<b>80,976.22</b>	<b>17,175.83</b>	<b>4,542.51</b>	<b>8.57</b>	<b>21,709.77</b>	<b>59,266.45</b>	<b>62,989.49</b>
<b>INTANGIBLE ASSETS</b>										
Computer (software)	42.10	18.73	-	60.83	34.12	7.95	-	42.07	18.76	7.98
Brand & Trade Mark	646.05	-	-	646.05	584.89	16.24	-	601.13	44.92	61.16
<b>Sub Total B</b>	<b>688.15</b>	<b>18.73</b>	<b>-</b>	<b>706.88</b>	<b>619.01</b>	<b>24.19</b>	<b>-</b>	<b>643.20</b>	<b>63.68</b>	<b>69.14</b>
<b>Total</b>	<b>80,853.47</b>	<b>849.14</b>	<b>19.51</b>	<b>81,683.10</b>	<b>17,794.84</b>	<b>4,566.70</b>	<b>8.57</b>	<b>22,352.97</b>	<b>59,330.13</b>	<b>63,058.63</b>
Previous Year	80,549.91	911.56	608.00	80,853.47	13,362.81	4,442.68	10.65	17,794.84	63,058.63	
<b>Capital Work In Progress</b>									<b>574.40</b>	<b>938.16</b>

**NOTES FORMING PART OF ACCOUNTS**

	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>11. NON - CURRENT INVESTMENTS (AT COST )</b>		
Long Term (Fully Paid Unless Otherwise Stated)		
Other Investment		
Investment in Equity Instruments		
<b>(A) QUOTED SHARES</b>		
13400(13400) Equity Shares of Rs. 10/- each of Kay Power and Paper Ltd. Market Value - Rs. 95274(P.Y. Not Available)	1.34	1.34
720(720) Equity Shares of Rs. 10/- each of Parasram Puria Synthetics Ltd. (Market Value- Not Available)	0.22	0.22
2000(2000) Equity Shares of Rs. 10/- each of Global Syntex (Bhilwara) Ltd. (Partly of Rs. 5/- each paidup) (Market Value- Not Available)	0.10	0.10
<b>(B) UNQUOTED SHARES</b>		
Nil (343000) Equity Shares of Rs. 10/- each of Jhala-koti Gunsola Power Pvt. Ltd	-	184.21
Nil (1000) Equity Shares of Rs. 10/- each of Alps Hydro Power Pvt. Ltd.	-	0.10
2450(2450) Equity Shares of Colombine Cody Corp. N.P.V.	4.12	4.12
<b>Total</b>	<u>5.78</u>	<u>190.09</u>
<b>12. LONG-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, Considered Good)</b>		
Capital Advance	75.79	503.54
Security Deposits	693.75	658.59
<b>Total</b>	<u>769.54</u>	<u>1,162.13</u>
<b>13. OTHER NON CURRENT ASSETS</b>		
<b>(Unsecured)</b>		
<b>Considered Good</b>	166.67	64.77
<b>Considered Doubtful</b>	64.77	-
Less : Provision For Doubtful	(16.19)	-
Minimum Alternate Tax Adjustable	322.81	322.81
Preliminary and Deferred Revenue Expenditure	0.20	290.35
<b>Total</b>	<u>538.26</u>	<u>677.93</u>
<b>14. CURRENT INVESTMENT</b>		
<b>Investment in Mutual Funds</b>		
20000 (20000) Unit of Rs. 10/- each of SBI One India Fund	2.00	2.00
Market Value-Rs. -206200 (216600/-)		
19560(19560) Unit of Franklin India High Growth Co.	2.00	2.00
Market Value - Rs. - 236637 (251150/-)		
100000(100000) Unit of Rs. 10/- each of SBI Infrastructure Fund	10.00	10.00
Market Value- Rs. - 781000(937000/-)		
2930 (2930) Unit of Reliance Growth Fund	10.00	10.00
Market Value- Rs. - 1283988(1351990/-)		
10000(10000) of Rs. 10/- each of UTI Infrastructure Advantage Fund-Series-I	1.00	1.00
Market Value-Rs - 70659(85300/-)		
<b>Total</b>	<u>25.00</u>	<u>25.00</u>

