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ALPS INDUSTRIES LTD.

CORPORATE DIRECTORY

Manufacturing Facilities / Offices

Unit I

Eco-Friendly Yarn Spinning & Dying Mill
Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar,
Uttarakhand- 249403
Ph.: 01334-239169
Email – admharidwar@alpsindustries.com

Unit IV

**Vista Window Covering , Awnings & Floor
Covering Division**
A-2 & A-3 Loni Road Industrial Area, Opp.
Mohan Nagar, Ghaziabad – 201 007 (U.P.)
Ph.: 0120-2657574
Email –sales@alpsindustries.com

Showroom

B-2, Loni Road Industrial Area, Opp. Mohan
Nagar, Ghaziabad – 201 007 (U.P.)
Ph : 0120-2657 649

R&T AGENCY

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

COST AUDITORS

Neeraj Sharma & Co., Cost Accountants

Unit II

High Quality Compact Yarn Spinning Mill
Plot No. 1B, Sec. 10, I.I.E., SIDCUL, Haridwar,
Uttarakhand- 249403
Ph.: 01334-239169
Email – admharidwar@alpsindustries.com

Unit V

Vista Window Covering Division
B -160-161, Industrial Estate, Mettupalayam,
Puducherry - 605009
Ph.: 0413-2271464

Yarn & Fabric Marketing office

57/2, Site-IV Industrial Area, Sahibabad,
Ghaziabad – 201010 (U.P.)
Ph : 0120-4161700
Email – yarnmarketing@alpsindustries.com

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ajay Gupta
57/2, Site-IV Industrial Area, Sahibabad,
Ghaziabad – 201010 (U.P.)
Ph (D) : 0120-4161716
Fax : 0120-2896041
Email ID : ajaygupta@alpsindustries.com
investorsgrievance@alpsindustries.com

SECRETARIAL AUDITORS

CSK & Co., Company Secretaries

Unit III

**Automotive, Technical & Decorative Fabric
Weaving and Processing Mill**
Village –Aminagar, Bhoor Baral, Meerut Delhi
Road, Meerut – 250103 (U.P.)
Ph.: 0121-4014600

Unit VI

Home Furnishing Made ups Division
57/2 & 58/1, Site-IV Industrial Area, Sahibabad,
Ghaziabad – 201010 (U.P.)
Ph.: 0120-4161700
Fax.: 0120-2896041
Email – info@alpsindustries.com

REGISTERED AND CORPORATE OFFICE & SHARE DEPTT.

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

STATUTORY AUDITORS

R.K. Govil & Co., Chartered Accountants

COMPANY IDENTIFICATION NUMBER (CIN)

L51109UP1972PLC003544

REGIONAL & MARKETING OFFICES - VISTA DIVISION

BANGALORE : 303, Ahuja Chambers of
Commerce, 3rd Floor, Kumara Krupa Road,
Bangalore – 560 001
Ph.: 080-40914620
Telefax: 080-40936070
Email : vista-bangalore@alpsindustries.com

CHENNAI : No. 42, Sindhur Plaza, 1st Floor,
Montieth Road, Egmore, Chennai - 600008.
Ph: 044-42122753
Email : vista-chennai@alpsindustries.com

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

DELHI : F-228, Near Campa Cola Factory,
Lado Sari, New Delhi -110 030
Tel. 011-29523097
E-mail: vista-delhincr@alpsindustries.com

PUNE : 122 and 123, Patil Plaza Near
Mitrmandal Chowk, Parvati , Pune -411009.
Tel: +91-20-41264001
Fax: +91-20-66066296
E-mail: vista-pune@alpsindustries.com

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

HYDERABAD : 6-3-853/1, Flat No. 501. Fifth
Floor, Maridian Plaza, Lal Bungalow, Ameerpet
Hyderabad-500016
Email: vista-hyderabad@alpsindustries.com

Mr. K.K. Agarwal, Promoter & Non Executive Chairman (DIN NO. 00139252)

Mr. K.K. Agarwal is a qualified Textile Technologist from Government Central textile Institute, Kanpur (UP) and has received many awards from Central/State Governments and various Export Promotion Councils for his valuable guidance. He has also enjoyed prestigious positions in various organizations like, Chairman-North Zone AIMO, Executive Member of FICCI, FIEO, CII, HEPC & Member of Cotton Yarn Advisory Board. He was Executive Member of CITI . Textile Association (India), at the national Textile Seminar, has also awarded "Life Time Achievement Award" in recognition of his immense services to textile industry for creating jobs for Textile graduates. Mr. Agarwal is also involved in various social activities through educational organizations, for a long time. He is actively involved in the family charitable trust for helping under privileged children and providing free education, books, etc. to them under the name and style of CDK Foundation. He is also the Chairman of Sushila Devi Charitable Trust and President of Chaudhary Chhabil Das Public School, a reputed institution in education in Ghaziabad having approx. 5000 students.

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

Mr. Sandeep Agarwal, Promoter & Managing Director (DIN NO. 00139439)

He is in the textile industry since last 27 years 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 (DIN NO. 00597342)

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, Independent Director (DIN NO. 02569624)

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

Mr. Tilak Raj Khosla, Independent Director (DIN NO. 02724242)

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

Mr. Pradyuman Kumar Lamba, Independent Director (DIN NO. 02843166)

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 Defence. He has wide experience of about four decades in accounts and auditing of Accounts at various positions like Auditor, Section Officer, Accounts Officer, Asst. Accounts Officer, Asstt. C.D.A. and Dy. C.D.A. He is an independent and non executive director.

Ms. Deepika Shergill, Independent Director (DIN NO. 07093795)

She possess over of diversified exposure in the administrations of reputed companies engaged in diversified fields.

To,
The Members,
Alps Industries Limited.

Your Directors have pleasure in presenting the 44th Annual Report, together with the Audited Statements of Account of the Company for the financial year ended 31st March, 2016 in terms of the Companies Act' 2013 and rules & regulation made there under.

The Financial 'Performance of the Company, for the year ended March 31, 2016 is summarized below:

FINANCIAL RESULTS**(Rs. in Millions)**

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Total Income	5816.03	6426.83
Operating Earnings/Losses before Financial Expenses, Depreciation & Amortization and Tax	(126.54)	153.02
Finance Cost	0.47	0.35
Depreciation	358.64	447.54
Profit/Loss Before Tax	(484.71)	(294.87)
Provision for Tax	0.00	0.00
Profit/Loss After Tax	(484.71)	(294.87)
Exceptional Items	686.94	-
Surplus of last year Add:	(9568.15)	(9260.77)
Surplus available for appropriation	(9365.92)	(9568.15)
Appropriations	-	-
Surplus carried to Balance Sheet	(9365.92)	(9568.15)
Surplus available for appropriation	(9365.92)	(9568.15)

OPERATING SCENARIO

At Macro Level – Domestic & Exports

The textile spinning sector, which is showing signs of pick up, perceives that any announcement regarding extension of export benefit for cotton and yarn would definitely lift the sector out of its present paradox. Cotton prices too have started to rise in the last one month. Annual clothing sales in China expected to exceed \$300 million in 2019, up 25 per cent from 2014. In comparison, apparel sales in the US are estimated to hit \$267 million in three years, meaning China will surpass the US as the world's largest apparel market by the end of the decade. The report, which compared industry performance in the world's two largest economies, says that despite the strengthening of the Chinese yuan and rising raw material and labour costs directly impacting the Chinese clothing market, China still continues to be a global leader. The ongoing water scarcity in several parts of India, is also expected to have a negative impact on industrial production in the next 2-3 months. Overall, cotton had a reasonable 2015 for the first time in over 5 years. Cotton stocks were lower than previous year. Low ending stocks and production decreases have been the main supporter of cotton prices. The production of cotton has continued to decline despite rising demand. Cotton continues to lose market share to other fibres. The Indian Textile Industry should gear up to attain its desired position in the global market and the government is willing to provide all possible support by creating enabling frameworks. India would be exporting about USD 185 billion of textile and apparel by 2025. During the cotton season 2014-15, India became number one in terms of area under cotton cultivation and remains the second largest supplier of Textiles to USA during Jan-Dec 2015, The textile industry was literally on fire especially after the green tribunal lifted, though conditionally, the ban on processing units of Rajasthan and Maharashtra as they announced the much awaited package of self financed for newly established textile units. However, the market frenzy proved short lived as the industry, already under recession since last more than one and half years, dived to new low due to the fresh wave of uncertainty in the local and global markets, and absence of clarity in government's textile policy. The Indian textile industry has been facing a long drawn recession since April 2014 owing to global economic slowdown and higher tariff imposed on Indian textiles and clothing products in all the major textile markets when compared to its competing nations like Pakistan, Bangladesh, Vietnam, Turkey, Cambodia, etc. Realizing the need for enhancing the competitiveness, the Union Government had extended 2% MEIS benefit for all textile products other than cotton yarn. The spinning sector has appealed to the government to extend the export benefits for cotton yarn, also as the sector is the worst affected due to surplus capacities. The growth of the textile industry is vital for national development. The industry is yet to achieve its true potential in the global market. The "Make in India" initiative will bring more investments in the sector and create an efficient eco system which will benefit the entire value chain. India's increasing efficiency in the sector along with 100% FDI allowed in the industry is helping Indian textile firms to consolidate their export position. Under the Export portfolio while the Nation celebrates the opportunities under the umbrella of "Make in India", the story relating to exports is quite gloomy. Data published for the month of January 2016 continues to show a declining trend for the consecutive 14th month. Exports of cotton textiles (yarn, fabrics, made-ups) declined by 5.10% and overall the T&C exports reached US \$ 29.49 billion during April-Jan, 2016, almost at par with export performance in the previous year same period. Government is pro-actively supporting the industry as can be seen in the recent rationalizing of duty draw back rates for blended yarns and blankets and the release of amounts towards interest equalization by co-operative banks, it appears to be due to lack of demand arising out of recessionary conditions prevailing in the overseas markets.

At micro level- overall performance

Under the Made-ups division company, is continuously striving to be at par with market level as far as growth is concerned. Your company is upgrading products range as well as market share continuously. During the year, your company is also acknowledged for value added products in made up segment. There are several plans to have business relations with reputed buyers. Your company expects good future, since demand of cotton & cotton blends products are increasing in the international markets. Your company also gearing up & increasing the efficiencies & capacities to cater the market demand in domestic as well as in overseas markets. The business sentiments are very soft in Furnishings Industry, both for exports and domestic markets. We hope the next fiscal year seems to be more optimistic in terms of response from major buyers. Your company have ventured into fire retardant fabrics suitable for hotel industry and Defence sector for technical textiles. Your company have also reinvented commodity products to have good response from exports as well as domestic buyers.

In the Auto and Technical Textiles segment, your company has done well and able to achieve the growth during the previous financial year. We are planning to cater the demands for Buses & Car Segment also during the current fiscal year. Car Segment's business largely depends upon the OEM and prices are very competitive and Bus Segment has also equal Share of OEMs as well as in the Domestic Market. Your company is focusing more on to the heavy vehicles segments, Technical

Textiles and Defence sector since your company expecting change in the policy for procurement of indigenous products. Your company also looking forward to expand the business in other segments like Multiplexes and Protective Clothing, during the current financial year. We are expecting the possibility of re-engineering the product constructions and raw materials utilization mix. In the Yarn segment we are struggling to achieve the desired results and due to overall slump in the economy particularly in the spinning sector your company is facing the acute problems. All the efforts are being made to improve the efficiencies, financial as well as technical, by changing the existing product mix by introducing some value added product lines to keep the pace with the domestic and overseas market demands.

However the Hon'ble National Green Tribunal (N.G.T.) vide its order dated January 27, 2016 had directed to stop the operations of unit having spinning and dyeing facilities located at Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar, Uttarakhand, till further orders. Accordingly the operations of the said unit had been stopped. It was alleged that the unit was discharging effluent in excess of the norms and hence polluting water. The company had filed the revision application with Hon'ble N.G.T. to withdraw the said directions on the basis that it has an agreement with CETP and SIDCUL for further treatment of its effluent. The Company had closed the entire plant and again approached Hon'ble National Green Tribunal (N.G.T.) with a request to the reopen the spinning plant which is a non-polluting. The Hon'ble National Green Tribunal (N.G.T.) has considered request of the company and vide its Order dated March 31 2016 has allowed the re-opening of Spinning plant subject to the condition that this unit shall start its operation only after getting the new electro-meter installed separately for this unit and to take permission from Ground water authorities. The necessary compliance of the Order has been taken care and the Spinning section has started functioning since then. However the company is exploring possibilities to start the Dyeing House section also. Due to this the financial performance of the unit has been affected. However to improve the adverse conditions, we are planning to introduce some new product range like Polyester cotton blended/ PC Grindle yarns which has better EBIDTA margins, slub, PVA etc. One of the segments of the company i.e. Vista, in domestic market, has earned an enviable reputation and is the market leader in window dressing range of products, which are well known in the domestic market for its world class quality & continuous innovations in the segment. Under this product range, which are crafted with absolute focus towards customer's needs and desire, company has introduced various new products like Carpet tiles, Hospital Curtains, New Gallery & window blinds, Mellee, Medley & Milange for residential sectors, new shades in Naturons, S-contour & Sheer dimout blinds, New mechanism called "Top Down Bottom Up" have been introduced in cellular blinds range, roller blinds etc. apart from various other customer-friendly services like after sale services to the buyers, free home deliveries, arranging for spare parts & its installation at the door of the customers, to boost the market share. The Carpet tiles are emerging trends in floor covering. Owing to its ease of maintenance the trend is gripping up in commercial as well as in residential sectors. Its maintenance includes regular vacuuming only. Vista Carpet tiles are available in two base materials; PP & Nylon in different shades to choose from. The range encompasses Bendable Curtain Track, Decorative Curtain Track, Hospital Curtain tracks and many more. The range of curtains is appreciated for their smooth & noiseless movement, longer functional life and easy installation. These products find application in hospitals, hotels, houses, offices etc. Vista laminated flooring, capturing design, appeal and elegance with special attention to physical texture and it consists of full textural coverage. With continuous urge of giving the best to the consumer, vista has made a mark in the market for its classy, elegance and durability. The natural variations and randomness found in flooring is indicative of perfection.

During the period under review your company could not maintain the EBIDTA which drops to Rs.(126.54) millions in comparison to Rs 153.02 million in previous year due to various unavoidable factors, various operational challenges in the production and marketing front, like decrease in the margin of yarn, closure of the operations of unit having spinning and dyeing facilities located at Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar, Uttarakhand by the Hon'ble National Green Tribunal (N.G.T.) vide its order dated January 27, 2016 during the financial year 2015-16, Due to this the financial performance of the company has been affected adversely. The impact of measures for improvement in the performance taken place during the year will be reflected in the current year's financial parameters. However due to Exceptional Net income of Rs.686.94 millions, the company has earned Net Profit of Rs. 202.23 millions during the year under review.

FUTURE OUTLOOK – TECHNICAL FRONT

In the Made-up divisions your company is planning to upgrade the production facilities by replacing old machines with latest in market to give better quality products. At Haridwar Plant we have been able to maintain the balanced technical performance in terms of utilization and productivity during the financial year under consideration. The Company is also focusing on technically special PU coated fabric and TPU membrane lamination, which provides excellent water proof and moisture vapor transmission. These fabrics having high technicality involved to fulfill the demands of Indian Defence and also useful for high altitude temperature. At Haridwar unit your company is focusing on improving plant performance in

general and to produce quality oriented yarns for higher segment. However company is planning for technology up gradation of old plant in the phased manner.

RESTRUCTURING/ REHABILITATION OF THE COMPANY UNDER THE PROVISIONS OF CDR AND THE SICK INDUSTRIAL COMPANIES (SPECIALPROVISIONS) ACT, 1985 (SICA).

In Aug 2009, while the company was facing liquidity crunch, a restructuring scheme was sanctioned and implemented under the Capital Debt Restructuring (CDR) mechanism set up by Reserve Bank of India. The main features of the scheme among others were the conversion of a portion of debt/ liability into OCCPS/ CRPS, extension of debts repayment period and reduction of rate of interest. In the mean time, due to erosion of the Net Worth of the company as per Audited Accounts as of 31st March 2010, the Company filed a reference with Hon'ble BIFR for its rehabilitation under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) which was registered vide Case No. 32/2010 as per BIFR's letter dated June 29, 2010 and vide BIFR's order dated 06.12.2010, company has been declared as a "Sick Industrial Company". Vide same order, State Bank of India has been appointed as the Operating Agency (O.A.) and Hon'ble BIFR also directed to prepare and submit a fully tied up Draft Rehabilitation Scheme for the revival of the company. Afterwards, due to another setback faced by the company, in the year 2011, the CDR Scheme was reworked and was partly implemented while the remaining part of the package was to be implemented after the approval of Hon'ble BIFR. However, the case of the company has been withdrawn by CDR,EG w.e.f. November 16, 2012.

State Bank of India, the operating Agency, has filed the Draft Rehabilitation Scheme (DRS) for the rehabilitation of the company with Hon'ble BIFR on 07.07.2011, as recommended by the majority of lenders in their Joint Lenders Meet (JLM) held on 15th June' 2011 and by the Statutory Agencies in their meet held on 5th July' 2011 from whom company sought some reliefs and concessions in the DRS however in view of the developments taken place afterwards, the Hon'ble BIFR has directed to file the updated DRS for its consideration.

Accordingly company has filed the updated DRS which has been approved by the majority of secured lenders of the company in their Joint meeting held on 29th Nov 2014 accordingly the State Bank of India (OA) has recommended the Draft Rehabilitation Scheme of the company to the Hon'ble BIFR for its circulation. The said DRS is under consideration of the Hon'ble BIFR.

The restructuring forming part of DRS which is under consideration of Hon'ble BIFR primarily envisages upfront waiver of outstanding unpaid interest towards secured and unsecured loans from Banks/ARC/Financial institutions, payment of principal outstanding of Banks/FI/ARC's sustainable debts in a staggered manner over a period extending up to 31.3.2022 on interest free basis, partly in cash as aligned with the future cash flow of the company and partly by issuance of fresh equity and the unsustainable portion of debts to be settled partly by issuance of debt instruments and upfront equity and the balance to be waived.

The restructuring also envisages waiver of outstanding interest payable on loan from subsidiary companies and subvention of the principal loan till the currency of the scheme period.

In view of consent of majority of secured creditors (comprising more than 83% of the secured debts of the company) to the Draft Rehabilitation Scheme pending consideration before Hon'ble BIFR, no provision for interest on secured/unsecured loans of Banks/Fis/ARCs/Subsidiary Companies has been made from the Financial Year 2014-15 onwards. Further the financial impact of the waivers of outstanding interest, part waiver of outstanding principal eligible till the end of current financial year i.e. 31.3.2016, as envisaged in the scheme, pertains to the lenders who have already accorded their consent to the restructuring, has been considered in these financial statements.

CREDENTIALS/CERTIFICATIONS

With the contribution and efforts of all concerned, the various credentials have been renewed /continued during the period under review viz.:

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

- ◆ Certificate of Compliance of standards issued by the CU Inspections & Certifications Private Limited.
- ◆ Membership of Federation of Indian Export Organizations

MEASURES TO REDUCE/CONTROL COST

To meet out the market competitiveness and improve the financial performance, the company is committed to reduce the cost, upgrade the efficiency and ensure optimum utilization of the current as well as fixed assets of the company. On technical front, your company is continuously try to achieve the reduction in raw material cost by making different composition of mixing/purchase of cotton through commodity exchange, increase in machine productivity, better yarn yield with optimum use of raw material, control waste generation to bare minimum and best use of work force, best utilization of capacity with lowest Raw Material Cost and good quality of end product to fetch best yarn price. The units located at Meerut and Haridwar have taken various important steps which includes buying of raw material in bulk quantity, directly from suppliers, after proper negotiation and studying market prices, reducing the fixed overheads, increase the utilization and efficiency of machineries to reduce the cost, standardize the production process flow chart to avoid the rejection, maintain the inventory level as per the requirement, constant check on power consumption, controlling/reducing rejections & re-processing, reusing / recycling all possible items, strict follow-up on regular maintenance schedule to avoid major break downs, increasing overall efficiency to reduce production cost, using low consumption LED lights. In order to reduce the substantial logistic cost, the company is opting for land ports nearest to the units. Transportation cost reduced by finalizing the transport & courier contracts at best possible lowest rates for the goods movement of the Units. The unit located at Meerut has also optimized its cost structure by way of strong emphasis on consumption and control of waste, reduction & rationalization, inventory control & Manpower optimization. Developed Special flat inspection machine for inspection of fabric on similar method as buyer to save the overhead considerably on the inspection of material, reduced the soft water consumption through re-collecting the usable hot water and also by setting the machine liquor ratio, reduction in coating chemical cost. In Made up division your company have implemented strict monitoring of the stocks by analyzing the in minimum lead time. Energy audit, observations and suggestions by competent agency were also implemented at the Haridwar unit during the period under review, to save the Energy cost.

STATUS OF HOLDINGS OF SUBSIDIARY COMPANIES

During the year under review, there is no change in the status of subsidiary companies. As per Section 2(87) of the Companies Act, 2013, after considering the indirect holding through it's another subsidiary (Alps USA Inc.), the percentage of shareholding continued to be 78.22% in Alps Energy Pvt. Ltd. and 81.65 % in Snowflakes Meditech Pvt. Ltd. In terms Regulation 23 & 24 of the SEBI(Listing Obligations and Disclosure Requirements) 2015, Mr. Prabhat Krishna(DIN No.02569624), Independent & Non Executive Director of the Company continues to be representative director in the aforesaid indian "Material subsidiary" companies during the year.

FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES

The company continued to have three subsidiaries at the end of the financial year viz; M/s. Alps Usa Inc., M/s. Alps Energy Pvt. Ltd. and M/s. Snowflakes Meditech Pvt. Ltd. As required under Section 129(3) of the Companies Act, 2013 and applicable rules, the Financial Statements of all three Subsidiaries Companies are being annexed.

GOVERNMENT INITIATIVES- TEXTILE SECTOR

In the Union Budget 2016, the Central Excise Act, the Government have imposed excise duty on readymade garments and made up textile articles falling under some specified Chapters of the Central Excise Tariff. The duty is leviable on branded items of garments and made up articles having MRP of Rs. 1,000/- and more. There are options to pay excise duty @ 2% (without CENVAT credit) or 12.5% (with CENVAT credit facility). It is to apply to all readymade garments and made ups regardless of the composition of the garment / article. The tariff value for readymade garments and made ups is fixed at 60% of MRP. There is no change in the peak rate of customs duty this year. This Measure will help to bring down the input cost for several technical textiles manufacturers in the Country. Basic Custom Duty on import of Fabrics reduced to zero. Also, the string attached to this facility that the total value of goods imported shall not exceed one percent of the Free on Board(FOB) value of textile garments exported during the preceding financial year. The Ministry has received Rs. 4594.82 crores for the upcoming financial year to support its various schemes covering the entire textile industry. In 2015-16, it was Rs.4326.44 crores. The flagship ATUF Scheme has been allocated Rs. 1480 crores for FY 2016-17 compared to Rs. 1510.79 crores in the FY 2015-16. Apart from ATUFS, all central funded schemes for textile sector have received required allocation of funds. The Government's focus on the farmer and rural sector is expected to boost the economic health of rural India, which in return will

improve consumption of textiles and apparels. Significantly large expenditure by the government in the rural and agricultural sector will stimulate demand. Domestic textile market size is anticipated to grow significantly, driven by increased consumption from rural and semi urban areas in the next 2-3 years. The government aims to double farm income by 2020, making farming a more lucrative activity. This should address the problem of high suicide rates among farmers, especially cotton farmers with regard to textiles which was the main demand of association. The Government has allocated Rs. 1480 crores for Technology Upgradation Fund Scheme. These additional funds would be required to meet the pending subsidies since September 2014. On the various benefits extended for the skill development and job creation in the Nation, government has hailed EPF benefit of 8.33% for the new entrants in the EPF. This would significantly improve the compliance and also ensure social security of the Employees. Once GST is introduced, the whole value chain will be covered by duty and traceability as well as compliance will improve tremendously and implementation problems will also ease considerably.

DIVIDEND

Due to inadequate profits during the financial year ended on March 31st 2016, no dividend has been recommended by the Board of Directors.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 of the Companies Act, 2013, there was no unclaimed dividend relating to the financial year 2014-2015 which was due for remittance during the financial year 2015-2016. Hence no amount due to be transferred to the Investor Education and Protection Fund established by the Central Government.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent directors viz. Mr. Prabhat Krishna, Mr. Pradyumn Kumar Lamba, Mr. Tilak Raj Khosla and Ms. Deepika Shergill have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their continuity of appointment as an Independent Director under the provisions of the Companies Act, 2013 as well as Regulation 17 of the SEBI(Listing Obligations and Disclosure Requirements) 2015.

RISK MANAGEMENT PLAN

In compliance of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 related to corporate governance, Risk Management plan of the company recognizes that the Enterprise Risk Management is an integral part of good management practice. Hence Risk Management is an essential element in achieving business goals. In terms of Policy, the Company is committed for managing the risk in a manner appropriate to achieve its strategic objectives. The Company will keep investors informed of material changes to the Company's risk profile through its periodic reporting obligations and ad hoc investor presentations. The Company reviews and reports annually on its compliance of Corporate Governance Principles and recommendations for betterment, which include Risk Management and the internal control framework. Accordingly the Company has framed procedures to inform members of Board of Directors about risk assessment and minimization procedures.

POLICY FOR DETERMINATION OF "MATERIALITY".

In terms of the provisions of Regulation 30 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a policy for determination of "Materiality" and the Board of Directors has appointed the company secretary & compliance officer as the Materiality Officer to take care of the relevant compliances.

POLICY FOR PRESERVATION OF DOCUMENTS

In terms of the provisions of Regulation 9 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has framed a policy for preservation of documents.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In terms of section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the company has established a Vigil Mechanism policy for the Directors and Employees to report genuine concerns in such manner as may be prescribed and such a vigil mechanism has provided for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases, instances of unethical behavior, actual or suspected, fraud or violation of the

company's code of conduct etc. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general. The scope of the policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies & assets of the company, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

NOMINATION & REMUNERATION, EVALUATION, BOARD DIVERSITY POLICY & FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS.

As mandated by the statutory provisions contained under section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI(Listing Obligations and Disclosure Requirements) 2015, Nomination & Remuneration Committee of the Company has already formulated, which is force as on date. This policy contains guidelines on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company and Evaluation and Board Diversity policy for directors. This policy may be treated as a benchmark for determining the qualifications, positive attributes and independence of a Director, criteria for evaluation of Independent Directors and the Board, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management Personnel of the Company. To provide insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the Company, Familiarization Program have been formulated and introduced by the Company to simplify the understanding of various responsibilities and rights of the Independent Directors during the year under review.

SHARE CAPITAL

During the year under review there is no change in the capital structure of the company.

RELATIONSHIP WITH INVESTORS

To have the participation by all the valued investors in the voting pattern for any proposal and in terms of the compliance of the Section 108 of the Companies Act, 2013 and Companies(Management and Administration) Rules, 2014 made thereunder and in terms of Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the company has made arrangements for e-voting facility through which any investor can participate in the AGMs through e-voting and need not struggle to attend the meetings in person.

Further in terms of Regulation 20 of the SEBI(Listing Obligations and Disclosure Requirements) 2015 and Section 177 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 made thereunder, the Company has framed Stakeholder Relationship Committee which is fully committed and accountable to the valued investors, who have reposed the confidence in the company by investing their hard earned money in the company and supported the management in such a crucial time.

The relationship with the investors continues to be cordial. Your company's management is fully aware and dedicated for survival of the company and committed to take all efforts to resolve the investors' grievances received during the year to the satisfaction of the investors within a reasonable time. M/s Alankit Assignments Limited, the R&T Agent of the company, continued to extend their positive contribution to resolve the Investors' grievances efficiently and effectively, whenever they arose. By contribution from all concerned, the investor grievances have been resolved to the fullest satisfaction of investors. We sincerely place on record, the appreciation for our valued investors, who have contributed and reposed the confidence in the company at this difficult time. The management not only believes in legal compliance related to the investors, but also morally protects their interest, and treats them as part of Alps Group. In its endeavor to improve investor services, your Company has created an investor section, and designated exclusive E-Mail ID for the purpose of registering complaints by investors and necessary follow up action by the company / compliance officer in compliance with Regulation 36 of the SEBI(Listing Obligations and Disclosure Requirements) 2015. The e-mail ID is: investorsgrievences@alpsindustries.com

MANPOWER –VALUABLE ASSETS

Human Resources are the key assets of Alps and management endeavors continuously to build a self motivated and self disciplined workforce by its unconditional support for building the right performance oriented culture under the leadership of its key management personnel. The significant HR initiatives taken during the Financial Year, includes reorganizing the Structure with defining the Roles of Business Heads. The initiative is showing improvements with improved accountability, coordination and focus. A robust talent pipeline and a high-performance culture, centered on accountability, in place, enable

us to retain our competitive edge. Your company is continuously benchmarking its HR practices with the best of those exists across the industry and keep carrying out necessary improvements to attract and retain the best talent. The company has been reviewing the various Policies related to employees periodically considering the needs of its employees treating its human resources as its valuable assets. It helps the employees to focus on their assignments, instead of bothering for hygiene, and give their best to the organization. Consistent efforts are being made to optimize the utilization of available human resources through regular monitoring of the Manpower at various locations in different businesses, clearly define the job responsibilities so as to avoid over-lapping, also key results areas and key performance indices for better focus and assessment of the contributions and its alignment with the business objectives, fair implementation of the HR Policies. Efforts continued to be made to improve the female workers/employees ratio, particularly at the shop floor, in-line with the national policy of gender equality and policy to restrict the sexual harassment is also being implemented in line with the government directions. The company's concerns for welfare of its workforce continued during the year and accordingly Group pension/Accident Insurance policy/ESI/WC policies were continued further as in the past. The company has been consistently maintaining harmonious & cordial relations with the employees at all the locations. The Company continues to lay emphasis on building and sustaining an excellent organizational culture focusing on performance. During the year, the Company employed on an average 1675 employees (2300 during previous year 2014-15). The reduction in the employees' strength is mainly due to the challenge faced by our Yarn Dyeing facility at Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar, Uttarakhand which stopped its operation because of directions of NGT, New Delhi. However, pursuit of proactive policies, industrial relations has resulted in a peaceful and harmonious situation on the shop floors of the various plants.

BOARD OF DIRECTORS- CHANGES/REAPPOINTMENTS

REAPPOINTMENT OF NON-INDEPENDENT DIRECTORS BY ROTATION

In terms of the provisions of Section 152 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 & Article No. 106,107 & 108 of the Articles of Association of the Company, Mr. Sandeep Agarwal , Managing Director (DIN No.00139439) recommended by the Board of Directors at their meeting held on May 30, 2016 for re-appointment who retires by rotation and eligible for re-appointment and offer himself for reappointment at the ensuing Annual General Meeting. The disclosures as required under the Companies Act 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 related to Corporate Governance published elsewhere in the Annual Report.

SPECIAL DIRECTOR-BIFR

The appointment of Mr. Mohan Lal Sharma (DIN No. 03110692) as Special Director by Board of Financial Reconstruction, who was appointed as Special Director on February 18 2011, has been withdrawn and discharged from his duties by BIFR w.e.f. 03.02.2016 as intimated to Company vide letter dated 19.02.2016, during the period under review. Hence he has been disassociated with the company w.e.f. 03.02.2016. Board places on record its appreciation for the valuable services/advices extended by him during the tenure his association with the company.

KEY MANAGERIAL PERSONEL

During the under review, as required under section 203 of the Companies Act, 2013 and applicable rules, there are no changes in the existing KMP's of the Company during the under review. viz. Mr. Sandeep Agarwal (Managing Director), Mr. Ashok Kumar Singhal President (Corp. Accounts) and Mr. Ajay Gupta (Company Secretary & General Manager-Legal). Hence they continued to be KMP's of the Company.

INTER CORPORATE LOANS, GUARANTEES AND INVESTMENTS

During the year under review company has not given any Inter Corporate Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

As per provisions under Section 135 of the Companies Act, 2013, all companies having net worth of Rs. 500 crores or more, or turnover of Rs. 1,000 crores or more or a net profit of ` Rs. 5 crores or more during any previous three financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of Board of Directors comprising three or more directors, at least one of whom should be an Independent Director and such Company shall spend 2% of the average net profits of the Company made during the three immediately preceding financial years. Due to net profit earned by the company during the financial year 2015-16, your company needs to comply with the above requirements. Accordingly CSR Committee has been constituted by the Company comprising Mr. Prabhat Krishna (Chairman), Mr. Sandeep Agrawal,

Managing Director and Mr. P.K. Lamba, Independent Director, as other members of the Committee. The CSR Committee will frame a Corporate Social Responsibility Policy (CSR Policy) further to be approved by the Board, indicating the activities to be undertaken by the Company to fulfill the expectation of our Stakeholders and to continuously improve our social, environmental and economical performance while ensuring sustainability and operational success of our Company. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy Rules 2014.

RELATED PARTY TRANSACTIONS

In terms of the Section 188 Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 and further in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, related to the corporate governance, company has formulated Related Party Policy of the company. During the year under review, company has entered into related party transactions which are at the market prevailing prices and on arm's length basis and are in its ordinary course of business. The details of the transactions are annexed elsewhere in the report. Hence there are no conflicts of interest and in compliance of company policy related to Related party transactions.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 134(5) of the Companies Act 2013, the Board confirms and submits the Directors' Responsibility Statement:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 and loss of the company for that period;
- (c) The directors had 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;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively which means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES

In terms of Section 197 of the companies Act 2013 and applicable Rules made there under, the details of the employees who were drawing in excess of the highest paid Whole Time Directors, are enclosed as Annexure I.

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

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure-II) here to and forms part of this report.

COST AUDIT REPORT

In compliance of Notification Reference No. GSR No. 01(E) on January 1, 2015 and Companies (Cost Records and Audit) Rules, 2014 Companies (cost records and audit) Amendment Rules, 2016 issued by the Cost Audit Branch under Ministry of Corporate Affairs and further in terms of the Powers conferred by Section 148, of the Companies Act, 2013, Company had appointed M/s. Neeraj Sharma & Co., Cost Accountants, (Firm Regn. No. 100466) to submit the Cost Audit Report duly approved by the Board of Directors, to the Central Government, for the financial year ended on March 31, 2016 for the products which are specified in the Notification No. GSR No. 01(E) on January 1, 2015 and Companies (Cost Records and Audit) Rules, 2014 as amended from time to time. The Cost Audit report will be filed by the company within the due date i.e.

on or before September 27, 2016, being 180 days from the close of the financial year or as may be extended by the department from time to time as provided by the M/s. Neeraj Sharma & Co., Cost Accountants being the cost auditors for the financial year 2015-16.

COST AUDITORS

In compliance of Notification Reference No. GSR No. 01(E) on January 1, 2015 and Companies (Cost Records and Audit) Rules, 2014 as amended from time to time M/s. Pramod Kumar & Co, (Firm Regn. No.104022) Cost Accountants, Ghaziabad, firm of Cost Accountants has been appointed as the Cost Auditors of the company under Section 148 of the Companies Act, 2013 for the next financial year ended on March 31, 2017, at the meeting of Audit Committee and Board of Directors of the company held on May 30, 2016, in place of the existing Cost Auditors M/s Neeraj Sharma & Co. (Firm Registration No. 100466) to reduce the cost and other operation convenience to the company. It has been confirmed by the proposed Cost Auditors that the necessary compliance related to the change in the Auditors as specified by the Institute of Cost Accountants of India and the Cost and Work Accountants Act 1959, has been complied with. As required under Section 148 of the Companies Act, 2013, the ratification for their appointment & remuneration has been recommended at the forthcoming Annual General Meeting of the company. However, it is strictly applicable in terms of any Notifications/Circulars related to Cost Records and Cost Audit Rules, as may be specified at any time by the MCA or any regulatory authorities. If due to any reasons the mandatory requirements abolish, then continuation of the appointment of Cost Auditors, will be at the discretions of the board of directors as per the requirements of the company.

STATUTORY AUDITORS

M/s. R.K. Govil & Co., Chartered Accountants, (Firm Registration No. 000748C), the Statutory Auditors of the Company, completes the First term one year out of four years as approved at the Annual General Meeting of the Company held on September 30 2015. Now they have further confirmed their eligibility and willingness to accept office, if they get approval for ratification for the reappointment for remaining term of three years out of already approved term of four years, at the forthcoming Annual General Meeting. The company has received certificates from the said auditors to the effect that their confirmation, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. Your Directors recommend their confirmation under Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 for a further period of 3 years i.e. till the conclusion of 47th Annual General Meeting.

INTERNAL AUDITORS

In terms of Section 138 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014, M/s. Anil Nupur & Co., Chartered Accountants, (Firm Regn. No. 007626N), the Board of Directors at their meeting held on February 12 2016, has appointed as the Internal Auditors of the Company for the financial year 2016-17 to submit the internal audit reports from time to time.

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 Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 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 III to this report. The mandatory information under corporate governance is annexed as Annexure-IV. 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.

ABSTRACT OF THE ANNUAL RETURN

In terms of section 92 of the Companies Act 2013 the extract of the Annual Return as on it stood on the close of the financial year 2015-16 being attached with the Directors Report as Annexure V.

SECRETARIAL AUDIT REPORT/SECRETARIAL AUDITORS

In terms of the Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors at their meeting held on November 09 2015, company has appointed M/s. CSK

& Co., Company Secretaries to provide the Secretarial Audit Report for the Financial year ended on March 31 2016. In compliance of aforesaid requirement they have provided the Secretarial Audit Report which has been annexed with Board report as Annexure VI.

Further the existing Secretarial Auditors have also been appointed for the financial year 2016-17 at the meeting of Audit Committee & Board of Directors held on May 30 2016.

AUDITORS' OBSERVATIONS

There are no Audit qualifications for the year under review. Hence the requirement. under Regulation 33 of the SEBI(Listing Obligations and Disclosures Requirements) 2015, and further amended by SEBI circular CIR/CFD/CMD/56/2016 May 27, 2016 for Statement on Impact of Audit Qualifications, are not applicable to the company.

GENERAL DISCLOSURES

No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future. However, the Orders passed by SEBI and Uttarakhand by the Hon'ble National Green Tribunal (N.G.T.) detailed elsewhere in the Annual report.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGMENT

Your Directors take this opportunity to thank the Financial Institutions, Banks, Board for Industrial and Financial Reconstruction (BIFR), ARCs, Reserve Bank of India, Central and State Governments Authorities, Regulatory Authorities, Hon'ble National Green Tribunal, Securities Exchange Board of India, Stock Exchanges, Stakeholders, Customers and Vendors for their continued support and co-operation, and also thank them for the trust reposed in the Management. Your Directors also wish to thank all the employees of the Company for their commitment and contributions. Your Directors also wish to place on record their appreciation towards all associates including Customers, Suppliers, and others, who have reposed their confidence in the Company. Your Directors look forward to their unstained support in future also.

For and on behalf of the Board of
Alps Industries Limited

Place : Ghaziabad
Date : May 30, 2016

P.K. Rajput
Executive Director
DIN - 00597342

Sandeep Agarwal
Managing Director
DIN - 00139439

ANNEXURE-I

Particulars of employees under Section 197 of the Companies Act 2013 and applicable Rules made there under in excess of the highest paid Whole Time Directors as on March 31, 2016.

(Amount in Rupees)

S. NO.	NAMES OF EMPLOYEES	DESIGNATION	REMUNERATION	RATIO BETWEEN ED REMUNERATION AND EMPLOYEES
	P K Rajput	Executive Director	112000	
1.	Mr. Mukesh Garg	G.M. (Mktg)	112684	1.00
2.	Mr. Nafis Saiyed	AVP (Marketing)	117475	1.04
3.	Mr. Shubhashish Mukhopdhyay#	DGM (Q.A.)	118625	1.06
4.	Mr. Sanjiv Malik	Sr. Vice President (Operations)	119549	1.07
5.	Mr. Vivek Rastogi#	DGM (A/cs. & Comml)	120764	1.08
6.	Mr. Mukesh Jain#	D.G.M. (Mktg.)	123200	1.10
7.	Mr. Sandeep Nahar	D.G.M. (Mktg.)	125150	1.11
8.	Mr. Ashok Kumar Singhal	President Corp. (Accounts)	125527	1.12
9.	Mr. Ramesh Errolla	G.M. (Design Studio)	126250	1.13
10.	Mr. Chetan Agarwal	G.M. (Finance)	127243	1.14
11.	Mr. Mukul Mittal	V.P. (Prod.)	134312	1.20
12.	Mr. Himanshu Bhardwaj	AVP (Ready Made Marketing - Corporate)	137146	1.23
13.	Mr. Mahen Kaushik	AVP (Commercial & Accounts - Haridwar)	144853	1.30
14.	Mr. Anil Kr. Jain#	V.P (Processing)	148586	1.32
15.	Mr. Sanjeev Singhal#	GM (A/cs. & Comml)	149500	1.33
16.	Mr. Senthil Kumar#	DGM (Technical Textile Marketing - Corporate)	153550	1.37
17.	Mrs. Seema Dutta	G.M. (Finance)	158204	1.42
18.	Mr. Anish Kumar Rai	Sr. Vice President (Sale & Admin)	159311	1.56
19.	Mr. Kamlesh Kumar Verma	Vice President - HR (Corp.)	167917	1.51
20.	Mr. P K Dhawan	Vice President (Maintenance)	178057	1.59
21.	Mrs. Raman Garg	Vice President (MIS)	195952	1.76
22.	Mr. Rajesh Sehgal	Vice President (Yarn Mkt.)	199750	1.78
23.	Mr. Dinesh Manuja#	Sr. Vice President (Yarn Mkt.)	209962	1.87
24.	Mr. B D Sharma	Sr. Vice President (Operations)	214250	1.91
25.	Dr. Anil Jain#	Head (Manu. Excellence)	217450	1.94
26.	Mr. K V H Rao#	Sr. Vice President (Operations)	225260	2.03
27.	Mr. Satendra Singh#	Sr. Vice President (Operations)	296749	2.65
28.	Mr. Amitabh Sen	Sr. Vice President (Decorative Fabric & Unit Head - Meerut)	314436	2.82

Note : The Median remuneration of the employees of the company is INR 10187/- P.M. and ratio w.r.t. Whole Time Director comes to 0.090.