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.12 Rs.(In Lacs)	AS AT 31.03.11 Rs.(In Lacs)
<b>15. INVENTORIES</b>		
(Valued as per Accounting Policy)		
Raw Materials	19,515.41	28,899.38
Work-in-Progress	3,898.35	5,976.17
Finished Goods	6,477.11	11,455.60
Stores & Spares Parts	383.04	480.29
<b>Total</b>	<b>30,273.91</b>	<b>46,811.44</b>
<b>16. TRADE RECEIVABLES</b>		
<b>Outstanding for a Period Exceeding Six Months from the Date they are due for Payment</b>		
Unsecured Considered Good	1,379.41	1,609.02
Doubtful	83.98	84.65
Less: Provision for Doubtful Receivable	83.98	84.65
	<b>1,379.41</b>	<b>1,609.02</b>
<b>Other Trade Receivable</b>		
Unsecured Considered Goods	12,175.16	11,445.79
<b>Total</b>	<b>13,554.57</b>	<b>13,054.81</b>
<b>17. CASH &amp; BANK BALANCES</b>		
Balances with Scheduled Banks		
In Current Accounts	728.79	646.08
In Unpaid Dividends	10.84	11.47
In Fixed Deposit (including Rs. 1328.06 Lacs (p.y. 1229.15 Lacs) Pledged for Margin and other Commitments)	1,628.06	1,229.15
Cheques and Draft in Hand	3.75	-
Cash in Hand	70.96	120.50
<b>Total</b>	<b>2,442.40</b>	<b>2,007.20</b>
<b>18. SHORT TERMS LOANS &amp; ADVANCES</b>		
<b>(Unsecured, Considered Good)</b>		
<b>Others</b>		
Balances With Revenue Authority	153.05	181.21
Security Deposit	-	20.00
Advance Income Tax/TDS Recoverable	37.83	68.73
Other Receivables #	1,192.94	2,949.48
<b>Total</b>	<b>1,383.82</b>	<b>3,219.42</b>
# Includes Advance to suppliers, Staff , Prepaid Expenses, Tufts Subsidy etc.		
<b>19. OTHER CURRENT ASSETS</b>		
Export Incentive Receivable	501.15	312.55
Insurance and other Claim Receivable	240.37	214.57
Interest Accrued	40.36	41.80
<b>Total</b>	<b>781.88</b>	<b>568.92</b>



**NOTES FORMING PART OF ACCOUNTS**

	Year Ended 31.03.12 Rs.(In Lacs)	Year Ended 31.03.11 Rs.(In Lacs)
<b>20. REVENUE FROM OPERATIONS</b>		
<b>(A) Sales of Products</b>		
Export	19,865.45	28,634.79
Domestic (Including Traded Goods)	44,859.60	38,331.63
<b>Sub Total (A)</b>	<b>64,725.05</b>	<b>66,966.42</b>
<b>(B) Other Operating Revenues</b>		
Scrap/Waste sale	1,140.53	2,169.53
D.E.P.B/Duty Drawback/Export Incentives	1,184.69	376.15
Job Work Income	53.93	9.69
<b>Sub Total (B)</b>	<b>2,379.15</b>	<b>2,555.37</b>
<b>Total (A+B)</b>	<b>67,104.20</b>	<b>69,521.79</b>
<b>21. OTHER INCOME</b>		
(a) Income From Interest	125.20	175.02
(b) Other Non Operating Income	336.86	947.38
(c) Profit On Investment	136.96	14.30
(d) Net Gain/Loss on Foreign Currency Translation	541.16	-
(e) Prior Period Income	-	380.26
<b>Total</b>	<b>1,140.18</b>	<b>1,516.96</b>
<b>22. COST OF MATERIAL CONSUMED (Refer Note No. 50)</b>		
Opening Stock	28,899.38	21,154.54
Add: Purchases	46,705.24	60,484.80
	75,604.62	81,639.34
Less: Closing Stock	19,515.41	28,899.38
Less: Stock Agst. Fire Claim	-	147.24
<b>Total</b>	<b>56,089.21</b>	<b>52,592.72</b>
<b>23. PURCHASE OF STOCK-IN-TRADE (Refer Note No. 51)</b>	<b>499.43</b>	<b>1,287.30</b>
<b>24. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
<b>Inventories (at commencement)</b>		
Finished Goods	11,455.60	5,473.55
Work-in-Progress	5,976.17	3,786.71
<b>Sub Total (A)</b>	<b>17,431.77</b>	<b>9,260.26</b>
<b>Inventories (at close)</b>		
Finished Goods	6,477.11	11,455.60
Work-in-Progress	3,898.35	5,976.17
<b>Sub Total (B)</b>	<b>10,375.46</b>	<b>17,431.77</b>
<b>TOTAL (A-B)</b>	<b>7,056.31</b>	<b>(8,171.51)</b>