2.# employed partly during the year.

DETAILS AS REQUIRED UNDER SUB-CLAUSE 5 OF SECTION 197 OF THE COMPANIES ACT, 2013 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

S. NO.	PARTICULARS	REMARKS
1.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	CFO – 10%
2.	Percentage increase in the median remuneration of employees in the financial year;	N.A
3.	Number of permanent employees on the rolls of company;	1675
4.	Explanation on the relationship between average increase in remuneration and company performance;	It is because of market scenario in the textile industry and commensurate with the prevailing remuneration.
5.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	It is commensurate with the size of the company and as per the market trend.
6.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies,;	The Market Capitalization as on March 31, 2016 Rs. 1584.12 Lac (Rs. 778.37 Lac as on March 31, 2015). Price Earnings Ratio of the Company is 2.33 as on March 31, 2016 and Nil as on March 31, 2015. The Company had come out with Initial Public Offer (IPO) in 1995, at Rs. 50 per share for Indian Public. As on March 31, 2016 the share price declined by 91.09 %.
7.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The Increment of Whole Time Director designated as Executive Director is 2.37 % and for overall staff it is 7.19 %. The increment is commensurate the size of the company and parallel to the structure in other industry in the same nature.
8.	Key parameters for any variable component of remuneration availed by the directors;	N.A
9.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes.

Note: None of the employee drawn remuneration more than Rs. 60 lacs per annum or Rs. 5 lacs per month if any part of the year. Hence the provisions of sub clause 2 of clause 5 section 197 of the Companies Act, 2013 are not applicable for the period under review.

ANNEXURE TO THE DIRECTORS' REPORT

(I) Statement of particulars pursuant to Companies (Disclosure of Particulars in the Report of Directors) Rules 2014.

<p>1. a.</p>	<p>Conservation of Energy Energy conservation measures taken</p>	<p>:</p>	<p>Energy conservation continues to be an area of major emphasis in your Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. All the units have taken various measures in conservation of energy. The thrust is to measure the existing system parameters and then implement improvements. The Company also focus to optimize the operation of various equipments which also lead to energy conservation. The following are some of the major measures which continued to be implemented during the period under review for bringing down the energy cost:</p> <ul style="list-style-type: none"> • Installed AC drives at Comber Main stream fan. • Installed LED light in major consumption centers. • Heat Exchanger Install in Dye House. • Energy Efficient Motors installed. • Replacement of Aluminium Fan with Energy Saving FRP Fan. • Power from Open Market through energy exchange is purchased to reduce electricity consumptions. • To separate the thermopac and thermopac line for stenter which causes improvemnt in Speed, efficiency and production. • Development of double folding inspection machines with automize function to reduce the process time. • Designing and fabrication of special double inspection machine for the inspection of coating fabric and special flat inspection machine for Inspection the fabric as similar method as of buyer. • Planning to change machine drive belt pulleys of Ring Frames wherever applicable Continuous effort to reduce air leakages in order to reduce compressor units. • Continuous emphasis on process optimisation, emphasis on preventive maintenance, waste reduction etc.
<p>b.</p>	<p>Additional investments and proposals, if any, being implemented for reduction of consumption of energy.</p>	<p>:</p>	<p>Rs NIL</p>
<p>c.</p>	<p>Impact of measures at (a) & (b) above for reduction of Energy consumption and consequent impact on the cost of production of goods.</p>	<p>:</p>	<p>As a result of various energy conservation measures taken by the company, the expected outcomes are :</p> <ul style="list-style-type: none"> • Increase in productivity. • Reduction in energy consumption. • Optimum loading of captive water sources. • Increase in Efficiency. • Saving in consumption of fuel. • Saving in maintenance cost of machineries. • Reduction in manpower cost. • Reduced approximately 300 KL soft water though re-collect usable hot water

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

A. POWER AND FUEL CONSUMPTION

S. No.	PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
1.	Electricity		
	a. Purchased		
	Units (Nos.)	81206027	88101059
	Total Amount (Rs.)	470002158	470948875
	Rate/Unit (Rs.)	5.79	5.35
	b. Own Generation		
	i) Through Diesel/FO		
	Quantity (Ltrs)	158959	148070
	Total Amount (Rs.)	7323263	8000839
	Average Rate (Rs.)	46.07	54.03
	Generation (Units) (Nos.)	505895	460172
	Units per Litre of Diesel oil (Nos.)	3.18	3.11
	Cost/Unit (Rs.)	14.48	17.39
	ii) Through Steam Turbine		
	Generator Units	N.A.	N.A.
	Unit/LTR or Fuel	N.A.	N.A.
	Oil/Gas Cost unit	N.A.	N.A.
2.	Coal		
	Quantity(Tones)	N.A.	N.A.
	Total Cost	N.A.	N.A.
	Average Rate	N.A.	N.A.
	Total Unit Generated	505895	460172
	Total Cost	7323263	8000839
	Cost/Unit	14.48	17.39
3.	Furnace Oil (Excluding use on Generation of Electricity)		
	Quantity (Ltrs)	0.00	0.00
	Total amount (Rs.)	0.00	0.00
	Average Rate (Rs.)	0.00	0.00
4.	Others/Internal generation		
	Wood		
	Quantity	N.A.	N.A.
	Total Cost	N.A.	N.A.
	Rate/Unit	N.A.	N.A.

B. CONSUMPTION PER UNIT OF PRODUCTION

S. No.	Particulars	Yarn Per Mt		Made-ups Per 1000 Sqm		Architectural Products Per 1000 Sqm	
		Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2015
1	ELECTRICITY (KWH)	2964.41	2936.16	38.96	38.49	764.78	761.71
2	COAL	N.A.	N.A.	0.00	0.00	N.A.	N.A.
3	OTHERS	N.A.	N.A.	0.00	0.00	N.A.	N.A.

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

A. RESEARCH & DEVELOPMENT (R & D)

1.	Specific areas in which R&D carried out by the Company	:	Research & Development is carried out for development of new products and for improvement in the production process and quality of products. The Company has been able to pioneer the launch of new products that have been successful in the market due to its R&D efforts. There is progress on building, enabling, capabilities in the areas of facilities and infrastructure, technology organization staffing & development, and the engagement of external knowledge networks to complement internal capabilities. The recruitment of professional staff and leadership is ongoing and programmed, staff managing processes have been defined and are being instituted. The R & D Department is well equipped with most modern sophisticated state of the art testing equipments. Company is looking forward to the possibility of re-engineering the products constructions and raw materials for optimum utilization of resources.
2.	Benefits derived as a result of the above R&D	:	<ul style="list-style-type: none"> • Quality testing of raw material, stores & consumables. • Monitoring/Control of production process. • Improved quality & higher production of cotton yarn. • Development of new market segment. • Water conservation. • Increase in productivity. • Cost reduction.
3.	Future Plan of Action	:	Management is committed to strengthen R & D activities further to improve its competitiveness in times to come.
4.	Expenditure on R&D	:	
	a. Capital	:	NIL
	b. Recurring	:	NIL
	c. Total	:	NIL
	d. Total R&D Expenditure as a Percentage of total turnover	:	NIL

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts, in brief made towards technology absorption, adaptation and innovation.	:	The Company is continuously making efforts for adaptation of latest technology in all its units. The Company has also created specific cells for studying and analyzing the existing processes for further improvement, upgrading machines with technologically advanced accessories and spares. The company constantly gets feedback from customers and makes efforts for improving the quality of products by conducting the trails, special studies in manufacturing process etc. Company have ventured into fire retardant fabrics suitable for hotel industry, technical textiles, reinvented commodity products for exports and domestic.
2.	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	:	Higher output and improved quality of product with reduction in the cost of production and other overheads. The company will project its image in the global market as a manufacturer of world class yarn and achieve an excellent share out of it.
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished	:	Nil
	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.	:	Your company is targeting for a leading name in the field of Home Textiles, by networking for direct supply to the leading international customers, and introducing the new segment e-business on domestic and exports. To continue the maximum reach to valued consumers, the company used to participates in exhibitions, magazine etc. apart from other promotional efforts towards domestic market, promoting through various promotional materials and hopeful to have better profitability in coming years. In the Fabric export segment, the next fiscal year will be a significant period in terms of consolidation in various markets for fabric by roll exports. US market has been developing well both on the residential fabric and contract business. Middle East has shown significant jump on the volumes. Your company has spread its wings in most of the markets now like US, UK, South East Asia, Australia, NZ and Middle East. Business sentiments were very soft in furnishings industry both for exports and domestic markets. Although Oil and War seems the major concern area for the economy, there seems to be absence of clear indications of definite directions in some markets like USA. Economy seems to be doing well but furnishings buyers were very cautious. Next year FY16-17 seems to be more pessimistic in terms of views of all the buyers.
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2.	Total Foreign Exchange used and earned	:	Used Rs. 33.97 Mn. For the financial year ended March 31, 2016 (Rs. 43.94 Mn for the financial ended as on March 31, 2015) Earned Rs. 1848.64 Mn for the financial year ended March 31, 2016 (Rs. 2171.80 Mn for the financial year ended as on March 31, 2015)
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IV. INFORMATION AS REQUIRED UNDER THE MISCELLANEOUS NON-BANKING COMPANIES (RESERVE BANK) DIRECTION, 1972.

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

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

The Government has confirmed to take the initiative to boost the textile sector. In line with plan, the government is planning to revive textile parks currently remained un-operational. The government has shown the commitment to extend all possible supports to the textile sector to exploit the potential lies in both domestic and international markets. It was also confirmed that the investment won't be hindrance to the plan. The plan deserves a special attention which the Government are keen to extend. Some developments are to be expected very soon. The government has approved 72 textiles parks so far of which 40-45 are un-operational, spread across the country. Also, the government has initiated special focus on technical textiles that have immense potential too. Stressed assets worth thousands of crores in textiles sector, posing a threat to the banking system, have eased over past few months due to favorable policy support from the government. But now, with revised TUFs in place and lots of incentives and capital subsidy announced by the government, the stressed assets have eased. The textile spinning sector, which is showing signs of pick up, perceives that any announcement regarding extension of export benefit for cotton and yarn would definitely lift the sector out of its present paradox. The textile industry was literally on fire, especially after the green tribunal lifted, though conditionally, the ban on processing units of Rajasthan, and Maharashtra government announced the much awaited package of self financed newly established textile units. However, the market frenzy, proved short lived as the industry, already under recession since last more than one and half years, dived to new low due to the fresh wave of uncertainty in the local and global markets, and absence of clarity in government's textile policy. The Indian textile industry has been facing a long drawn recession since April 2014 owing to global economic slowdown and higher tariff imposed on Indian textiles and clothing products in all the major textile markets when compared to its competing nations like Pakistan, Bangladesh, Vietnam, Turkey, Cambodia, etc. Realizing the need for enhancing the competitiveness, the Union Government had extended 2% MEIS benefit for all textile products other than cotton yarn. The spinning sector has appealed to the government to extend the export benefits for cotton yarn, also as the sector is the worst affected due to surplus capacities. The growth of the textile industry is vital for national development and the industry is yet to achieve its true potential in the global market. Under the Export portfolio while the Nation celebrates the opportunities under the umbrella of "Make in India", the story relating to exports is quite gloomy. Data published for the month of January 2016 continues to show a declining trend. Government is pro-actively supporting the industry as can be seen in the recent rationalizing of duty draw back rates for blended yarns and blankets and the release of amounts towards interest equalization by co-operative banks, it appears to be due to lack of demand arising out of recessionary conditions prevailing in the overseas markets.

COTTON

The largest producer of cotton in the world, finds that the exportable goods are becoming uncompetitive, as the raw materials in India available for the manufacturing of these goods, turning out to be costly. Currently, the raw materials are available at marginally higher prices in local markets than the prevailing prices in the international markets. Hence, the textile industry has urged the government to make cotton available for textile mills at prices cheaper than the prevailing prices in the international markets. The cotton price works out costlier from local sources resulting into its rising imports, despite around 35 million bales of domestic output. The implementation of the Goods and Services Tax and reconsideration on the Free Trade Agreements (FTAs) with major consuming countries are in process. Cotton prices too have started to rise in the last one month. The ongoing water scarcity in several parts of India, is also expected to have a negative impact on industrial production in the next 2-3 months. Overall, cotton had a reasonable 2015 for the first time in over 5 years, cotton stocks were lower than previous year. Low ending stocks and production decreases have been the main supporter of cotton prices even though oil has been declining. The production of cotton has continued to decline despite rising demand. Cotton continues to lose market share to other fibres.

YARN – A SIGNIFICANT SEGMENT

Domestic apparel sales were expected to grow 6% in 2015-16 while demand for exports is seen shrinking. Cotton yarn sales are likely to slow down due to a slump in yarn exports. Demand for man-made fibre (MMF) could grow at a moderate rate of 3.5-4.5%. In 2016-17, improvement in domestic consumption would boost apparel sales by 6.5-7% year-on-year. Demand for cotton yarn and MMF would, in turn, will improve. Yarn exports have fallen to 100 million kgs a month now from 140 million kgs earlier due to demand slump in China. Man-made fibre yarn as well as woven and knitted fabrics, in addition to Garments, have been extended 2% incentive (in the form of fully transferable duty scrips)

in the EU, the US, Canada and Japan. However, SOPs in these markets do not help yarn and fabric producers, as they export very little to these markets. The Merchandise Export Incentive Scheme (MEIS), however, ignores markets such as China, Bangladesh, Sri Lanka, Turkey, Vietnam and South Korea, which are major destinations for yarn and fabric from India. India's only major hope in textiles now is as supplier of raw cotton.

II. OPPORTUNITIES AND THREATS

Inflation in textiles matters just as much as food inflation, especially for the poor. At the same time, it is necessary to understand the nature of inflation in textiles. Given the impact on poor consumers in our country, it is obvious that we need to keep the inflation numbers of synthetic and manmade textiles under close watch. It is clear that the bad part of textile inflation has mainly to do with the large wedge between domestic and global synthetic fiber prices. Indian cotton crop remains heavily monsoon dependent due to lack of irrigation in most cotton growing region. The weather risk to prices are on upside. A lower-than-normal monsoon may trigger a shift in cropping pattern this year, mainly in the South where farmers could plant more "dry crops", such as maize and cotton which require less water. Another important issue is the availability, quality and price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to input cost pressure in the industry. The non-availability of skilled manpower along with high labour cost prevailing in the country is growing concern area for textile industry. Unseasonal rain becomes another risk factor harvesting of cotton. The Apparel Export Promotion Council has opposed a labour ministry proposal to set the minimum wage to be paid to contract labourers at Rs 10,000 per month, saying any such move would drive up the costs for the labour-intensive sector and drag down garment exports by 10%, or Rs 11,000 crore, a year.

A. Government policies-Textile Sector

In the Union Budget 2016, the Central Excise Act the Government have imposed excise duty on readymade garments and made up textile articles falling under some specified Chapters of the Central Excise Tariff. The duty is leviable on branded items of garments and made up articles having MRP of Rs. 1,000/- and more. There are options to pay excise duty @ 2% (without CENVAT credit) or 12.5% (with CENVAT credit facility). It is to apply to all readymade garments and made ups regardless of the composition of the garment / article. The tariff value for readymade garments and made ups is fixed at 60% of MRP. There is no change in the peak rate of customs duty this year. This Measure will help to bring down the input cost for several technical textiles manufacturers in the Country. Basic Custom Duty on import of Fabrics reduced to zero. Also, the string attached to this facility that the total value of goods imported shall not exceed one percent of the Free on Board (FOB) value of textile garments exported during the preceding financial year. The Ministry has received Rs. 4594.82 crores for the upcoming financial year to support its various schemes covering the entire textile industry. In 2015-16, it was Rs.4326.44 crores. The flagship ATUF Scheme has been allocated Rs. 1480 crores for FY 2016-17 compared to Rs. 1510.79 crores in the FY 2015-16. Apart from ATUFS, all central funded schemes for textile sector have received required allocation of funds. The Government's focus on the farmer and rural sector is expected to boost the economic health of rural India, which in return will improve consumption of textiles and apparels. Significantly large expenditure by the government in the rural and agricultural sector will stimulate demand. Domestic textile market size is anticipated to grow significantly, driven by increased consumption from rural and semi urban areas in the next 2-3 years. The government aims to double farm income by 2020, making farming a more lucrative activity. This should address the problem of high suicide rates among farmers, especially cotton farmers with regard to textiles which was the main demand of association. The Government has allocated Rs. 1480 crores for Technology Upgradation Fund Scheme. These additional funds would be required to meet the pending subsidies since September 2014. On the various benefits extended for the skill development and job creation in the Nation, government has hailed EPF benefit of 8.33% for the new entrants in the EPF. This would significantly improve the compliance and also ensure social security of the Employees. Once GST is introduced, the whole value chain will be covered by duty and traceability as well as compliance will improve tremendously and implementation problems will also ease considerably.

B. EXPORT – AN INSIGHT

With the prediction of India's textiles exports likely to decline marginally to \$40 billion this year as against \$41.4 billion last year, the government looks forward to revive defunct textiles parks for which it has started drawing up plans in consultation with respective state governments. Being a labour intensive industry, textile sector is the second largest employment provider only after agriculture. Also, India exports textiles worth \$40 billion annually, largely to the United States and Europe. India's textiles exports are mainly summer-wear centric with over 60% of market share. With the

increased emphasis on "Make in India", sectors that generate employment along with potential of forex earnings are expected to get a boost. India's exports have been contracting for last 13 months with waning global demand amid tepid economic recovery and the International Monetary Fund recently cut its global growth projection for 2016 to 3.4%, down from 3.6%. With regard to export of Cotton textiles, even though Indian cotton textiles products were competitive in the world markets, preferential access being given to some of our competing nations viz. Bangladesh, Cambodia, Pakistan, South Korea, Turkey and Vietnam by major importing countries like the EU besides discriminatory import duties on Indian textiles in important markets like China, Turkey and Canada are severely affecting exports. The Government has plan to fast track the conclusion of FTA's with EU, Australia and Canada to remove trade barriers and gain market access to these leading Countries. The Govt. to initiate dialogue with China and Turkey for reduction in the import duties imposed by these countries on Indian Textiles. Annual clothing sales in China will exceed \$300 million in 2019, up 25 per cent from 2014. Exports of cotton textiles (yarn, fabrics, made-ups) declined by 5.10% and overall the T&C exports reached. US \$ 29.49 billion during April-Jan, 2016, almost on par with export performance in the previous year same period. In comparison, apparel sales in the US are estimated to hit \$267 million in three years, meaning China will surpass the US as the world's largest apparel market by the end of the decade. The report, which compared industry performance in the world's two largest economies, says that despite the strengthening of the Chinese yuan and rising raw material and labour costs directly impacting the Chinese clothing market, China still continues to be a global leader. The Indian Textile Industry should gear up to attain its desired position in the global market and the government is willing to provide all possible support by creating enabling frameworks. India would be exporting about USD 185 billion of textile and apparel by 2025. During the cotton season 2014-15, India became number one in terms of area under cotton cultivation India remains the second largest supplier of Textiles to USA during Jan-Dec 2015. The "Make in India" initiative will bring more investments in the sector and create an efficient eco system which will benefit the entire value chain. India's increasing efficiency in the sector along with 100% FDI allowed in the industry is helping Indian textile firms to consolidate their export position

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 28.80 % for Home Furnishing & Fashion Accessories, 65.17 % for Yarn and 6.03 % for Architectural products. The detailed performance has already been discussed in the Directors' Report.