NOTES FORMING PART OF ACCOUNTS

	Year Ended 31.03.12 Rs.(In Lacs)	Year Ended 31.03.11 Rs.(In Lacs)
<b>25. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries Including Other Benefits	2,351.51	2,246.55
Wages Including Other Benefits	2,593.62	2,999.72
Contribution To Provident & Other Funds-wages	128.88	71.89
Contribution To Provident & Others Funds-Salary	35.61	87.50
Gratuity	31.99	73.50
Staff Welfare	77.55	83.45
Managerial Remuneration (refer Note No. 49)	30.44	41.77
<b>Total</b>	<b>5,249.60</b>	<b>5,604.38</b>
<b>26. FINANCE COST</b>		
Interest to Banks & Fin. Institutions	9,468.19	7,807.51
Interest to Others	322.15	245.53
Other Borrowing Cost	156.09	229.97
<b>Total</b>	<b>9,946.43</b>	<b>8,283.01</b>
<b>27. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Production Expenses	657.62	769.76
Security & Vigilance	60.44	64.40
Consumption of Stores & Spares	1,174.40	973.42
Power & Fuel	5,107.74	5,986.67
Carriage & Cartage	20.37	32.45
Rent	375.31	337.48
Insurance	161.89	156.13
Rates & Taxes	61.49	53.50
Postage & Telegram	20.80	24.03
Printing & Stationery	66.36	66.43
Legal & Professional Expenses	255.73	317.77
Travelling & Conveyance - Others	374.55	374.46
Travelling & Conveyance - Directors	20.06	15.92
Telephone & Fax	62.41	69.45
Books & Periodicals	0.79	0.97
Fees & Subscription	17.46	108.66
General Expenses	70.04	103.98
Bank Charges	66.13	77.46
Payment to Auditors ( Refer Note 32)	17.51	11.36
Vehicle Running Expenses	107.15	102.16
Donation	0.07	0.19
Hank Yarn Obligation	30.12	103.26
Net Loss on Foreign Currency Fluctuation & Translation	-	4,955.58
Misc. And Deferred Revenue Expenditure W/off	62.00	91.00
Loss on Sale of Investment	-	131.00

**NOTES FORMING PART OF ACCOUNTS**

	Year Ended 31.03.12 Rs.(In Lacs)	Year Ended 31.03.11 Rs.(In Lacs)
<b>Repairs &amp; Maintenance</b>		
Building	60.66	30.74
Machinery	65.03	69.97
Others	49.98	38.36
Prior Period Expenses	13.08	-
Loss on Sale of Fixed Assets	4.45	24.20
<b>Selling &amp; Distribution Expenses</b>		
Packing & Forwarding	1,381.31	1,287.65
Sales Promotion & Incentives	696.65	808.17
Cash Discount	16.52	29.90
Bad Debts	152.69	283.47
Advertisement & Publicity	26.95	95.08
VAT/Sales Tax Paid	2.28	3.60
Freight on Exports	656.14	1,070.74
<b>Total</b>	<b>11,916.18</b>	<b>18,669.37</b>

**NOTES FORMING PART OF ACCOUNTS**

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

Particulars	For the year ended 31st March 12	For the year ended 31st March 11
Profit/(Loss) attributable to the Equity shareholders (Rs.in Lacs)- (A)	(27632.26)	(9658.39)
Weighted average number of equity shares outstanding during the year - (B)	39114100	38176018
Nominal value of equity shares (Rs.)	10.00	10.00
Basic & Diluted Earnings per share (Rs.)	(70.65)	(25.30)

**29. Earnings in Foreign Exchange**

Rs. in Lac

Particulars	For the year ended 31st March 12	For the year ended 31st March 11
F.O.B. Value of Exports	19067.43	27451.05