IV. OUTLOOK

We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements, diversification of products, rationalization of costs, training the workforce on the continued basis, improving efficiencies and creating a strong customer oriented approach. We expect much better performance in the coming years on the back of revival in the world economy including India. We believe that sales volumes are reasonably expected to increase and consequently margins are also expected to be strengthened. However with the greater customer satisfaction, increase in existing customer loyalty, constant offering by the Company of its value added products, constantly improving its product mix with an increase in awareness of Alps products, and with the increased realization against USD on exports, better recovery is not only expected but is likely to be strengthened in due course. In the Made-up divisions your company is planning to upgrade the production facilities by replacing old machines with latest in market to give better quality products. At Haridwar Plant we have been able to maintain the balanced technical performance in terms of utilization and productivity during the financial year under consideration. The unit is also focusing on technically special PU coated fabric and TPU membrane lamination, which provides excellent water proof and moisture vapor transmission. These fabrics having high technicality involved to fulfill the demands of Indian Defence and also useful for high altitude temperature.

V. RISKS AND CONCERNS

The cotton industry is also presently facing challenges like increase in labour cost, increasing power tariff & fuel charges, increase in transportation and inventory carrying charges, which are further likely to impact its margins. Cotton prices which have almost stabilized now may tend to increase due to various extraneous factors and lead to uncertainty. To bring growth and sustainability to the export markets and promote export, there is need to consistently seek new markets and tailor make products to suit the trends. The risks are inherent in all businesses. The challenge for the Company is to

effectively and responsibly manage and control the risks on a sustained basis to enhance returns. All the current and fixed assets of the company also suffer from the risk of natural calamity. However, it has been insured from the reputed insurance companies.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate systems of internal control, to safeguard assets against loss from unauthorized use or disposition. This also ensures that all transactions are authorised, recorded and reported correctly. Regular internal audits and checks are carried out to ensure the robustness of the system. The Management also reviews from time to time the internal control systems and procedures to ensure their proper application. The emphasis on internal controls prevails across functions and processes, covering the entire gamut of various activities. Effective and comprehensive reviews by the Audit Committee of the Board further enhance the level and quality of internal controls within the organization. The Company has adequate internal control systems for business processes, with regards to efficiency of operations, financial reporting and controls, compliance with applicable laws and regulations, etc. Clearly defined roles and responsibilities down the line for all managerial positions have also been institutionalized. All operating parameters are monitored and controlled. Regular internal audits and checks to ensure that responsibilities are being executed effectively are carried out.

VII. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

There are several plans to have business relations with reputed buyers. Your company expect good future, since demand of cotton & cotton blends products are increasing in the international markets. Your company also gearing up & increasing the efficiencies & capacities to cater the market demand in domestic as well as in overseas markets. The business sentiments are very soft in Furnishings Industry, both for exports and domestic markets. We hope the next fiscal year seems to be more pessimistic in terms of response from major buyers. Your company have ventured into fire retardant fabrics suitable for hotel industry and Defence sector for technical textiles. Your company have also reinvented commodity products to have good response from exports as well as domestic buyers. In the Yarn segment we are struggling to achieve the desired results and due to overall slump in the economy particularly in the spinning sector your company is facing the acute problems. All the efforts are being made to improve the efficiencies, financial as well as technical, by changing the existing product mix by introducing some value added product lines to keep the pace with the domestic and overseas market demands.

During the period under review your company could not maintain the EBIDTA which drops to Rs.(126.54) millions in comparison to Rs 153.02 million in previous year due to various unavoidable factors, various operational challenges in the production and marketing front, like decrease in the margin of yarn, closure of the operations of unit having spinning and dyeing facilities located at Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar, Uttarakhand by the Hon'ble National Green Tribunal (N.G.T.) vide its order dated January 27, 2016 during the financial year 2015-16, Due to this the financial performance of the company has been affected adversely. The impact of measures for improvement in the performance taken place during the year will be reflected in the current year's financial parameters. However due to Exceptional Net income of Rs.686.94 millions, the company has earned Net Profit of Rs. 202.23 millions during the year under review.

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

The significant HR initiatives taken during the Financial Year includes Reorganizing our Structure with defining the Roles of Business Heads in its Yarn, Fabric and Interior Decoration Products Business. The initiative is showing improvements with improved accountability, coordination and focus. A robust talent pipeline and a high-performance culture, centered on accountability, in place, enables us to retain our competitive edge. Your company is continuously benchmarking its HR practices with the best of those exists across the industry and keep carrying out necessary improvements to attract and retain the best talent. The company has been reviewing the Company Policies periodically considering the needs of its employees treating its human resources as its valuable assets. It helps the employees to focus on their assignments, instead of bothering for hygiene, and give their best to the organization. Consistent efforts are being made to optimize the utilization of available human resources through regular monitoring of the Manpower at various locations in different businesses, clearly define the job responsibilities so as to avoid over-lapping, also key results areas and key performance indices for better focus and assessment of the contributions and its alignment with the business objectives, fair implementation of the HR Policies and continuously improve hygiene factors for facilitating a conducive

working environment. Efforts continued to be made to improve the female workers/employees ratio, particularly at the shop floor, in-line with the national policy of gender equality and policy to restrict the sexual harassment is also being implemented in line with the government directions. The company's concerns for welfare of its workforce continued during the year and accordingly Group pension/Accident Insurance policy/ESI/WC policies were continued further as in the past. The company has been consistently maintaining harmonious & cordial relations with the employees at all the locations. The Company continues to lay emphasis on building and sustaining an excellent organizational culture focusing on performance. During the year, the Company employed on an average 1675 employees (2300 during previous year 2014-15). The reduction in the employees strength is mainly due to the challenge faced by our Yarn Dyeing facility at Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar, Uttarakhand which stopped its operation because of directions of N.G.T., New Delhi. However, pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of the various plants.

CAUTIONARY STATEMENT

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

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Annexure-IV

(http://alpsindustries.com/corporate_governance.php)

IN TERMS OF REGULATION 34 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 2015
(MANDATORY REQUIREMENTS)

(I) **Statement on company's philosophy on code of governance.** : This report on corporate governance forms part of the Annual Report. Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government another segments of society. Your Company is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders 'value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities is hallmark of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory SEBI (Listing Obligations and Disclosure Requirements) 2015, gives an insight into the functioning of the Company. Link : http://alpsindustries.com/corporate_governance.php

(ii) **•Board of Directors and procedures** : The Board of the Company is well structured, in compliance with the SEBI(Listing Obligations and Disclosure Requirements)2015, with adequate blend of professional Executives and Independent Directors. The Board consist sufficient participation of independent directors. The Board's actions and decisions are aligned with the Company's best interest. The Company has defined guidelines and established framework of the meetings of the Board and Committees. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board committees in an informed and efficient manner.

The Board is headed by Non - Executive Chairman along with the 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 Regulation 36 of the SEBI(Listing Obligations and Disclosure Requirements)2015 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. LINK http://alpsindustries.com/board_of_directors.php

•Board of directors :

(a) Composition and category of Directors under Corporate governance

Nature of Directorship	Nos.	% to the total strength
Promoter and Non Executive	1	14.29%
Promoter & Executive	1	14.29%
Executive (Non-Independent)	1	14.29%
Non-Executive (Independent)	4	57.13%
Total	7	100.00%

Note : Mr. Mohan Lal Sharma (Din No. 03110692) as Special Director by Board of Financial Reconstruction, who was appointed as Special Director on February 18 2011, has been withdrawn and discharged from his duties by BIFR w.e.f. 03.02.2016 as intimated to Company vide letter dated 15.02.2016, & received by the company on 19.02.2016 during the period under review.

(b) There were five meetings Board of Directors were held during the year and Attendance of each Director at the BoD meetings and the last AGM and compensation disclosures 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 AGM 30.09.2015
			(Rs. in 000')	Held	Attended	
Mr. K.K. Agarwal	Non-Executive Chairman & promoter	Father of Mr. Sandeep Agarwal	50.00	5	5	No
Mr. Sandeep Agarwal	Executive & promoter	Son of Mr. K.K. Agarwal	Nil	5	5	Yes
Mr. P.K. Rajput	Executive & non independent	-	Nil	5	4	Yes
Mr. Prabhat Krishna	Independent	-	60.00	5	4	Yes
Mr. Tilak Raj Khosla	Independent	-	75.00	5	5	Yes
Mr. P.K. Lamba	Independent	-	80.00	5	5	Yes
Mr. M.L. Sharma*	Special Director by BIFR	-	55.00	5	5	No
Ms. Deepika Shergill	Independent	-	40.00	5	4	No

Note : Mr. Mohan Lal Sharma (Din No. 03110692) as Special Director by Board of Financial Reconstruction, who was appointed as Special Director on February 18 2011, has been withdrawn and discharged from his duties by BIFR w.e.f. 03.02.2016 as intimated to Company vide letter dated 15.02.2016, & received by the company on 19.02.2016 during the period under review.

(c) Other provisions as to Board or Board Committees in which they are a member or Chairperson of :

Name of the Director*	No. of Outside Directorship Held			Outside Committees \$	
	Public	Private	Others	Member	Chairman/ Chairperson
Mr. K.K. Agarwal	-	2	1	-	-
Mr. Sandeep Agarwal	-	2	1	-	-
Mr. P.K. Rajput	-	-	-	-	-
Mr. Prabhat Krishna	1	3	-	3	3
Mr. Tilak Raj Khosla	-	-	-	-	-
Mr. P.K. Lamba	-	-	-	-	-
Ms. Deepika Shergill	-	-	-	-	-
Mr. M.L. Sharma*	1	-	-	-	-

Note : Mr. Mohan Lal Sharma (Din No. 03110692) as Special Director by Board of Financial Reconstruction, who was appointed as Special Director on February 18 2011, has been withdrawn and discharged from his duties by BIFR w.e.f. 03.02.2016 as intimated to Company vide letter dated 15.02.2016, & received by the company on 19.02.2016 during the period under review.

\$ In accordance with Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 membership/chairmanship of only the Nomination and Remuneration Committee, Audit committee and Stakeholders Relationship Committee in all public limited companies (excluding Alps industries limited) as on date have been considered.

- (d) Number of BoD meetings held, dates on : No. of Board Meetings held: 5 : Dates - 30/05/2015, 13/08/2015, 22/08/2015, 09/11/2015 and 12/02/2016.
- (e) Disclosure of relationships between : The Board of the Company is well structured, in compliance with directors inter-se : The Board of the Company is well structured, in compliance with the SEBI (Listing Obligations and Disclosure Requirements)2015 with adequate blend of professional Executives and Independent Directors. The Board consist sufficient participation of independent directors. The Board's actions and decisions are aligned with the Company's best interest. The Company has defined guidelines and established framework of the meetings of the Board and Committees. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board committees in an informed and efficient manner. The Board is headed by Non - Executive Chairman along with the 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 Regulation 36 of the SEBI(Listing Obligations and Disclosure Requirements)2015, 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. LINK http://alpsindustries.com/board_of_directors.php

(f) The shareholding of directors as on 31st March, 2016 is as under:

S.No.	Name of Directors	Share holding	Percentage
1	Mr. K.K. Agarwal, Non Executive Chairman	1,147,460	2.93
2.	Mr. Sandeep Agarwal, Managing Director	6,51,510	1.67
3.	Mr. P.K. Rajput, Executive Director	1,80,000	0.46
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.	Ms. Deepika Shergill, Independent and Non Executive Director	NIL	NIL
8.	Mr. M.L. Sharma, Special Director by BIFR*	NIL	NIL
	Total	1,978,970	5.06

Note 1 : Mr. Mohan Lal Sharma (Din No. 03110692) as Special Director by Board of Financial Reconstruction, who was appointed as Special Director on February 18 2011, has been withdrawn and discharged from his duties by BIFR w.e.f. 03.02.2016 as intimated to Company vide letter dated 15.02.2016, & received by the company on 19.02.2016 during the period under review.

Note 2: The Company has not issued any convertible instruments during the financial year 2015-16.

- (g) Details of the Directors liable to retire by rotation : He is in the textile industry since last 27 years 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. It is to be mentioned that the relationship between proposed appointee and Mr. K.K. Agarwal, Non Executive Chairman & Promoter Director is of Son and Father and there is no inter-se relationship amongst other directors.
- Details of Mr. Sandeep Agarwal, Managing Director (DIN No. 00139439) proposed to be reappointed due to retiring by rotation.

He is deemed to be interested (directly or Indirectly) in the following companies due to holding the directorship or shareholding more than 2% in other companies as per detail given below as on March 31,2016:-

Name of Company	Nature of Interest
Pacific Texmark Pvt. Ltd	Directorship
Alps Processors Pvt. Ltd	Directorship
Alps Usa Inc.	Directorship
Peek Finvest Pvt. Ltd.	Shareholding
Perfect finmen Services Pvt. Ltd	Shareholding
Careen Fintec Pvt. Ltd	Shareholding
Saurabh Floriculture Pvt. Ltd	Shareholding
Padam Precision Dies & Components Pvt. Ltd	Shareholding
Coronation Spinning India Pvt. Ltd	Shareholding
CDK Foundation (HUF)	Member
Sandeep Agarwal (HUF)	Karta
K.K. Agarwal (HUF)	Member
Aspen Enterprises	Relationship
Vista Furnishing Pvt. Ltd	Relationship

- (h) Code of Conduct : The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standards of transparency. Accordingly the Company has laid down a Code of conduct for all its Board members and Senior Managerial/Personnel so that conflict of interest could be avoided. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. which is also available on Company's website i.e. https://alpsindustries.com/downloads/Code_of_Conduct.pdf. All Directors and senior management personnel have affirmed compliance with the Code for F.Y. 2015-16. A declaration to this effect signed by the Managing Director is given in this Annual Report.

III Audit Committee

- (A) Brief description of terms of reference : The composition of Audit Committee meets with the requirements of Section of 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) 2015.
- (A) Brief description of terms of reference : As specified under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) 2015;
- Review the unaudited quarterly result.
 - Any matter related with Annual Report.
 - Review of Audited Financial Results.
 - Review of Internal Audit/Contol systems.
 - Approve and recommend the appointment of Cost Auditor & Secretarial Auditor.
 - 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 and the auditors' report thereon.
 - Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory & Internal auditors and the fixation of audit fees and appointment of CFO after review of qualification/experience etc..
 - Reviewing the company's risk management policies.
 - Reviewing any changes in accounting policies and practices as compared to the last financial year and commenting on any deviation from the Accounting Standards.
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - scrutiny of inter-corporate loans and investments;
 - valuation of undertakings or assets of the company, wherever it is necessary;
 - evaluation of internal financial controls and risk management systems;
 - monitoring the end use of funds raised through public offers and related matters.
 - 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: Five
Present Members : Meeting Attended
- | | | | | |
|-------------------------|---|----------|---|---|
| 1. Mr. Prabhat Krishna | - | Chairman | - | 4 |
| 2. Mr. Sandeep Agarwal | - | Member | - | 5 |
| 3. Mr. Tilak Raj Khosla | - | Member | - | 5 |
| 4. Mr. P.K. Lamba | - | Member | - | 5 |

(IV) Nomination and Remuneration Committee

(a) Brief description of terms of reference

- : • As specified under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) 2015;
- To decide the company's policy and specific remuneration package for the Whole time Directors.
- To decide any revision/ amendment/ addition/deletion/ recomposition in the remuneration package of the Whole Time Directors.
- Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- Devising a policy on Board diversity
- Any matter related with the retirement benefits of the Executive and Whole Time Directors.
- To implement the Remuneration policy for directors, KMPs & senior level employees as required under section 178 of the Companies Act, 2013 which is as under:

The Nomination & Remuneration Policy of Alps Industries Ltd (the "Company") is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Nomination & Remuneration Policy applies to the Company's senior management, including its Key Managerial Persons (KMPs) and Board of Directors.

1. INTRODUCTION

As mandated by the statutory provisions contained under section 178 of the Companies Act, 2013 and the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 with Stock Exchanges, Nomination & Remuneration Committee of the Company has formulated this policy and on its recommendation the Board of Directors has approved the same vide Board Resolution dated 30th May, 2014. This policy contains guidelines on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company. This policy may be treated as a benchmark for determining the qualifications, positive attributes and independence of a Director, criteria for evaluation of Independent Directors and the Board, matters relating to the

remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

2. OBJECTIVE

- To formulate the eligibility criteria for determining qualifications, positive attributes, and independence of a Director and to formulate the criteria for evaluating Directors and Senior Management;
- To identify and select for Board's consideration the persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down;
- To carry out the evaluation of Directors, Key Managerial Personnel and Senior Management of the Company and to provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations;
- To determine the remuneration taking into account parameters like financial position of the Company, industry size, company size and general practice on remuneration payout in the Textile Industry;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

3. EFFECTIVE DATE

This policy shall be effective from 01st April, 2014.

4. DEFINITIONS

- 'Act' means Companies Act, 2013 and rules made there under.
- 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
- 'Committee' means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.
- 'Company' means Alps Industries Limited.
- 'Directors' means Directors of the Company.
- 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013.
- 'Key Managerial Personnel' (KMP) means:
 - ♦ Chief Executive Officer and / or Managing Director
 - ♦ Whole-time Director
 - ♦ Chief Financial Officer
 - ♦ Company Secretary
 - ♦ Such other officer as may be prescribed under the applicable statutory provisions/ regulations.

'Senior Management Personnel' for this purpose shall mean employees of the company occupying the position as such

under the Act.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

GUIDING PRINCIPLES

The Guiding Principle is that the nomination & remuneration and other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent executives.

The Nomination & Remuneration Policy for executives reflects the overriding remuneration philosophy and principles of the Alps. When determining the remuneration policy and arrangements for Whole time Directors / KMPs, the Nomination & Remuneration Committee, constituted in accordance with Section 178 of the Companies Act, 2013, considers parity with peers and employment conditions elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that level so remuneration remain appropriate in this context.

The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The Nomination & Remuneration Committee while considering a remuneration package must ensure a direct relationship with the Key Result Areas and individual achievements considering short as well as long term performance objectives appropriate to the working of the company and its goals.

The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The Nomination & Remuneration policy is guided by a common reward framework and set of principles and objectives as envisaged under section 178 of the Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules, 2014., inter-alia principles pertaining to determining qualifications, positive attributes and independence of the Directors, integrity, etc. The main objectives are -

Attract and retain: Remuneration packages are designed to attract high-calibre executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

Motivate and reward: Remuneration is designed to motivate delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful short and long-term targets.

The principal terms of non-monetary benefits: The Executives will also be entitled to customary non-monetary benefits such as

Company Cars, Telephones/Mobiles, Healthcare facilities, etc. In addition thereto, in specific cases, particularly at the Unit levels, company may also provide housing and other benefits.

EXECUTIVE REMUNERATION – BOARD OF MANAGEMENT

Executive remuneration is proposed by the Committee and subsequently approved by the Board of Directors and further by the shareholders and central Government as per legal requirements. Executive remuneration is evaluated annually against performance and a benchmark of international companies, which are similar to Alps in size and complexity. Benchmarking is done with the help of reports generated by/through internationally recognized compensation service consultancies. In determining remuneration packages, the Committee may consult with the Chairman/Managing Director and Independent Directors as well, as appropriate. Total remuneration shall include of the following:

A fixed base salary, set a level aimed at attracting and retaining executives with professional and personal competencies required to drive the Company's performance.

Short-term incentives, based on the achievement of individuals as per pre-defined financial and strategic business targets, the incentive are given, particularly in Sales function, as per Incentive Scheme duly approved by the Managing Director.

Long-term incentives promoting a balance between short-term achievements and long-term thinking.

Pension/ESI contributions, made in accordance with applicable laws and employment agreements.

Loyalty / Belongingness to Company, to be achieved by aligning the rewards and recognitions for longer association of the employees with the organization and encouraging Referrals as one of the sources of recruitment to strengthen the company work-force.

Working Atmosphere at the workplace, company committed to provide good working atmosphere conducive to efficient and effective functioning of the employees with excellent culture and good inter-personal relationship within the organization as well as with external business associates.

Female employees, HR policy of the company gives fair chance to males as well as females in employment and prefers to maintain the reasonable balance. It also provides requisite protection to female employees through effective implementation of HR Policies to safeguard against Sexual Harassment, etc.

Severance payments in accordance with termination clauses in employment agreements. Severance payments shall comply with local legal framework.

DISCLOSURE OF INFORMATION

Information on the total remuneration of members of the Company's Board of Directors and Executive Board of Management may be disclosed in the Company's annual financial statements. This includes any deferred payments and

extraordinary contracts during the preceding financial year.

APPROVAL OF THE NOMINATION & REMUNERATION POLICY

This Nomination & Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors.

The Nomination & Remuneration Policy is binding for the Board of Directors. In other respects, the Nomination & Remuneration Policy shall be of guidance for the Board and shall be modified /revised with the consent of the Nomination & Remuneration committee and Board of Directors of the company from time to time as may be required. Any departure from the policy shall be recorded and reasoned in the Board's minutes.