**30. 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 12	% of consumption	For the Year ended 31st March 11	% of consumption
<b>Raw</b>				
Imported	3290.62	5.86	2269.83	4.32
Indigenous	52798.59	94.14	50322.89	95.68
<b>Total</b>	56089.21	100.00	52592.72	100.00
<b>Stores</b>				
Imported	190.23	16.20	173.24	17.74
Indigenous	984.17	83.80	800.18	82.26
<b>Total</b>	1174.40	100.00	973.42	100.00

**31. C.I.F. Value of Imports**

Rs in Lac

Particulars	For the Year ended 31st March 12	For the Year ended 31st March 11
Raw Materials	2253.54	2569.83
Capital Goods	-	96.92
Components & Spare Parts	143.61	193.24

**32. Payment to Auditors'**

Rs in Lac

Particulars	For the Year ended 31st March 12	For the Year ended 31st March 11
a. Audit Fee	13.65	8.05
b. Other Services	3.86	3.31

**NOTES FORMING PART OF ACCOUNTS**

Rs in Lac

**33. Expenditure in Foreign Currency**

Particulars	For the Year ended 31st March 12	For the Year ended 31st March 11
Foreign Travels	15.89	25.94
Interest	28.98	24.39
Others	435.74	400.51

**34. Holdings of Alps Industries Limited in its Subsidiaries:**

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

All the companies are subsidiaries of Alps Industries Ltd.

**35. Related Party Transactions**

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

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

<b>Wholly owned Subsidiary Companies:</b>	: Alps Energy Pvt. Ltd., Snowflakes Meditech private Ltd (Formerly known as Alps Retail Pvt Ltd), Alps USA INC.
<b>Entities controlled by subsidiaries, key managerial personnel and their relatives</b>	: Alps Processors Pvt. Ltd., Careen Fintec (P.) Ltd., Coronation Spinning India (P) 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., Supreme Finvest Pvt. Ltd.
<b>Key managerial personnel and their relatives</b>	: 1. Mr K.K. Agarwal 2. Mr. Sandeep Agarwal 3. Mrs. Nidhi Agarwal 4. Mr. Rohan Agarwal 5. Mr. P.K. Rajput

Nature of Transactions	Transactions with Key Management Personnel, Entities controlled by them, their relatives and subsidiaries	
	For the Year ended 31st March 12	For the Year ended 31st March 11
1. Sale of Goods	NIL	NIL
2. Purchase of Goods (including job work)	NIL	NIL
3. Allotment of equity shares along with premium	NIL	99.00
4. Advances/Loans given	NIL	10.35
5. Advances/Loans taken	NIL	NIL
6. Remuneration & Sitting Fee	40.44	51.77
7. Commission Paid	8.35	-

NOTES FORMING PART OF ACCOUNTS

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

Primary Segments								Rs. in Lac
Particulars	SEGMENTS							
	Home Furnishing & Fashion Accessories		Yarn		Architectural Products		Total	
Year	For the Year ended 31 <sup>st</sup> March 12	For the Year ended 31 <sup>st</sup> March 11	For the Year ended 31 <sup>st</sup> March 12	For the Year ended 31 <sup>st</sup> March 11	For the Year ended 31 <sup>st</sup> March 12	For the Year ended 31 <sup>st</sup> March 11	For the Year ended 31 <sup>st</sup> March 12	For the Year ended 31 <sup>st</sup> March 11
Segment Revenues	15897.15	9809.86	48428.85	57766.70	3706.21	3548.30	68032.21	71124.86
Less Inter Segment Revenue	385.20	428.33	783.05	1335.14	3.05	20.30	1171.30	1783.77
Net Segment Revenue.	15511.95	9381.53	47645.80	56431.56	3703.16	3528.00	66860.91	69341.09
Segment Results	(5337.38)	(2220.11)	(12613.72)	3430.87	164.83	107.40	(17786.27)	1318.16
Less Financial Expenses	-	-	-	-	-	-	(9946.43)	(8283.01)
Less Un-allocable expenses	-	-	-	-	-	-	(958.10)	(6402.01)
Add Other Income	-	-	-	-	-	-	1140.18	1516.96
Profit before tax	-	-	-	-	-	-	(27550.62)	(11849.90)
Other Informations								
Segment Assets	37321.37	48814.53	65558.58	72149.06	2993.60	2881.14	105873.55	123844.73
Unallocated Assets							3806.14	7869.00
Total Assets							109679.69	131713.73
Segment Liability	3550.20	1939.68	4319.79	11786.05	557.30	545.87	8427.29	14271.60
Unallocated liability							117158.76	120679.83
Share Capital, Reserve & Surplus and Profit & Loss							(15906.36)	(3237.70)
Total Liability							109679.69	131713.73
Capital Expenditure	36.12	(287.61)	246.29	387.07	17.13	33.78		
Depreciation	1578.43	1457.49	2914.38	2885.79	54.54	50.54		
Non Cash Expenses	-----	5.58	-----	32.50	1.32	1.32		

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

**NOTES FORMING PART OF ACCOUNTS**
**Secondary Segments**

(Rs. in Lac)

Particulars	SEGMENTS					
	Domestic		Export		Total	
	For the Year ended 31st March 12	For the Year ended 31st March 11	For the Year ended 31st March 12	For the Year ended 31st March 11	For the Year ended 31st March 12	For the Year ended 31st March 11
Segment Revenue	46995.46	40706.30	19865.45	28634.79	66860.91	69341.09

**37. CONTINGENT LIABILITIES**

Contingent liability exists in respect of:

Particulars	Rs. in Lac	
	As at 31.03.2012	As at 31.03.2011
a) Guarantees issued by banks on behalf of company.	375.02	404.67
b) Letters of Credit outstanding (trade)	139.95	4114.87
c) Claims against the company not acknowledged as debts	428.50	602.62
d) Other Claims against the company not acknowledged as debt :		
I. The Company had certain exotic derivative transactions with ABN Amro Bank, which the Company has disputed in competent court of law in an earlier year. Till that time the ABN Amro bank had communicated estimated liability of the Company against these transactions as Rs 12530 Lac. Subsequently the deal was expired in June 2010 and as per assessment by the independent agency, the value of this deal is Rs 30800 Lac as of June 2010 (negative to the Company) excluding any fee or any amount received/ paid or payable on settlement. However bank has not communicated any further amount to the company. On the basis of legal opinion, the Company has not admitted the claim and matter became subjudice and the competent court had issued an interim order for maintenance of status quo with regard to recovery towards these transactions which is still continued. In view of above facts, no provision against these transactions is considered necessary.		
II. Kotak Mahindra Bank Limited filed an Original Application (O.A.) before Hon'ble Debt Recovery Tribunal-II, Mumbai (DRT) for recovery of it's claim amounting to Rs. 601.11 lac in respect of certain foreign currency derivative transactions against which vide an interim order Hon'ble DRT has restrained the company to sale of its certain Fixed Assets. Hon'ble Debt Recovery Appellate Tribunal (DRAT) Mumbai, on appeal of the company, has set aside the said order of the DRT. Aggrieved with the order of DRAT, Kotak Mahindra Bank has filed a writ before Bombay High Court. The Hon'ble High Court has stayed the order of DRAT & allowed the operation of order of DRT till next order, where the matter is pending adjudication. Besides this, subsequently Kotak Mahindra Bank has also raised a claim of Rs. 1435 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 pending adjudication. 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 US\$ 91.09957 Lac ( previous year US\$ 91.09957 Lac) & Rs. 667.39 lac (totaling to Rs. 5327.63 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 which is still continued. In view of above facts, no provision against these transactions is considered necessary.		
IV. Merrill Lynch Capital Services Inc. raised a claim of US\$ 195.80 Lac ( previous year US\$ 195.80 Lac) (Rs 10016.44 Lac, approx.) against the company in respect of a corporate guarantee of \$ 100 Lac ( previous year \$100 Lac) (Rs.5115.65 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 and disputed the said claim which still is pending before the court of law. In view of above facts, no provision against above claim is considered necessary.		