FAMILIARIZATION PROGRAMME IMPARTED FOR INDEPENDENT DIRECTORS

In terms of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the familiarization programme imparted to Independent Directors are available on Company website www.alpsindustries.com

- | | |
|--|---|
| (b) Composition, name of members and Chairperson. | 1. Mr. Prabhat Krishna - Independent Director & Chairman
2. Mr. Tilak Raj Khosla* - Independent director & member
3. Mr. P.K Lamba - Independent director & member
* The Committee has been reconstituted. |
| (c) Meetings and attendance during the year | : Meeting held: One
Present Members
1. Mr. P.K Lamba - Member & Chairman of the meeting
2. Mr. Sandeep Agarwal- Member
3. Mr. M.L. Sharma - Member |
| (d) Performance and Evaluation Criteria of Independent Directors | : The company has formulated the Nomination and Remuneration Policy covering the evaluation criteria of independent directors which is available on the website of the company www.alpsindustries.com |

(e) Details of remuneration and pecuniary benefits to all the Directors, during the financial year ended on March 31, 2016 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	50.00	5.00	55.00
Mr. Sandeep Agarwal	0.00	0.00	0.00	0.00	0.00
Mr. P.K. Rajput	1392.00	0.00	0.00	0.00	1392.00
Mr. Prabhat Krishna	0.00	0.00	60.00	4.00	64.00
Mr. Tilak Raj Khosla	0.00	0.00	75.00	5.00	80.00
Mr. P.K. Lamba	0.00	0.00	80.00	5.00	85.00
Ms. Deepika Shergill	0.00	0.00	40.00	4.00	44.00
Mr. M.L. Sharma*	0.00	0.00	55.00	5.00	60.00
TOTAL	1392.00	0.00	360.00	28.00	1780.00

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

Note : Mr. Mohan Lal Sharma (Din No. 03110692) as Special Director by Board of Financial Reconstruction, who was appointed as Special Director on February 18 2011, has been withdrawn and discharged from his duties by BIFR w.e.f. 03.02.2016 as intimated to Company vide letter dated 15.02.2016, & received by the company on 19.02.2016 during the period under review.

NOTES:

- In terms of Regulation 27 of the SEBI(Listing Obligations and Disclosure Requirements) 2015 related to Corporate Governance, it is confirmed that there are no pecuniary relationships or transactions of the non executive directors vis-à-vis company, except as mentioned above.
- In compliance of Regulation 27 of the SEBI(Listing Obligations and Disclosure Requirements) 2015 related to Corporate Governance, it is confirmed that the criteria of making payment to non-executive directors is performance based as detailed in the "criteria of performance evaluation" specified under the Nomination & Remuneration Policy which is available on Company's website. www.alpsindustries.com

V STAKEHOLDERS RELATIONSHIP COMMITTEE

- (A) Brief description of terms of reference :
- As specified under Regulation 20 of the SEBI(Listing Obligations and Disclosure Requirements) 2015
 - To review the status of Investors' Grievances of each Quarter,
 - To review the statement of transfer of shares.
 - To review of split, consolidation & demat/remat of shares.
 - Redressing the grievances related to non receipt of annual report/dividend and any matter related with the Investors' Grievances.
 - The committee also looks after redressal of investors' grievances and performance of the Registrar and Transfer Agent of the company.
 - Monitoring the violations of the code of conduct for prevention of Insider Trading, if any.
 - To Confirm the rights of stakeholders that are established by law or through mutual agreements are to be respected.
 - To Confirm the Stakeholders should have the opportunity to obtain effective redress for violation of their rights.
 - To encourage mechanisms for employee participation.
 - To allow stakeholders relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in Corporate Governance process.
 - To confirm that company should devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

m Any other matter related with the Stakeholders Relationship Committee

- (b) Name of non-executive director heading the committee & Composition.
- | | | |
|-----------------------------|---|----------|
| 1. Mr. Prabhat Krishna | - | Chairman |
| 2. Mr. Sandeep Agarwal | - | Member |
| 3. Mr. Tilak Raj Khosla | - | Member |
| 4. Mr. Pradyumn Kumar Lamba | - | Member |

- (c) Number of Meeting held
- : Meeting Held -3
Present Members
- | | | |
|-----------------------------|---|----------|
| 1. Mr. Prabhat Krishna | - | Chairman |
| 2. Mr. Sandeep Agarwal | - | Member |
| 3. Mr. Tilak Raj Khosla | - | Member |
| 4. Mr. Pradyumn Kumar Lamba | - | Member |

- (d) Name and designation of compliance & materiality officer and contact details
- : Mr. Ajay Gupta,
Company Secretary & General Manger - Legal.
Ph (D) : 0120-4161716 Fax : 0120-2896041
Email ID: ajaygupta@alpsindustries.com
investorgrievance@alpsindustries.com

- (e) Number of shareholders' complaints received so far.
- : Details of complaints received and redressed during the period 2015-2016:

Sr. No	Particulars	Received	Redressed	Pending as on 31.03.16
1.	Non-receipt of refund order	Nil	Nil	Nil
2.	Non-receipt of Dividend Warrants	Nil	Nil	Nil
3.	Non-Receipt of Share Certificates	Nil	Nil	Nil
4.	Others	1	1	Nil
	TOTAL	1	1	Nil

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

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

Sr. No	Particulars	Equity Share
a.	Number of Transfers	1
b.	Average No. of Transfers per month	0.08
c.	Number of shares transferred	700

Demat/ Remat of Shares:

Sr. No	Particulars	Equity Share
a.	Number of Demat Transfers approved	0
b.	Number of shares Dematerialized	0
c.	Percentage of shares Dematerialized	0
d.	Number of Rematerialization Requests approved	2
e.	Number of shares rematerialized	667

(VI) General Meeting

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

S. No.	Location	Date	Time	AGM/ EGM
1.	57/2, Site IV Industrial Area, Sahibabad, Ghaziabad, U.P.	30.09.2013	10:00 A.M	AGM
2.	--Do--	30.09.2014	10:00 A.M	AGM
3.	--Do--	30.09.2015	10:00 A.M.	AGM

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

At the AGM held on 30.09.2013

- Re-appointment of M/s P. Jain & Co., Chartered Accountants as Statutory Auditors of the company under Section 224A of Companies Act, 1956.
- Re-appointment of Mr. Sandeep Agarwal as Managing director of the company.

At the AGM held on 30.09.2014

- Re-appointment of M/s P. Jain & Co., Chartered Accountants as Statutory Auditors of the company under Section 224A of Companies Act, 1956.
- Re-appointment of Mr. P. K. Rajput as Executive director of the company.
- Appointment of Cost Auditors M/s. Neeraj Sharma & Co., Cost Accountants

At the AGM held on 30.09.2015

- Appointment of M/s R.K. Govil & Co., Chartered Accountants as Statutory Auditors of the company under Section 139 of Companies Act, 2013
- Re-appointment of Mr. Sandeep Agarwal as Managing director of the company.
- Appointment of Cost Auditors M/s. Neeraj Sharma & Co., Cost Accountants.
- Re-appointment of Mr. Prabhat Krishna Independent Director of the Company.
- Re-appointment of Mr. Pradyumn Kumar Lamba Independent Director of the Company.
- Re-appointment of Mr. Tilak Raj Khosla Independent Director of the Company.
- Regularization of Ms. Deepika Shergill Independent Director of the Company.
- Change in the Registered office of the company from B-2 Loni Road Industrial Area, Opp. Mohan Negar, Ghaziabad-201007 U.P. to Corporate office of the company situated at 57/2 Site IV Industrial Area, Sahibabad, Ghaziabad-201010 U.P.
- Approval the borrowing powers of the company under section 180 (1)(c) of the Companies Act 2013.
- Approval the borrowing of the company under section 180 (1)(a) of the Companies Act 2013.

(c) Special Resolutions were put through postal ballot last year, details of voting pattern.

Yes. Related to the borrowing of the company under section 180 (1)(a) of the Companies Act 2013. (Special Resolution)

Particulars	Total No. of members Votes cast		% of valid votes cast.
Favour	52	11396460	100%
Against	Nil	Nil	Nil
Invalid	Nil	Nil	Nil
Total	52	11396460	100%

- (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 110 of the Companies Act, 2013 and Rules made there under will be followed, if applicable.

(VII) Disclosures

- (a) (i) 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 Regulation 23 of the SEBI(LODR) 2015 and Accounting Standard 18, the Disclosure of “Related Party Transactions” has been made in the Notes to Accounts of Financial Statements. During the year under review company has entered into related party transactions which are at the market prevailing prices and on arm’s length basis and are in its ordinary course of business. Hence there are no conflicts of interest in any manner whatsoever and in compliance of company policy related to Related party transactions. The policy on the related party transactions are available on the website of the Company. www.alpsindustries.com
- (ii) Disclosure of Accounting Treatment under Regulation 34 of the SEBI(LODR) 2015 : Company has not done the treatment different from that prescribed in an Accounting Standard in the Financial Statements for the period ended on March 31 2016. Hence the requirement to disclose in the financial statements, in not applicable for the period under review.
- (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. : None
- (c) Compliance of Mandatory requirement under the Corporate Governance. : As per the details mentioned in the compliance report.
- (d) Policy for determining “Material Subsidiaries” : The company has adopted the policy for determining “material Subsidiaries” which is available on the website of the company. www.alpsindustries.com
- (e) Compliance of Non- Mandatory requirement under the Corporate Governance. : As per the details mentioned in the part B of the compliance report.
- (f) Any non compliance of any requirement of corporate governance and extent to which the discretionary requirements under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements)2015 have been complied with : The company has complied with all the compliance (mandatory or non mandatory) of the corporate governance and with all the discretionary requirements under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements)2015.

- (g) Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report : The company has complied with all the requirements with respect to corporate governance
- (h) Whistle Blower & Vigil Policy : The company has implemented the Vigil policy/Whistle Blower Policy as specified Regulation 22 of the SEBI (LODR) 2015 and under section 177 of the Companies Act, 2013. It is also affirmed that none of the personnel has been denied access to the Audit Committee. As required, it has also been displayed on the company's website i.e. www.alpsindustries.com

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. www.alpsindustries.com
- (b) Which newspapers normally published in. : Money Makers and Dainik Mahalaxmi Bhagyodaya
- (c) Any website, where displayed. : www.alpsindustries.com In compliance of the General Circular No. 17/2011 dated 21.04.2011 & 18/2011 dated 29.04.2011 and Regulation 46 of the SEBI(Listing Obligations and Disclosure Requirements) 2015, 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.
- (d) Whether it also display official news release : Yes
- (e) 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.
- (f) Any website, where displayed. : Yes. Company also display on the official website.
- (g) Voting by electronic means : In terms of the requirement of section 108 and Companies (Management and Administration) Rules, 2014, Regulation 44 SEBI (Listing Obligations and Disclosure Requirement) 2015 and in terms of the better Corporate Governance the company will make necessary arrangements to formulate in E-voting by all the members of the company at the forthcoming AGM.
- (h) NSE Electronic Application Processing System (NEAPS) and BSE Listing centre for electronic filing. : The NSE and BSE developed web based application for corporate. The Financial Results, Compliance Certificates, shareholding Pattern, Intimation of Board meetings, Investor Grievance Mechanism, Corporate Governance Report and event based material information are also filed electronically on NEAPS and Listing centre of BSE by the company on quarterly basis.

- (i) 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.

(ix) General Shareholder information

- (a) AGM: Date, time and venue (Tentative) : Date : September 14, 2016
Day : Wednesday
Time : 10:00 A.M
Venue: 57/2, Site IV, Industrial Area, Sahibabad, Ghaziabad, (U.P.) Pin- 201010
- (b) Financial Calendar (Tentative) : 2016-17
Financial Year : April 1, 2016 to March 31, 2017
Annual General Meeting : September 14, 2016
Result for quarter ending June 30, 2016 : Second Week of August, 2016.
Result for quarter ending Sept 30, 2016. : Second Week of November, 2016
Result for quarter ending Dec 31, 2016 : Second Week of February, 2017
Result for quarter ending March 31, 2017. : Last Week of May, 2017
Audited Accounts for the financial year ending on March 31, 2017 : Last Week of May, 2017
- (c) Date of Book Closure : Tuesday, August 30, 2016 to Wednesday, August 31, 2016 (Both days inclusive)
- (d) Cut-off date for Voting Rights for AGM under Section 108 of the Companies Act 2013. : Thursday, September 8, 2016
- (e) Schedule of e-voting : From Sunday, 11.09.2016, 10:00 A.M. to Tuesday, 13.09.2016, 5.00 P.M.
- (f) Dividend Payment Date : The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2016.
- (g) 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.
- (h) Name and address of Stock Exchanges where the company securities listed and confirmation of payment of listing fees
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.
The Company has paid listing fees for the year 2016-2017 to National Stock Exchange India Limited. But it has not been paid to Bombay Stock Exchange due to the proposal of delisting is under process.
- (i) Details of custodian and confirmation for : NDSL -Issuer Code:093B

payment of custodial fees

CDSL- Issuer Code: 1431

Annual Custodian/Issuer Fees for the year 2016-17 has been paid.

(j) Stock Code

: NSE : ALPSINDUSEQ

BSE : 530715/ALPSIND

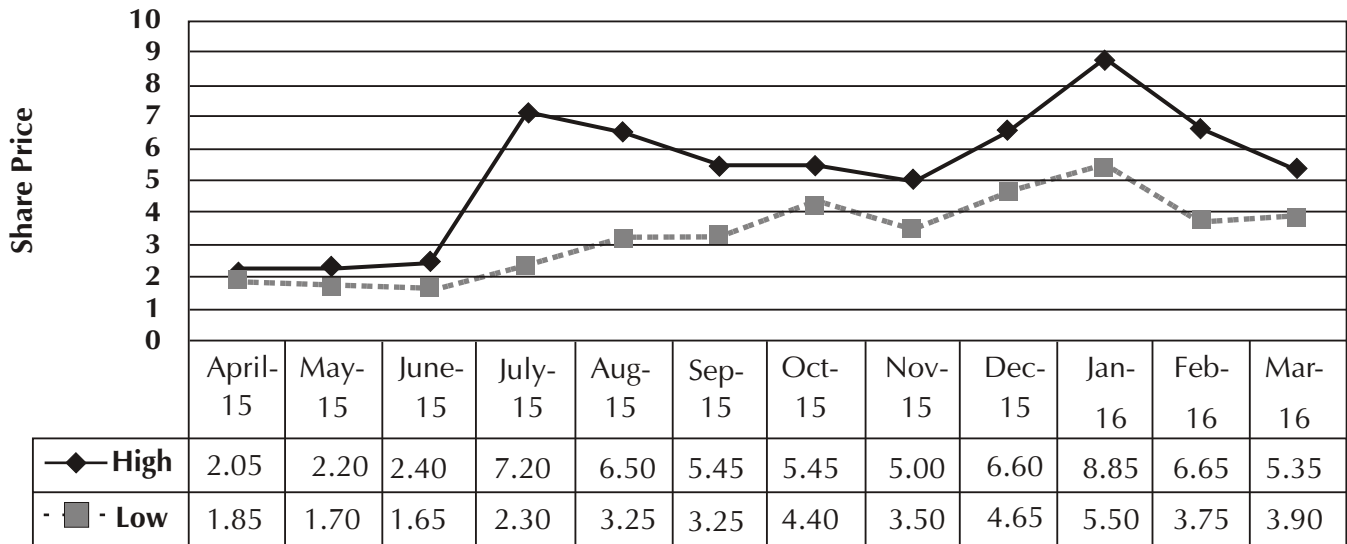
(k) Issue & reclassification of Quasi Equity shares under Corporate Debt Restructuring Scheme

: The Company has not reclassified/issue any quasi equity shares during the year under review.

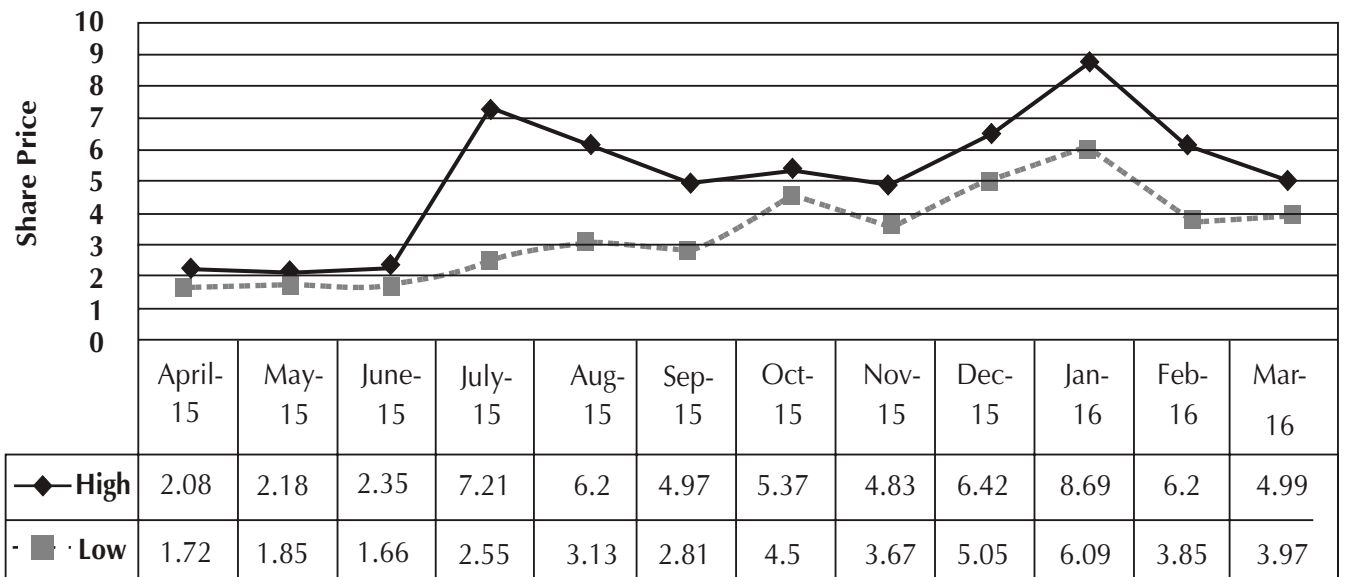
(1) Market Price Date: High, Low during each month in last financial year in National Stock Exchange of India Limited & Bombay Stock Exchange Ltd. :

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 – 15	2.05	29.04.2015	1.85	06.04.2015	2.08	01.04.2015	1.72	15.04.2015
2	May – 15	2.20	07.05.2015	1.70	28.05.2015	2.18	11.05.2015	1.85	25.05.2015
3	June – 15	2.40	30.06.2015	1.65	24.06.2015	2.35	30.06.2015	1.66	12.06.2015
4	July – 15	7.20	24.07.2015	2.30	02.07.2015	7.21	23.07.2015	2.55	01.07.2015
5	Aug – 15	6.50	03.08.2015	3.25	31.08.2015	6.20	03.08.2015	3.13	28.08.2015
6	Sept – 15	5.45	28.09.2015	3.25	03.09.2015	4.97	24.09.2015	2.81	07.09.2015
7	Oct – 15	5.45	26.10.2015	4.40	07.10.2015	5.37	23.10.2015	4.50	07.10.2015
8	Nov – 15	5.00	10.11.2015	3.50	16.11.2015	4.83	02.11.2015	3.67	16.11.2015
9	Dec – 15	6.60	09.12.2015	4.65	01.12.2015	6.42	08.12.2015	5.05	01.12.2015
10	Jan – 16	8.85	13.01.2016	5.50	01.01.2016	8.69	12.01.2016	6.09	21.01.2016
11	Feb – 16	6.65	01.02.2016	3.75	03.02.2016	6.20	01.02.2016	3.85	18.02.2016
12	Mar – 16	5.35	08.03.2016	3.90	29.03.2016	4.99	04.03.2016	3.97	29.03.2016

**Alps Industire Ltd -Shareprice on NSE
(2015-16)**



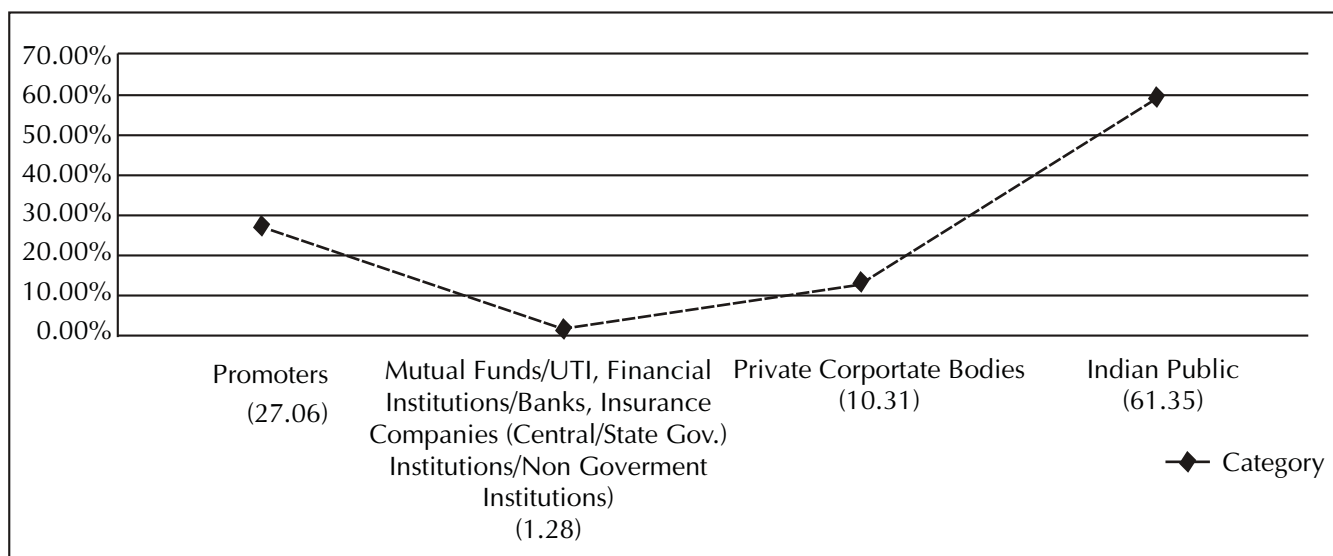
**Alps Industire Ltd -Shareprice on NSE
(2015-16)**



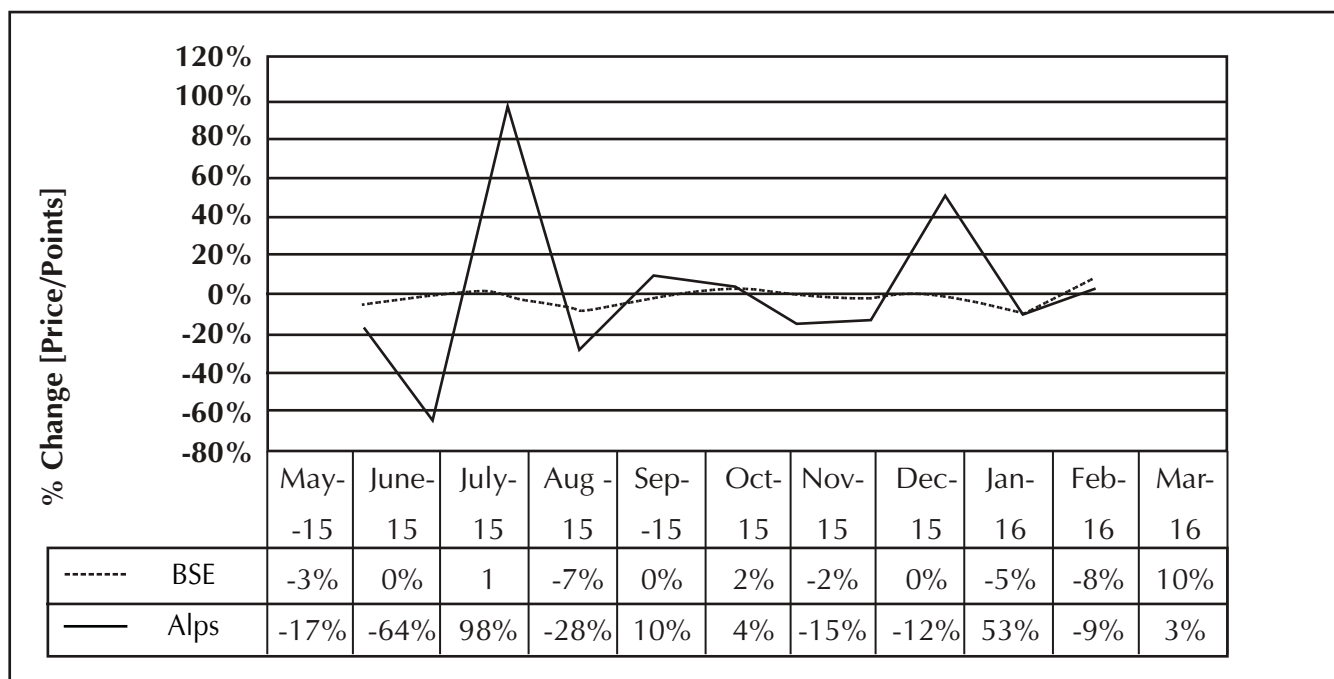
(m) Shareholding Pattern as on 31.03.2016
 Scrip Code: NSE –ALPSINDUS & BSE -530715/ALPSIND
 Name of the Scrip: Alps Industries Limited
 Class of the Security: Equity Shares

Category Code	Category of Shareholder	Number of Share holders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group1			
(1)	Indian	19	10,586,018	27.06
(2)	Foreign	-	-	-
	Total Shareholding Pattern of Promoter and Promoter Group	19	10,586,018	27.06
(B)	Public Shareholding2			
(1)	Institutions	5	5,00,348	1.28
(2)	Non Institutions	23,229	27,527,582	70.38
	Total Public Shareholding	23,234	28,528,082	72.94
(C)	Shares held by Custodian and against which Depository Receipts have been issued			
(1)	Promoter and Promoter Group	-	-	-
(2)	Public	-	-	-
	TOTAL (A+B+C)	23,253	39,114,100	100.00

- For definitions of “Promoter Shareholding” and “Promoter Group” refer to Regulation 38 of SEBI(Listing Obligations and Disclosure Requirements) 2015.
- For definition of “Public Shareholding”, refer to Regulation 38 of SEBI(Listing Obligations and Disclosure Requirements) 2015.



Performance in comparison to broad-based indices such as BSE Sensex, CRISIL, Index etc:
BSE CHART FOR THE YEAR 2015-16 OF ALPS INDUSTRIES LTD. Vs. BSE SENSEX



- (n) Registrar and Transfer Agents for Demat & Physical Shares : Alankit Assignments Limited,
Corporate Office : Alankit House,
2E/21, Jhandewalan Extension
New Delhi-110 055 India.
- (o) Information related to suspension from trading of securities of the Company : No suspension of securities have been taken place.
- (p) Share Transfer System and Investors Grievances : In terms of the Regulation 7 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, 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 Stakeholder Relationship 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 of Redress System (SCORES) in terms of the SEBI Circular Ref No. CIR/OIAE/1/2014 December 18, 2014.
- (q) Uniform procedure for dealing with unclaimed shares : In terms of Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the company report the following details in respect of the unclaimed equity shares lying in the suspense account which were issued in demat. The physical shares pursuant to the public issue, subsequent bonus issue and the transfer cases have been credited to Alps Industries Limited-

Unclaimed Share Demat Suspense Account and Alps Industries Limited Unclaimed Suspense Account - Physical Account opened with Alankit Assignment Limited. The details of shareholding of individual allottee have been properly maintained and the shares have been credited to the allottee accounts as and when he/she approaches to the Company/R&T Agent.

Particulars	Number of share holders	Number of equity shares	Number of share holders	Number of equity shares
	Demat		Physical	
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2015	99	14366	Nil	Nil
Number of shareholders who approached the company for transfer of shares from suspense account during the year	--	--	--	--
Number of shareholders to whom shares were transferred from the suspense account during the year	--	--	--	--
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2016	99	14366	Nil	Nil
No of request received for claiming of shares with no of shares	--	-	--	--
No of request accepted for claiming of shares with no of shares	--	-	--	--
No of request rejected for claiming of shares with no of shares	--	--	--	--

The voting rights on the above shares shall remain frozen till the rightful owners such shares claim the shares in terms of regulation 27 & 39 of the SEBI (Listing Obligations and Disclosure Requirements) 2015

(r) Distribution of shareholding : As on 31st March, 2016

Share holding of nominal value	Shareholders		Share Amount	
	Number	%	Rs. In 000's	%
In Rs.				
Upto- 5000	17175	73.861	28156.97	7.199
5001- 10000	2618	11.259	22525.27	5.759
10001- 20000	1480	6.365	23681.72	6.055
20001- 30000	561	2.413	14653.98	3.746
30001- 40000	282	1.213	10183.36	2.604
40001- 50000	318	1.368	15302.46	3.912
50001- 100000	450	1.935	34727.33	8.878
100001 and above	369	1.586	241909.91	61.847
TOTAL	23253	100.00	391141.00	100.00

- (s) Dematerialization of shares and liquidity : 99.75 % of Issued Capital is in Dematerialized form as on 31st March 2016. The shares are listed at the two stock exchanges.
- (t) Outstanding GDRs/ADRs /Warrants or any Convertible instrument, conversion date and likely impact on equity : (i) No GDRs is outstanding as on 31st March 2016.
(ii) The company has not issued any ADRs.
(iii) There are no outstanding convertible security as on March 31, 2016
- (u) 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-3 Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (Uttar Pradesh) [Merged with A-2 to expand the operations of A-2 unit]
6. B-160-161, Industrial Estate , Mettupalayam, Puducherry – 605 009
7. 57/2 and 58/1 Site IV Industrial Area, Sahibabad, Ghaziabad 201010 (U.P.)
- (v) Address for correspondence : Regd. & Corp. Office: 57/2, Site - IV, Industrial Area, Sahibabad, Ghaziabad-201 010 (U.P.):
- (w) CEO/CFO Certification : As required under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, a Certificate duly signed by the CEO/CFO was placed at the meeting of Board of Directors held on May 30, 2016.
- (x) Certification of Reconciliation of Share Capital : In terms of the SEBI Circular the company has submitted the required certification duly certified by the Practicing Company Secretary, to the Stock Exchanges where the securities of the company are listed within the prescribed time in each quarter.
- (y) Company CIN No. and ROC : Company CIN No. is L51109UP1972PLC003544 and Registered with Registrar of Companies, Kanpur, Uttar Pradesh (State Code 20).

(z) In terms of Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) 2015 and Section 188/184 of the Companies Act, 2013 and rules made thereunder, the details of transactions are as under:

S.No.	Particulars	Amount (Rs. in Lacs)	Maximum Amount Outstanding During the year
i	Loans and advances in the nature of loans to subsidiaries (by name and amount) -	NIL	NIL
ii	Loans and advances in the nature of loans to associates by name and amount	NIL	NIL
iii	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 186 of the Companies Act 2013 by name and amount	NIL	NIL
iv	Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount.	NIL	NIL
v	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	NIL

GREEN INITIATIVE

In terms of Regulation 36 of the SEBI(Listing Obligations and Disclosure Requirements) 2015, Section 96, 101 & 102 and other applicable provisions of the Companies Act, 2013 & Companies(Management and Administration) Rules, 2014, the Government has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Director’ Report, Auditors’ Report and explanatory statement etc., through electronic mode to the registered email address of the members. Keeping in view the underlying theme and In terms of above provisions, 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, investorgrievance@alpsindustries.com or the R&T i.e. M/s. Alankit Assignments Ltd. e-mail id jksingla@alankit.com. Members who hold shares in electronic form are requested to get their details updated with the respective depositories.

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

ANNEXURE-IV

(Discretionary Requirements in terms of Regulation 27 of the SEBI(Listing Obligations and Disclosure Requirements) 2015

1. The Board
 - (i) Non-Executive Chairman's office : The company has an office for the Non-Executive Chairman.
 - (ii) Tenure of Independent Directors. : In terms of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI(Listing Obligations and Disclosure Requirements) 2015, All the independent directors have been appointed for a first term of three years.
2. Nomination & Remuneration Committee ; Company is having a Nomination & Remuneration Committee in terms of the requirements of Schedule V in Part II in Section II of the Companies Act, 2013 and Regulation 19 of the SEBI(Listing Obligations and Disclosure Requirements) 2015.
 - (i) Terms of Reference and remuneration Policy : It is authorized to do all functions as prescribed under the section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI(Listing Obligations and Disclosure Requirements) 2015.
 - (ii) Constitution of the committee :
 1. Mr. Prabhat Krishna - Independent Director & Chairman
 2. Mr. Tilak Raj Khosla* - Independent Director & Member
 3. Mr. P.K Lamba * - Independent director & member
 * inducted due to recomposition of the committee.
 - (iii) Presence at the meeting. : Meeting held: one
Present Members
 1. Mr. P.K. Lamba - Member & Chairman of the Meeting
 2. Mr. Sandeep Agarwal - Member
 3. 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 by Statutory Auditors : There is no qualification in the Audit Report of the Statutory Auditors, for the financial year ended on March 31, 2016 Hence the requirement under amended Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) 2015, and SEBI Circular no CIR/CFD/CMD/56/2016 dated May 27, 2016 is not applicable for compliance.
The company had received a letter Ref No. CFD/DIL/HB/MT/114118/2014 dated April 21, 2014 from Securities and Exchange Board of India (SEBI) in relation to audit qualification given in Annual Report related to Financial Year

2012-13. In response to their letter the company had filed suitable reply vide letter dated May 8, 2014 to Financial Reporting Review Board (FRRB) of ICAI as per the requirement of SEBI. On November 6 2014, the company has received the further direction of SEBI through the National Stock Exchange of India Limited vide letter dated October 30, 2014 directing the company for restatement of Financial Statement pertaining to Financial Year 2012-13 in terms of clause 5(d)(ii) of the SEBI circular dated August 13,2012 and June 05,2013. In view the financial and legal implication, Company had filed an appeal before Hon'ble SAT vide Appeal No. 451/2014 against the directions for restatement of financial statements for the year ending 31st March 2013 of the company w.r.t. qualifications made by the Auditors thereon, which was under consideration of Hon'ble SAT. On March 29, 2016 Hon'ble Securities Appellate Tribunal (SAT) has considered and passed the Orders and accordingly, Orders impugned in the appeal is quashed and set aside with liberty to SEBI pass fresh order on merits and in accordance with law. All contentions on both sides are kept open. Accordingly the appeal has been disposed off by Hon'ble Securities Appellate Tribunal (SAT).

5. Discontinuance of Operations at Dye House, : The Hon'ble National Green Tribunal (N.G.T.) vide its order Haridwar : dated January 27, 2016 had directed to stop the operations of Company's unit having spinning and dyeing facilities located at Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar, Uttarakhand, till further orders. Accordingly the operations of the said unit had been stopped. It was alleged that the unit was discharging effluent in excess of the norms and hence polluting water. The company had filed the revision application with Hon'ble N.G.T. to withdraw the said directions on the basis that it has an agreement with CETP and SIDCUL for further treatment of its effluent. Hence, SIDCUL and CETP are responsible and to carry out the necessary treatments. The Company had closed the entire plant and again approached Hon'ble National Green Tribunal (N.G.T.) with a request to the reopen the spinning plant which is a non-polluting. The Hon'ble National Green Tribunal (N.G.T.) has considered request of the company and vide its Order dated March 31 2016 has allowed the re-opening of Spinning plant subject to the condition that this unit shall start its operation only after getting the new electro-meter installed separately for this unit and to take permission from Ground water authorities. The necessary compliance of the Order has been taken care and the Spinning section has started functioning since then. However the company is exploring possibilities to start the Dyeing House section also.
6. Training of Board Members : Company will assist to expand the expertise of the members of the Board as and when required. As per section 178 of the Companies Act, 2013 and Regulation 27 of the SEBI(Listing Obligations and Disclosure Requirements) 2015, the company has policy on Board Diversity which aims to attract and maintain

a Board which has an appropriate mix of Diversity, skills, experience and expertise which may help the Company in getting valuable feedback and advice to meet its goals and business challenges.

7. 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. In compliance of Section 178 of the Companies Act 2013 and Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, company has Evaluation Policy to review the performance of Non executive directors as and when required.

As per Regulation 19 of the SEBI (LODR) 2015 the Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Directors which is as under:

- Attendance and contribution at Board and Committee meetings
- His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
- His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
- Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
- His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- His/her contribution to enhance overall brand image of the Company.

8. Whistle Blower & Vigil Policy : The company has implemented the Vigil policy/Whistle Blower Policy as in terms of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 and Section 177 of the Companies Act, 2013 and all the concerned officials have been advised suitably.
9. Postal Ballot : It has been conducted wherever required.
10. E-voting : In term of section 108 of the Companies Act, 2013, relevant rules and in terms of regulation 44 of the SEBI(Listing Obligation and Disclosure Requirements) 2015, the necessary facility will be provided.
11. Code of Conduct : The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standards of transparency. Accordingly the Company has laid down a Code of conduct for all its Board members and Senior Managerial/Personnel so that conflict of interest could be avoided. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. In terms of the Regulation 27 of the SEBI(Listing Obligations and Disclosure Requirements) 2015 related to the code of conduct, company has adopted the revised code of conduct. which is also available on Company's website i.e. http://alpsindustries.com/downloads/Code_of_Conduct.pdf. All Directors and senior management personnel have affirmed compliance with the Code for F.Y. 2015-16. A declaration to this effect signed by the Managing Director is given in this Annual Report.
12. Disclosure for Non-Mandatory requirements : All the major and effective Non-Mandatory requirements have been complied with.
13. Post of Chairman & CEO : There are different officials who are holding positions of Non Executive Chairman and CEO (Managing Director). However they are related with each other with the relationship of Father and Son.
14. Reporting of Internal Auditor : The Reporting of the Internal Auditor is directly to the Audit Committee.

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, 2015 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 Section 195 of the Companies Act 2013, Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and as approved & prescribed by the Board of Directors of the Company.

Place: Ghaziabad
Date: May 30, 2016

For Alps Industries Ltd

(Sandeep Agarwal)
Managing Director & CEO
DIN - 00139439

***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, 2015, can be viewed on the Company's website www.alpsindustries.com.**

CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Alps Industries Limited
Ghaziabad

We have examined the compliance of conditions of Corporate Governance by Alps Industries Limited, for the year ended March 31, 2016 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) 2015 and section 149 of the Companies Act, 2013 and other applicable provisions.

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

For R.K. Govil & Co.
Chartered Accountants

Place : Ghaziabad
Date : May 30, 2016

(K.K. Pal)
Partner
Membership No.74999

To,

Board of Directors,
Alps Industries Limited,
57/2 Site-IV Industrial Area
Sahibabad, Ghaziabad (U.P)

Dear Sirs,

In terms of Regulation 17(8) of SEBI (Listing Obligation and Disclosures Requirements) 2015 we hereby confirm that :

- A. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2016 and that to the best of their knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the company 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 code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
 1. Significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company internal control system over financial reporting.