**NOTES FORMING PART OF ACCOUNTS**

**38. Forward/ Derivative Contracts outstanding as on 31.3.2012:**

a) Forward Contracts	Nil (Previous Year Rs 3082.75 Lac)
b) Derivative Contracts	Nil (Previous Year Euro 180 Lac/ No of deal: one)

**39.** In terms of the issue of Preference Share, dividend is to be accumulated and payable in the year of distributable profits. Due to loss during the current and previous year, the company has accumulated dividend on the Preference share amounting to Rs.874.71 lac for the year 2011-12 and Rs.35.05 lac for the year 2010-11.

**40.** Secured Term Loans includes Rs 3263.00 Lac 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 exercised, then convertible into 6% Cumulative Redeemable Preference Shares ( CRPS), and Unsecured Term Loans includes Rs 2307.25 Lac convertible into 1% CRPS, along with interest upto the date of allotment in terms of CDR approved restructuring Scheme.

**41.** Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.12 and the same results into the Deferred Tax Assets (net), which has not been recognized due to uncertainty of sufficient taxable income in future within reasonable period.

**42.** The unclaimed dividend amount of Rs.0.61 Lac for the financial year 2003-04 (Rs. 0.17 Lac for the Financial Year 2002-03) has been transferred to the Investor Education and Protection Fund, as per the provisions of Section 205C of the Companies Act, 1956.

**43.** The balances of sundry debtors, loans and advances and sundry creditors are subject to confirmation and reconciliation.

**44.** In compliance of the Accounting Standard 26 issued by the Institute of Chartered accountants of India the brought forward deferred revenue expenses have been fully amortized during the year, resulting excess loss of Rs.188.13 Lac in the Statement of Profit & loss during the year.

**45.** Sales are net of Rebate & Discounts amounting to Rs 829.96. Lac (Previous Year 526.19 Lac).

**46.** 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. Subsequently, Hon'ble BIFR has issued directions in its meeting held on 26.07.12 to submit the revised DRS based on the Audited Financial Statements as of 31.03.12.

**47.** CDR EG had sanctioned a rework scheme on 31st March 2011 w.e.f 1st January 2011 against its earlier restructured scheme dt 11th September 2009 , intimated vide LOA dated 4th May 2011.The implementation of the same is under process.

**48. 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 Statement of profit and loss :

Particulars	Rs. in Lac	
	For the year ended 31st March 12	For the year ended 31st March 11
Employers contribution to Provident Fund and Employee's State Insurance Corporation	164.49	159.39

**NOTES FORMING PART OF ACCOUNTS**
**2. Defined Benefit plans**
**I. Gratuity**
**II. Earned leave**

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

Particulars	Gratuity (Unfunded)		Earned Leave (Unfunded)	
	For the Year ended 31st March 12	For the Year ended 31st March 11	For the Year ended 31st March 12	For the Year ended 31st March 11
Discount Rate ( per annum)	<b>8.50%</b>	8.00%	<b>8.50%</b>	8.00%
Future Salary Increase	<b>6.00%</b>	5.50%	<b>6.00%</b>	5.50%
In Service Mortality	<b>Std of LIC (1994-96)</b>	Std of LIC (1994-96)	<b>Std of LIC (1994-96)</b>	Std of LIC (1994-96)
Retiring Age	<b>58 years</b>	58 years	<b>58 years</b>	58 years
Withdrawal Rates				
Up to 30 years	<b>3%</b>	3%	<b>3%</b>	3%
Up to 44 years	<b>2%</b>	2%	<b>2%</b>	2%
Above 44 years	<b>1%</b>	1%	<b>1%</b>	1%
<b>I. Expenses recognized in Statement of Profit &amp; Loss</b>				
Current Service Cost	<b>43.63</b>	62.47	<b>21.36</b>	23.45
Past Service Cost - Vested	<b>Nil</b>	13.60	<b>Nil</b>	Nil
Interest Cost	<b>22.13</b>	16.12	<b>6.84</b>	5.09
Net Actuarial (gain)/ Loss recognized in the year	<b>(36.01)</b>	(19.39)	<b>(9.04)</b>	0.33
<b>Total Expenses</b>	<b>29.76</b>	<b>72.80</b>	<b>19.16</b>	<b>28.87</b>
<b>II. Net Assets /(Liability) recognized in the Balance Sheet</b>				
Present value of the Defined Benefit obligation	<b>213.23</b>	259.74	<b>75.30</b>	80.24
Fund Status (Deficit)	<b>(213.23)</b>	(259.74)	<b>(75.30)</b>	(80.24)
<b>Net assets/(Liability)</b>	<b>(213.23)</b>	<b>(259.74)</b>	<b>(75.30)</b>	<b>(80.24)</b>
<b>III. Change in present value of obligation</b>				
Present Value of obligation as at the beginning of the period	<b>259.74</b>	201.53	<b>80.24</b>	63.63
Interest Cost	<b>22.14</b>	16.12	<b>6.84</b>	5.09
Past Service Cost - Vested	<b>Nil</b>	13.60	<b>Nil</b>	Nil
Current Service Cost	<b>43.63</b>	62.47	<b>21.36</b>	23.45
Benefits Paid	<b>(76.27)</b>	(14.59)	<b>(24.10)</b>	(12.26)
Actuarial (gains)/Loss on obligation	<b>(36.01)</b>	(19.39)	<b>(9.04)</b>	0.33
<b>Present Value of obligation as at the end of the period</b>	<b>213.23</b>	<b>259.74</b>	<b>75.30</b>	<b>80.24</b>