For Alps Industries Limited

Sandeep Agarwal
(Managing Director)
(Chief Executive Officer)

For Alps Industries Limited

A. K. Singhal
President Corp. (F&A)
(Chief Financial Officer)

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2016**

ANNEXURE-V

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L51109UP1972PLC003544
Registration Date	:	11/05/1972
Name of the Company	:	ALPS INDUSTRIES LIMITED
Category / Sub-Category of the Company	:	Company Limited by Shares
Address of the Registered office & Corporate Office : and contact details	:	57/2, SITE IV, INDUSTRIAL AREA SAHIBABAD, GHAZIABAD -201010 Ph.: 0120-4161716
Whether listed company	:	Yes
Name, Address and Contact details of Registrar	:	ALANKIT ASSIGNMENTS LIMITED 205-208, Anarkali Market, Jhandewalan Extn., New Delhi-110005, Tel.: 011-41540061

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Yarn	235.1	65.17
2	Fabrics	235.3	28.80

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Alps USA Inc. 508, Main Street, Wilmington, New Castle, 19804 USA	NA	Wholly Owned Subsidiary	100	2(87)
2	Alps Energy Pvt. Ltd F-228 Ground Floor Lado Sarai New Delhi 110030	U40109DL2007PTC169994	Subsidiary	69.75	2(87)
3	Snowflakes Meditech Pvt. Ltd F-228 Ground Floor Lado Sarai New Delhi 110030	U52599DL2006PTC153283	Subsidiary	81.65	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the End of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	2906028	0	2906028	7.43	2906028	0	2906028	7.43	0
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Governments	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	7679990	0	7679990	19.63	7679990	0	7679990	19.63	0
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(1)	10586018	0	10586018	27.06	10586018	0	10586018	27.06	0
(2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals									
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	10586018	0	10586018	27.06	10586018	0	10586018	27.06	0
B. Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	100	200	300	0.00	100	200	300	0.00	0.00
b) Banks/FI	200	0	200	0.00	200	0	200	0.00	0.00
c) Central Government	100	0	100	0.00	0	0	0	0.00	0.00
d) State Governments	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	1000000	0	1000000	2.56	498898	0	498898	(1.28)	1.28

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the End of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital fund	0	0	0	0.00	0	0	0	0.00	0.00
i) Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)	1000300	200	1000500	2.56	500148	200	500348	(1.28)	1.28
(2) Non-institutions									
a) Bodies Corporate	2963762	5220	2968982	7.59	4027411	5220	4032631	10.31	2.72
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i.) Individual shareholders holding nominal share capital up to Rs 2 lakh	13646097	62689	13708786	35.04	16424795	62378	16487173	42.15	7.11
ii.) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	9997233	0	9997233	25.6	6644040	0	6644040	16.98	(8.62)
c) Any Other (specify)									
i) Trust & Foundation	0	0	0	0.00	0	0	0	0.00	0.00
ii) NRI	824036	28545	852581	2.18	834978	28912	863890	2.20	0.02
Sub-Total (B)(2)	27431128	96454	27527582	70.38	27931224	96510	28027734	70.38	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	28431428	96454	28528082	72.94	28431372	96710	28528082	72.94	0
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	39016346	97754	39114100	100.00	39017390	96710	39114100	100.00	0

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	K.K. Agarwal & Sons(HUF)	117000	0.30	67000	117000	0.30	67000	0
2	K.K. Agarwal	1147460	2.93	1147460	1147460	2.93	1147460	0
3	Nidhi Agarwal	216100	0.55	16100	216100	0.55	16100	0
4	Sandeep Agarwal	651510	1.67	651510	651510	1.67	651510	0
5	Rohan Agarwal	430128	1.10	230128	430128	1.10	230128	0
6	Sanyog Agarwal	248650	0.64	248650	248650	0.64	248650	0
7	Sandeep Agarwal (HUF)	94380	0.24	44380	94380	0.24	44380	0
8	Sunandini Agarwal	800	0.00	800	800	0.00	800	0
9	Alps Processors Private Limited	250116	0.64	250116	250116	0.64	250116	0
10	Careen Fintec (P) Ltd.	295000	0.75	295000	295000	0.75	295000	0
11	Coronation Spinning India (P) Ltd.	900000	2.30	300000	900000	2.30	300000	0
12	Pacific Texmark Pvt. Ltd.	2835872	7.25	2835872	2835872	7.25	2835872	0
13	Padam Precision Dies & Components Private Ltd.	1688200	4.32	188200	1688200	4.32	188200	0
14	Peek Finvest (P) Ltd	342082	0.87	342082	342082	0.87	342082	0
15	Peek Texfab Ltd.	100120	0.26	120	100120	0.26	120	0
16	Perfect Finmen Services (P) Ltd.	412800	1.06	262800	412800	1.06	262800	0
17	Roseat Finvest (P) Ltd.	382000	0.98	382000	382000	0.98	382000	0
18	Saurabh Floriculture (P) Ltd.	183800	0.47	183800	183800	0.47	183800	0
19	Supreme Finvest (P) Ltd.	290000	0.74	140000	290000	0.74	140000	0
	Total	10586018	27.06	7586018	10586018	27.06	7586018	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	10586018	27.06	10586018	27.06
Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
At the End of the year	10586018	27.06	10586018	27.06

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the shareholders	Shareholding at the beginning of the year as on 1.4.2015		Change in shareholding during the year		Shareholding at the end of the year as on 31.3.2016	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
General Insurance Corporation of India Suraksha	1000000	2.557	(500152)	(1.28)	4998480	1.277
Kinnari Rakesh Pujara	617249	1.578	125000	(0.32)	492249	1.258
Rai Investments Ltd	-	-	681117	1.741	681117	1.741
Globe Capital Market Limited	-	-	544945	1.393	544945	1.393
Bjd Securities Private Ltd	482630	1.234	10679	0.027	493399	1.261
Manoj Kumar Tanwar	329774	0.843	(4172)	(0.01)	325602	0.832
Sangeetha S	318960	0.815	-	-	318960	0.815
Rakesh Gupta	220000	0.562	-	-	220000	0.562
Alexander Murugavel	200000	0.511	-	-	200000	0.511
Nitin Kantilal Pujara	-	-	196940	0.503	196940	0.503

Note:

- The above details are given as on 31 March, 2016. The Company is listed and 99.75% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders is due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

(v) **Shareholding of Directors and Key Managerial Personnel:**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. K.K. Agarwal ,Promoter Director & Non Executive Chairman				
At the beginning of the year	1147460	2.93	1147460	2.93
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	1147460	2.93	1147460	2.93
Mr. Sandeep Agarwal, Promoter & Managing Director				
At the beginning of the year	651510	1.67	651510	1.67
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	651510	1.67	651510	1.67
Mr. P K Rajput, Executive Director				
At the beginning of the year	180000	0.46	180000	0.46
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / Bonus/ sweat equity etc):	-	-	-	-
At the End of the year	180000	0.46	180000	0.46
Mr. T.R. Khosla, Director				
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	-	-	-	-
Mr. P.K.Lamba, Director				
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	-	-	-	-
Mr. Prabhat Krishna, Director				
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Share holding during the year				

specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	-	-	-	-
Mr. Mohan Lal Sharma, Director				
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	-	-	-	-
Ms. Deepika Shergill, Director				
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	-	-	-	-
Mr. Ashok Kumar Singhal, CFO				
At the beginning of the year	104	Negligible	104	Negligible
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	104	Negligible	104	Negligible
Mr. Ajay Gupta, Company Secretary & General Manager Legal				
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment.

(Rs. In Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	101637.18	2367.75	352.10	104357.03
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	27803.91	102.46	0.00	27906.37
Total (i+ii+iii)	129441.09	2470.21	352.10	132263.40
Change in Indebtedness during the financial year				
· Addition	0.00	0.00	0.00	0.00
· Reduction	(48479.84)	0.00	(352.10)	(48831.94)
Net Change at the end of the financial year	(48479.84)	0.00	(352.10)	(48831.94)

i) Principal Amount	76257.16	2367.75	0.00	78624.91
ii) Interest due but not paid	0.00	0.00	0.00	0.00
lii) Interest accrued but not due	4704.09	102.46	0.00	4806.55
Total (i+ii+iii)	80961.25	2470.21	0.00	83431.46

VI. V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sandeep Agarwal Managing Director	P K Rajput Executive Director	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	1392000	1392000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	NIL	1392000	1392000
	Ceiling as per the Act	N.A.	N.A.	N.A.

B. Remuneration to other directors:

S. No	Particulars of Remuneration	Name of Directors					Total
		Mr. Prabhat Krishna	Mr. P K Lamba	Mr. T R Khosla	Mr. M L Sharma	Ms Deepika Shergill	
1.	Independent Directors						
	• Fee for attending board committee meetings	60000	80000	75000	55000	40000	310000
	• Commission	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	• Others, Out of Pocket Expenses for attending the Meeting	4000	5000	5000	5000	4000	23000
	Total (1)	64000	85000	80000	60000	44000	333000
2.	Other Non-Executive Directors	Mr. K K Agarwal					
	• Fee for attending board committee meetings	50000	N.A.	N.A.	N.A.	N.A.	50000
	• Commission	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	• Others, Out of Pocket Expenses for attending the Meeting	5000	N.A.	N.A.	N.A.	N.A.	5000
	Total (2)	55000	N.A.	N.A.	N.A.	N.A.	55000
	Total (B)=(1+2)	119000	85000	80000	60000	44000	388000
	Total Managerial Remuneration	119000	85000	80000	60000	44000	388000
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Particulars of Remuneration	Key Managerial Personnel		
	Company Secretary	CFO	Total
1. Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,04,000	15,80,000	22,84,000
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.
2. Stock Option	N.A.	N.A.	N.A.
3. Sweat Equity	N.A.	N.A.	N.A.
4. Commission - as % of profit - others, specify...	N.A.	N.A.	N.A.
5. Others, please specify	N.A.	N.A.	N.A.
Total	7,04,000	15,80,000	22,84,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:

Type	Section of the Companies Act 2013	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

ANNEXURE-VI

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ALPS INDUSTRIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Alps Industries Limited (CIN NO. L51109UP1972PLC003544) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Alps Industries Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Alps Industries Limited ("the company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not Applicable**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not Applicable**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008- **Not Applicable**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009- **Not Applicable**
 - (h) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998- **Not Applicable**
 - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) As per information provided by the management, the following laws as applicable specifically to the company :-
 - (a) Essential Commodities Act 1955 read with Hank Yarn Packing Notification 2003;
 - (b) Textile (Development & Regulation) Order, 2001;

(c) The Sick Industrial Companies (Special Provisions) Act, 1985.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the company with Bombay Stock Exchange and National Stock Exchange.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc mentioned above.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and process in the company commensurate with the size and operations of the company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has the following specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. referred to above:

- a) The Company had filed a reference with Hon'ble BIFR for its rehabilitation on June 16, 2010 upon erosion of the net worth of the company as per audited accounts of 31st March, 2010 under the provisions of SICA and Hon'ble BIFR vide its order dated December 06, 2010 has declared the company as a "Sick Industrial Company", appointed State Bank of India as the operating agency and also directed to prepare and submit a fully tied up Draft Rehabilitation Scheme (DRS) for the rehabilitation of the company. State Bank of India, operating agency has filed and recommended the DRS for the rehabilitation of the Company with BIFR on 8th Dec 2014, as consented by the majority of the lenders and statutory agencies which is pending consideration of Hon'ble BIFR.

For **CSK & Co.**
Company Secretaries

Naresh Kumar Sharma
ACS.NO. 32312
CP. No. 11876

Place : Delhi
Date: May 30, 2016

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**To,
The Members,
ALPS INDUSTRIES LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation with certifications and opinions from experts about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis. 6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For CSK & Co.
(Company Secretaries)

Naresh Kumar Sharma
ACS.NO. 32312
C P No.11876

Place: Delhi
Date: May 30, 2016

SUBSIDIARY COMPANIES AS ON MARCH 31, 2016.

STATEMENT PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES:

Name of the Subsidiary Company	Alps USA Inc.	Alps Energy Private Limited	Snowflakes Meditech Pvt. Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2016	March 31, 2016 (Rs in Lac)	March 31, 2016 (Rs in Lac)
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	US\$ 66.3329	NA	NA
Share capital	15 shares of no par value	22,60,000 of Rs. 10/- each	22,60,000 of Rs. 10/- each
Reserves & surplus	US\$(711,500)	1532.35	1059.43
Total assets	US\$ 529000	2013.65	1703.08
Total Liabilities	US\$ 529000	2013.65	1703.08
Investments	US\$ 529000	-	-
Turnover	-	49.70	36.13
Profit before taxation	US\$	1.04	0.57
Provision for taxation	-	0.34	0.11
Profit after taxation	US\$ -	0.70	0.46
Proposed Dividend	N.A.	N.A.	N.A.
Percentage of Holding (Equity)	100%	78.22 %*	81.65 %*
Percentage of Holding (Preference)	Nil	Nil	Nil

1. Names of subsidiaries which are yet to commence operations -**NIL**
2. Names of subsidiaries which have been liquidated or sold during the year. -**NIL**
3. *Due to implication of section 2(87) of the Companies Act, 2013, the percentage of holding have been increased because of consideration of holding of preference shares by another subsidiary i.e. Alps USA INC.

Part B : Associates and Joint Ventures – Not Applicable

For **R.K. Govil & Co.**
Chartered Accountants

For and on behalf of the Board

(**K.K. Pal**)
Partner
Membership No. 74999
Firm Regn No. – 000748C

Sandeep Agarwal
Managing Director
DIN NO. 00139439

P.K. Rajput
Executive Director
DIN NO. 00597342

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

Ajay Gupta
Company Secretary

Place: Ghaziabad
Dated: May 30, 2016

**To the Members of
ALPS INDUSTRIES LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of "ALPS INDUSTRIES LIMITED" (the Company) which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Profit and its cash flow for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to Financial Statements:

1. To Note No. 38 related to preparation of financial statement on going concern basis on belief of the company on its ability to meet its financial obligations as per restructuring consented to by the majority secured, forming part of the

Draft Rehabilitation Scheme which is pending for consideration before Hon'ble Board for Industrial and Financial Reconstruction.

2. To Note No.39 related to non provision of interest on loans from subsidiary companies and loans from minority secured lenders pending their consent to the restructuring which has been consented to by the majority secured lenders.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable:
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 37 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000711C)

(Kaushal Kishore Pal)
Partner
Membership No. : 074999

Place : Ghaziabad
Date : May 30, 2016

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- 1) (a) The Company has maintained proper records though to be updated, showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, the management has physically verified all the fixed assets during the year except for Jaspur and Kashipur unit which were closed and not in its possession, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (2) (a) The inventory has been physically verified during the year by the management in phased manner.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) 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 and have been dealt with in the books of account.
- (3) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under section 189 of the Act. Accordingly paragraph 3 (iii) of the order is not applicable.
- (4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- (6) We were informed that company has maintained cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed cost records have been maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (7) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.
According to the information and explanations given to us, no amounts payable in respect of Income-tax, Service Tax, Sales-tax, Duty of Custom, Duty of Excise, Cess and other aforesaid statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating to Rs.39.24 Lac as on 31st March, 2016 have not been deposited on account of matters pending before appropriate authorities which are as under:

Sr. No.	Name of the Statute	Nature of Dues	Amount	From where Dispute is Pending
1	Nagar Nigam	Sewerage Tax	Rs. 5.52 Lac	Hon'ble Commisioner, Nagar Nigam Gzb.
3	CESTAT	Excise Duty	Rs. 33.72 Lac	Hon'ble CESTAT

- (8) By order dated 02.09.2011 of Board of Industrial and Financial Reconstruction (Board), the amount becoming due after May, 2011 to Banks and Financial institutions are deferred till the date of sanction of the scheme of the Draft Rehabilitation Scheme (DRS) by Board and further 83% of the secured lenders (including One Time Settlement with the company) have consented to DRS which is pending before the Board. Having regard to pending approvals of DRS, we are unable to express any opinion about the default of Principal/interest and period of default, if any.
- (9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (10) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Ghaziabad
Date : May 30, 2016

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000748C)

(Kaushal Kishore Pal)
Partner
Membership No. : 074999

ANNEXURE - B TO THE AUDITORS' REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **ALPS INDUSTRIES LIMITED** (the Company) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ghaziabad
Date : May 30, 2016

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000748C)

(Kaushal Kishore Pal)
Partner
Membership No. : 074999

ALPS INDUSTRIES LTD.



BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2016

	Notes	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	30,704.31	30,704.31
Reserves and Surplus	2	(68,700.99)	(70,723.25)
		<u>(37,996.68)</u>	<u>(40,018.94)</u>
Non-Current Liabilities			
Long-term borrowings	3	78,624.91	69,725.90
Deferred tax Liabilities(Net)		-	-
Other Long term Liabilities	4	4,521.44	23,040.59
Long-term provisions	5	332.09	343.56
		<u>83,478.44</u>	<u>93,110.05</u>
Current Liabilities			
Short-term borrowings	6	111.17	38,318.41
Trade payables	7	9,045.74	5,201.38
Other current liabilities	8	10,958.69	6,698.70
Short-term provisions	9	45.71	32.26
		<u>20,161.31</u>	<u>50,250.75</u>
Total		<u>65,643.07</u>	<u>103,341.86</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	42,331.07	45,813.81
Intangible Assets	10	19.63	15.81
Capital Work in Progress		-	36.66
Intangible Assets Under Development		225.66	188.32
Non-current Investments	11	958.56	958.56
Long-term loans and advances	12	680.01	1,270.02
Other non-current assets	13	-	536.86
		<u>44,214.93</u>	<u>48,820.04</u>
Current Assets, Loans & Advances			
Current Investments	14	25.00	25.00
Inventories	15	11,115.61	38,454.88
Trade Receivables	16	8,257.06	9,319.75
Cash & Cash Equivalents	17	816.80	3,087.09
Short-Term Loans & Advances	18	662.15	2,687.48
Other current assets	19	551.52	947.62
		<u>21,428.14</u>	<u>54,521.82</u>
Total		<u>65,643.07</u>	<u>103,341.86</u>

Significant Accounting Policies and other Notes on Financial Statements 1-53

Notes referred to above form an integral part of Financial Statements

As per our report of even date
For R.K.Govil & Co.
 Chartered Accountants
 (Firm Registration No. 000748C)

For and on behalf of the Board

KAUSHAL KISHORE PAL
 Partner
 Membership No. : 074999

Sandeep Agarwal
 Managing Director

Place : Ghaziabad
 Date : May 30, 2016

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, 2016

	Notes	Year Ended 31.03.16 Rs.(in Lacs)	Year Ended 31.03.15 Rs.(in Lacs)
Revenue from operations			
Sale of Products	20	55,024.38	60,656.44
Other Operating Revenues		3,304.58	3,812.91
Less :Excise Duty		168.68	201.06
Net Revenue		58,160.28	64,268.29
Other Income	21	1,232.77	711.71
Total Revenue		59,393.05	64,980.00
Expenses			
Cost of Materials Consumed	22	38,076.95	41,368.61
Purchase of Stock-in-Trade	23	276.80	909.07
Change in inventories of finished goods and Work-in-Progress	24	1,715.33	(84.54)
Employee Benefit Expenses	25	6,576.76	6,932.89
Finance Cost	26	47.41	34.66
Depreciation/Amortization of Expenses	10	3,586.42	4,475.42
Other Expenses	27	13,960.50	14,292.59
Total Expenses		64,240.17	67,928.70
Profit/(Loss) Before exceptional items and Tax		(4,847.12)	(2,948.70)
Less/(Add) Exceptional Items	34	6,869.38	-
Profit/(Loss) Before Tax		2,022.26	(2,948.70)
Tax Expense			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit/(Loss) after Tax		2,022.26	(2,948.70)
Basic Earning Per Share(Rs.)	28	1.93	(10.78)
Diluted Earning Per Share(Rs.)	28	1.13	(10.78)

Significant Accounting Policies and other Notes on Financial Statements **1-53**
Notes referred to above form an integral part of Financial Statements

As per our report of even date
For R.K.Govil & Co.
Chartered Accountants
(Firm Registration No. 000748C)

KAUSHAL KISHORE PAL
Partner
Membership No. : 074999
Place : Ghaziabad
Date : May 30, 2016

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

Ajay Gupta
Company Secretary

For and on behalf of the Board

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

CASH FLOW

	Rs.(in Lacs)	
	31.03.2016	31.03.2015
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax and Exceptional items	(4,847.12)	(2,948.70)
Adjustment for :		
Depreciation	3,586.42	4,475.42
Interest Received	(235.67)	(341.31)
Finance Cost	47.41	34.66
Loss on Sale of Assets	25.72	14.68
Exceptional Items	6,869.38	-
Operating Profit/Loss Before Working Capital Changes	5,446.14	1,234.75
Adjustment for Working Capital Changes		
Inventories	27,339.27	(699.37)
Trade & other Receivable	4,581.51	908.43
Trade Payable & other Liabilities	3783.40	(1,388.21)
Direct taxes received/(paid)	29.48	(38.12)
Net Cash from/ (used in) Operating Activities	41179.80	17.48
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(184.39)	(545.83)
Proceeds from Fixed Assets	50.49	14.98
Interest Received	235.67	341.31
(Increase)/Decrease in Fixed Deposits	2,249.48	1,560.62
Net Cash from/ (used in) Investment Activities	2,351.25	1,371.08
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	(47.41)	(34.66)
Proceeds/(Repayment) of short term & long term Borrowing/(Write Backs on consent of DRS) (Net) (Refer Note No. 39)	(43504.45)	(1481.23)
Net Cash from/(used in) Financing Activities	(43551.86)	(1,515.89)
Net Increase(Decrease) in Cash & Cash Equivalents	(20.81)	(127.33)
Opening Balance of Cash and Cash Equivalents	511.24	638.57
Closing Balance of Cash and Cash Equivalents (refer note 17(i))	490.43	511.24

Notes:

- Figure in brackets are for decrease.
- Previous years figures have been rearranged or regrouped to make them comparable with those of current year.

As per our report of even date
For R.K.Govil & Co.
 Chartered Accountants
 (Firm Registration No. 000748C)

KAUSHAL KISHORE PAL
 Partner
 Membership No. : 074999
Place : Ghaziabad
Date : May 30, 2016

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

Ajay Gupta
 Company Secretary

For and on behalf of the Board

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 relating to 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 OF 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, 2013.

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/Intangible Assets under Development'.

E. DEPRECIATION

Depreciation on the Tangible Assets and Computer Software are provided on Straight Line Method as per useful life of the assets and in the manner as prescribed in Schedule II to The Companies Act, 2013. However having regard to materiality assets up to Rs. 5000/- each are fully depreciated in the year of purchase. Leasehold lands are amortised over the lease period.

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 yearend are restated at the yearend rates. In case of monetary items which are covered by forward exchange contracts, the difference between the yearend 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. Non specific Capital Subsidy in the nature of promoters' contribution is credited to Capital Reserve.