NOTES FORMING PART OF ACCOUNTS

49. DIRECTORS' REMUNERATION

Particulars	Rs. in Lac	
	For the year ended 31st March 12	For the year ended 31st March 11
Salary	26.78	38.01
Perquisites	3.66	3.76
<b>Total</b>	<b>30.44</b>	<b>41.77</b>

50. PARTICULARS OF RAW MATERIAL CONSUMPTION

Particulars	Rs. in Lac	
	For the year ended 31st March 12	For the year ended 31st March 11
Cotton	38253.25	42423.43
Yarn	2750.22	2940.97
Fabric	11570.12	3277.47
Architectural Products	1511.56	1482.31
Others	2004.06	2468.54
<b>Total</b>	<b>56089.21</b>	<b>52592.72</b>

51. DETAILS OF PURCHASES OF STOCK-IN-TRADE

Particulars	Rs. in Lac	
	For the year ended 31st March 12	For the year ended 31st March 11
Yarn	459.91	1004.08
Fabric	39.52	283.22
<b>Total</b>	<b>499.43</b>	<b>1287.30</b>

52. Revised Schedule VI has become effective w.e.f. 01.04.2011 for preparation of financial statements. This has significantly impacted the disclosure and presentation made in financial statements. The previous period figures have been regrouped and rearranged, wherever necessary to make them corresponded with those of current period classification and disclosure.

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

For and on behalf of the Board

**MUNISH KR. JAIN**  
Partner  
Membership No. 70335  
Place : Ghaziabad  
Date : August 13, 2012

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

**Ajay Gupta**  
Company Secretary

**Sandeep Agarwal**  
Managing Director

**P.K. Rajput**  
Executive Director

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

Sr. No.	Name of the Subsidiary Company	Reporting currency	Amount in	Exchange Rate	Capital	Share application money received	Reserves	Total Assets	Total Liabilities	Investments (other than investments in subsidiary)	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Provision after Tax	Proposed Dividend	Country
1	Snowflaks Meditech Pvt. Ltd	INR	in Lacs	-	434.26	-	1140.27	2230.22	655.68	-	-	41.90	12.95	28.95	-	India
2	Alps Energy Pvt Ltd	INR	in Lacs	-	449.94	-	1496.61	1986.77	40.22	-	-	158.20	31.65	126.55	-	India
3	Alps USA Inc.	INR	in Lacs	51.16	626.71	-	(363.80)	270.84	7.93	-	-	(0.31)	-	(0.31)	-	USA
		USD	in '000	-	1225.50	-	(711.11)	529.39	15.50	-	-	(0.61)	-	(0.61)	-	

## AUDITORS' CERTIFICATE FOR CASH FLOW STATEMENT

We have examined the Cash flow Statements (Standalone & Consolidated) of Alps Industries Limited for the financial year ended on 31st March 2012 forming part of Annual Report. The statements 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 Statement of Profit and Loss and the Balance sheet of the Company covered by our report of August 13, 2012 to the members of the Company.

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

Place : Ghaziabad  
Dated: August 13, 2012

**Munish Kr. Jain**  
Partner  
Membership No. 70335





## Alps Industries Limited

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