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

P. OPERATING LEASE

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

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
1. SHARE CAPITAL		
(A) Authorised Capital		
40000000(40000000) Equity Shares of Rs.10/-each	4,000.00	4,000.00
305000000(305000000) Preference Shares of Rs.10/-each	30,500.00	30,500.00
	<u>34,500.00</u>	<u>34,500.00</u>
(B) Issued , Subscribed & Paid up		
39114100(39114100) Equity Share of Rs.10/-each fully paid up	3,911.41	3,911.41
	<u>3,911.41</u>	<u>3,911.41</u>
111094047(111094047) 1% Cumulative Redeemable Preference Shares (1%CRPS) of Rs. 10/- each fully paid-up.	11,109.40	11,109.40
156835012(156835012) 6% Cumulative Redeemable Preference Shares (6%CRPS) of Rs. 10/- each fully paid-up.	15,683.50	15,683.50
	<u>26,792.90</u>	<u>26,792.90</u>
Total	<u>30,704.31</u>	<u>30,704.31</u>

1.1 Reconciliation of Shares outstanding is Set out Below:

Particulars	No. of Shares			
	Beginning of the year	Issue during the year	Reclassification during the year	At the end year
Equity Shares	39114100	NIL	NIL	39114100
6% CRPS	156835012	NIL	NIL	156835012
1% CRPS	111094047	NIL	NIL	111094047

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 under Category -A:- Such shares have right of 6 % dividend with no voting right and preference of Repayment over other instruments in discounted redemption as per CDR Scheme over other instrument (6% or 1%) issued under category, C and D, subject to the availability of funds.

6 % CRPS under Category -B:- Such shares have right of 6 % dividend with no voting right and preference of Repayment over other instruments in discounted redemption as per CDR Scheme over other instrument 1% CRPS, except 6% instruments issued under category-A, issued under category-C and D, subject to the availability of funds.

1% CRPS under Category -C:- Such shares have right of 1 % dividend with no voting right and preference of Repayment over other instruments in discounted redemption as per CDR Scheme over other instrument 1% CRPS, except 6% instruments issued under category-A and B, issued under category-C and D, subject to the availability of funds.

1% CRPS under Category -D:- Such shares have right of 1 % dividend with no voting right and preference of Repayment over other instruments in discounted redemption as per CDR Scheme over other instrument 1% CRPS, except 6% instruments issued under category-A and B, but at par issued under category-C, subject to the availability of funds.

Detail of Shares reserved under option and Contracts/Commitment:

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

Rs. 1629.61 Lacs (P.Y. 1629.61 lacs) Equity shares of Rs. 10 each at par aggregating to Rs.1629.61 Lacs (P.Y. Rs.16296.06 lacs) Refer Note No....

- i. Shares issued for consideration other than cash in last 5 financial years. - Nil (P/Y Nil)
- ii. Bonus Shares in last 5 financial years. - Nil (P/Y Nil)
- lii. Shares bought back in last 5 financial years.- Nil (P/Y Nil)

NOTES FORMING PART OF ACCOUNTS

Details of Share holders holding more than 5 % Share Capital

PARTICULARS	As at 31 Mar' 2016	Percentage (%)	As at 31 Mar' 2016	Percentage (%)	As at 31 Mar' 2015	Percentage (%)	As at 31 Mar' 2015	Percentage (%)
Equity Shares:								
Pacific Texmark Pvt. Ltd.	2835872	7.25			2835872	7.25		
Details of Preference Shareholders								
6% CRPS	CATEGORY A		CATEGORY B		CATEGORY A		CATEGORY B	
State Bank of Bikaner & Jaipur	4891690	3.76	-	-	4891690	3.76	-	-
The Jammu & Kashmir Bank	6194500	4.77	-	-	6194500	4.77	-	-
Export Import Bank of India	3534800	2.72	-	-	3534800	2.72	-	-
IDBI Bank Ltd.	1413076	1.09	-	-	1413076	1.09	-	-
Edelweiss Asset Reconstruction Company Limited	40376560	31.08	-	-	40376560	31.08	-	-
State Bank of Patiala	23081900	17.77	-	-	23081900	17.77	-	-
State Bank of Mysore	12155480	9.36	6601506	24.51	12155480	9.36	6601506	24.51
State Bank of Hyderabad	-	-	-	-	9665390	7.44	3960904	14.72
Edelweiss Asset Reconstruction Company Limited (shares acquired by way of transfer from SBH May 2015)	9665390	7.44	3960904	14.72	-	-	-	-
Syndicate Bank	7416190	5.71	-	-	7416190	5.71		
UCO Bank	6813950	5.25	-	-	6813950	5.25		
Punjab National Bank	14357330	11.05	13203013	49.01	14357330	11.05	13203013	49.01
ICICI Bank Ltd.	-	-	2112482	7.84	-	-	2112482	7.84
HDFC Bank	-	-	1056241	3.92	-	-	1056241	3.92
Total	129900866	100.00	26934146	100.00	129900866	100.00	26934146	100.00
1% CRPS	CATEGORY C		CATEGORY D		CATEGORY C		CATEGORY D	
Edelweiss Asset Reconstruction Company Limited (shares acquired by way of transfer from SBI May 2015)	11440240	42.57	26944509	31.99	-	-	-	-
HDFC Bank	2462350	9.16	13019737	15.46	2462350	9.16	13019737	15.46
Development Credit Bank Ltd.	11661448	43.40	-	-	11661448	43.40	-	-
State Bank of India	-	-	-	-	11440240	42.57	26944509	31.99
Standard Chartered	1309525	4.87	34439893	40.89	1309525	4.87	34439893	40.89
ICICI Bank Limited	-	-	9816345	11.66	-	-	9816345	11.66
Total	26873563	100.00	84220484	100.00	26873563	100.00	84220484	100.00

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
2. RESERVES AND SURPLUS		
A Capital Reserve		
At the Beginning and at the end of the Year	<u>290.00</u>	<u>290.00</u>
B. Securities Premium		
At the Beginning and at the end of the Year	<u>16,668.93</u>	<u>16,668.93</u>
C. General Reserves		
At the Beginning and at the end of the Year	<u>7,999.30</u>	<u>7,999.30</u>
D. Surplus		
Balance in Statement of Profit And Loss		
Loss at the Beginning of the Year	(95,681.48)	(92,607.77)
Add: Retained Earning on change in useful life of Fixed Assets	-	(125.01)
(Less)/Add: Profit/(Loss) for the Year	2,022.26	(2,948.70)
Balance at the end of the Year	<u>(93,659.22)</u>	<u>(95,681.48)</u>
Total	<u>(68,700.99)</u>	<u>(70,723.25)</u>
3. LONG TERM BORROWINGS		
Secured Loans		
(a) Term Loans		
(1) Banks & Financial Institutions/ARC (See Note 3.1 Below) (Secured by First Pari-Passu charge created Fixed Assets and Second Pari-Passu charge on current assets of the company, alongwith personal guarantees of promoter Directors.)	49,105.47	67,006.05
(b) Working Capital Loans		
(1) Banks & Financial Institutions/ARC (See Note 3.1 Below and also refer to Note No. 39) (Secured by First Pari-Passu charge on current assets and Second Pari-Passu charge on fixed assets of the company, alongwith personal guarantees of promoter Directors.)	27,151.69	-
Unsecured Loans (See Note 3.2 Below)		
Loans and Advances From Related Parties	2,367.75	2,367.75
Loans and Advances from others	-	352.10
Total	<u>78,624.91</u>	<u>69,725.90</u>
3.1 Maturity Profile of Term Loans From Banks & Financial Institutions		
As per the DRS, pending consideration of the Hon'ble BIFR, which is already consented by the secured lenders representing more than 83% of the Secured debts of the company, the repayment is envisaged in interest free quarterly installments lasting upto 31.3.2022 and a portion of the loan is to be either waived off or converted into Equity/debt securities.		
3.2 Maturity Profile of Unsecured Loans		
Particular	Amount	Period
Towards Related Party	2367.75	2022-23
4. OTHER LONG TERM LIABILITIES		
Interest accrued but not due on borrowing Banks/ARC (Refer Note No. 3.1 above)	4,521.44	23,040.59
Total	<u>4,521.44</u>	<u>23,040.59</u>
5. LONG TERM PROVISION		
Provision for Employee benefits (Refer Note No. 47)	332.09	343.56
Total	<u>332.09</u>	<u>343.56</u>

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
6. SHORT TERM BORROWINGS		
Secured Loans		
From Banks/ARC	111.17	38,318.41
Total	<u>111.17</u>	<u>38,318.41</u>
Refer to Note No. 3a(1) (i) and 3b(1) (i)		
7. TRADE PAYABLES		
(a) Micro, Small & Medium Enterprises (Refer Note No. 7.1)	65.00	47.54
(b) Others	8,980.74	5,153.84
Total	<u>9,045.74</u>	<u>5,201.38</u>
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, 2016 as per the terms of Contract.		
8. OTHER CURRENT LIABILITIES		
SECURED (Refer to Note No. 3.1 above)		
(a) Current Maturity of long terms Borrowing of Banks & ARC	5,318.78	-
Unsecured		
(a) Interest accrued but not due on borrowing	80.19	1,076.04
(b) Interest accrued and due on borrowing (Related Party)	102.46	102.46
(c) Other payable	-	-
(1) Expenses payable (Refer Note No. 8.1)	4,291.51	4,247.04
(2) Creditors for Fixed Assets	135.61	320.86
(3) Book overdraft	0.06	3.86
(4) Advance from Customers	1,030.08	948.44
Total	<u>10,958.69</u>	<u>6,698.70</u>
8.1 Expenses Payable include the liabilities to employees, Sales Tax/Vat, other taxes, Rebate & Discount etc.		
9. SHORT TERM PROVISIONS		
Provision for Employee benefits (Refer Note No. 48)	45.71	32.26
Total	<u>45.71</u>	<u>32.26</u>

NOTES FORMING PART OF ACCOUNTS

10. FIXED ASSETS

Rs.(in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	Opening Balance	Addition for the year	Deduction/ Sale	Total Upto 31.03.2015	Opening Balance	During The Year	On Deduction	Total Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
TANGIBLE ASSETS										
Leasehold Land	1301.37			1301.37	163.71	13.83		177.54	1123.83	1137.66
Free Hold Land	637.70	12.12		649.82					649.82	637.70
Building	14686.06	10.01	13.73	14682.34	3926.12	504.16	13.73	4416.55	10265.79	10759.94
Plant & Machinery	62496.86	101.40	187.40	62410.86	29604.05	2959.29	130.51	32432.83	29978.03	32892.81
Furniture Fixture	406.15	3.72	4.12	405.75	268.13	23.24	4.12	287.25	118.50	138.02
Vehicles	394.72	0.60	68.36	326.96	280.33	26.92	49.40	257.85	69.11	114.39
Office Equipment	283.83	17.06	1.41	299.48	212.57	28.41	1.41	239.57	59.91	71.26
Computers	728.72	26.87	4.22	751.37	666.69	22.82	4.22	685.29	66.08	62.03
	80935.41	171.78	279.24	80827.95	35121.60	3578.67	203.39	38496.88	42331.07	45813.81
INTANGIBLE ASSETS										
Computer (software)	76.09	11.93	42.14	45.88	60.28	7.75	41.78	26.25	19.63	15.81
Brand & Trade Mark	646.05			646.05	646.05			646.05	-	-
	722.14	11.93	42.14	691.93	706.33	7.75	41.78	672.30	19.63	15.81
Sub Total	81657.55	183.71	321.38	81519.88	35827.93	3586.42	245.17	39169.18	42350.70	45829.62
Previous Year	81219.79	527.99	90.23	81657.55	31288.06	4475.42	60.56	35827.93	45829.62	

11. NON - CURRENT INVESTMENTS (AT COST)

Long Term (Fully Paid Unless Otherwise Stated)
Other Investment
Investment in Equity Instruments

AS AT 31.03.16
Rs.(in Lacs)

AS AT 31.03.15
Rs.(in Lacs)

(A) Quoted Shares

13400(13400) Equity Shares of Rs. 10/- each of Kay Power and Paper Ltd. Market Value - Rs. 46900 (64454)	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) Unquoted Shares

2450(2450)Shares of Colombine Cody Corp. N.P.V	4.12	4.12
Other Non - Current Investments (At Cost)		
Subsidiary Companies		
15 (15) Equity Shares At N.P.V of Alps Usa Inc	500.78	500.78
2259990(2259990) Equity Shares of Rs. 10/- each of Snowflakes Meditech Pvt. Ltd.	226.00	226.00
2259990 (2259990) Equity Shares of Rs. 10/- each of Alps Energy Pvt. Ltd.	226.00	226.00
Total	958.56	958.56

12. LONG-TERM LOANS AND ADVANCES (Unsecured, Considered Good)

Capital Advance	73.45	632.67
Security Deposits	606.56	637.35
Total	680.01	1,270.02

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
13. OTHER NON CURRENT ASSETS		
(Unsecured)		
Considered Good	-	214.05
Considered Doubtful	-	32.38
Less : Provision as Doubtful for realisation	-	(32.38)
Minimum Alternate Tax Adjustable	-	322.81
Total	<u>-</u>	<u>536.86</u>
14. CURRENT INVESTMENT		
Investment in Mutual Funds		
20000 (20000) Unit of Rs. 10/- Each of SBI Magnum Equity Fund Market Value-Rs. - 1455544/- (898780/-)	2.00	2.00
19560(19560) Unit of Franklin India High Growth Co. Market Value - Rs. - 538956.24 (Rs. 583163.80)	2.00	2.00
100000(100000) Unit of Rs. 10/- each of SBI Infrastructure Fund Market Value - Rs. - 1062390/- (1177770/-)	10.00	10.00
2930 (2930) Unit of Reliance Growth Fund Market Value- Rs. - 2134256.54 (2384406.46/-)	10.00	10.00
10000(10000) of Rs. 10/- each of UTI Infrastructure Advantage Fund-Series-I Market Value- Rs. - 379099/- (440655/-)	1.00	1.00
Total	<u>25.00</u>	<u>25.00</u>
15. INVENTORIES		
Raw Materials	8,619.39	24,528.96
Work-in-Progress (Refer Note No. 51)	690.65	4,986.15
Finished Goods (Refer Note No. 51)	1,529.19	8,241.72
Stores & Spares Parts	276.38	698.05
Total	<u>11,115.61</u>	<u>38,454.88</u>
16. TRADE RECEIVABLES		
Outstanding for a Period Exceeding Six Months from the date they are due for payment		
Unsecured Considered,		
Good	533.75	1,243.52
Doubtful	466.46	215.52
Less: Provision for Doubtful Receivables	(466.46)	(215.52)
	<u>533.75</u>	<u>1,243.52</u>
Other Trade Receivables		
Unsecured Considered Good	7,723.31	8,076.23
Total	<u>8,257.06</u>	<u>9,319.75</u>
17. CASH & CASH EQUIVALENTS		
Balances in Current Accounts with Banks	348.57	308.48
Cheques and Draft on Hand	95.92	122.15
Cash on Hand	45.94	80.61
	<u>490.43</u>	<u>511.24</u>
Other Bank Balances		
In Fixed Deposit with Banks (Pledged against Margin and other Commitments)	326.37	2,575.85
Total	<u>816.80</u>	<u>3,087.09</u>

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
18. SHORT TERM LOANS & ADVANCES (Unsecured, Considered Good)		
(A) Loans & Advances to Related Parties (With Subsidiaries Company)	6.61	6.61
(B) Others		
Balances With Revenue Authorities	77.90	92.26
Advance Income Tax/TDS Recoverable	151.44	121.96
Other Receivables	426.20	2,466.65
Total	662.15	2,687.48
# Includes Advance to suppliers, Staff, Prepaid Expenses etc.		
19. OTHER CURRENT ASSETS		
Export Incentive Receivable	534.26	724.21
Less: Provision for Doubtful Receivable	(63.04)	-
Insurance and other Claim Receivable	22.02	138.71
Interest Accrued but not due	58.28	84.70
Total	551.52	947.62
	YEAR ENDED 31.03.16 Rs.(in Lacs)	YEAR ENDED 31.03.15 Rs.(in Lacs)
20. REVENUE FROM OPERATIONS		
(A) Sale of Products		
Export	18,486.39	21,771.28
Domestic	36,537.99	38,885.16
Sub Total (A)	55,024.38	60,656.44
(B) Other Operating Revenues		
Scrap / Waste Sale	1,856.95	2,235.40
Export Incentives	1,120.00	1,323.02
Job Work Receipt	327.63	254.49
Sub Total (B)	3,304.58	3,812.91
Total (A+B)	58,328.96	64,469.35
	Rs.(in Lacs)	
Details of Product Sold	2015-16	2014-15
Yarn	35858.82	42855.78
Fabric/Made up/Fashion	15559.58	13759.49
Architectural Products	2586.71	2772.80
Others	1029.27	1268.37
Total	55024.38	60656.44
21. OTHER INCOME		
(a) Income from Interest	235.67	341.31
(b) Other Income	752.36	150.97
(c) Foreign Currency exchange fluctuation (Net)	244.74	219.43
Total	1,232.77	711.71

NOTES FORMING PART OF ACCOUNTS

	YEAR ENDED 31.03.16 Rs.(in Lacs)	YEAR ENDED 31.03.15 Rs.(in Lacs)
22. COST OF MATERIAL CONSUMED (Refer Note No. 49)		
Opening Stock	24,528.96	24,109.17
Trfd. Slow Moving Inventory	19,828.68	-
Add: Purchases	41,996.06	41,788.40
Total	46,696.34	65,897.57
Less: Closing Stock	8,619.39	24,528.96
Total	38,076.95	41,368.61
23. PURCHASE OF STOCK-IN-TRADE (Refer Note No. 50)	276.80	909.07
24. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventories (at commencement)		
Finished Goods	8,241.72	8,589.12
Work-in-Progress	4,986.15	4,554.21
Trfd. Slow Moving Inventory	9,292.69	-
Sub Total (A)	3,935.18	13,143.33
Inventories (at end)		
Finished Goods	1,529.20	8,241.72
Work-in-Progress	690.65	4,986.15
Sub Total (B)	2,219.85	13,227.87
Total (A-B)	1,715.33	(84.54)
25. EMPLOYEE BENEFIT EXPENSES		
Salaries Including other Benefits	3,279.25	3,450.11
Wages Including other Benefits	2,920.36	3,036.77
Contribution to Provident & other Funds-Wages	147.83	175.00
Contribution to Provident & other Funds-Salary	77.37	56.96
Gratuity	53.83	87.17
Staff Welfare	84.18	110.75
Managerial Remuneration (Refer Note No. 49)	13.92	16.13
Total	6,576.76	6,932.89
26. FINANCE COST		
Interest to Others	47.41	34.66
Total	47.41	34.66

NOTES FORMING PART OF ACCOUNTS

	YEAR ENDED 31.03.16 Rs.(in Lacs)	YEAR ENDED 31.03.15 Rs.(in Lacs)
27. OTHER EXPENSES		
Manufacturing Expenses		
Production Expenses	1,080.18	958.91
Security & Vigilance	59.74	60.01
Consumption of Stores & Spares	1,225.16	1,348.57
Power & Fuel	5,244.52	5,495.21
Carriage & Cartage	30.27	36.14
Administrative Expenses		
Rent	57.31	55.10
Insurance	139.19	145.06
Rates & Taxes	34.61	24.96
Postage & Telegram	22.33	20.53
Printing, Stationery & Computer Expenses	56.17	58.06
Legal & Professional Expenses	492.36	370.20
Travelling & Conveyance - Others	363.93	415.16
Travelling & Conveyance - Directors	9.36	18.52
Telephone, Fax & Internet Exp.	63.06	72.26
Books & Periodicals	1.33	0.87
Fees & Subscription	31.29	31.36
General Expenses	26.17	40.72
Bank Charges	113.12	133.25
Payment to Auditors (Refer Note 32)	22.30	16.85
Vehicle Running Expenses	88.07	117.00
Donation	0.50	0.02
Hank Yarn Obligation	37.53	57.07
Net Loss on Foreign Currency Fluctuation & Translation	-	3.45
Loss on Disposal/Sale of Assets	25.72	14.68
Repairs & Maintenance		
Building	66.78	21.85
Machinery	103.60	86.99
Others	65.12	69.69
Selling & Distribution Expenses		
Packing & Forwarding	2,195.86	2,409.21
Sales Promotion & Incentives	777.65	919.68
Cash Discount	20.40	47.05
Bad Debts W/off	379.83	-
Prov. For doubtful Debts	290.52	141.89
Advertisement & Publicity	97.90	84.49
Vat / Sales Tax Paid	0.88	2.24
Freight on Exports	717.25	1,010.93
Sub Total	13,940.01	14,287.98
Prior Period Expenses (Net)	20.49	4.61
Total	13,960.50	14,292.59

NOTES FORMING PART OF ACCOUNTS

28. Basic & Diluted Earning Per Share

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Profit (Loss) for the Year before Preference Dividend and attributable tax thereon (Rs. in Lacs)	2022.26	(2948.70)
Less:- Preference Dividend and attributable tax (Rs. in Lacs)	(1266.28)	(1266.28)
Profit/(Loss) attributable to the Equity shareholders after Preference Dividend and attributable tax thereon (Rs. in Lacs) - (A)	755.98	(4214.98)
Weighted average number of equity shares outstanding during the year - (B)	39114100	39114100
Nominal value of equity shares (Rs.)	10.00	10.00
Basic Earnings per share (Rs.)	1.93	(10.78)
Diluted Earnings per share (Rs.)	1.13	(10.78)

Note: As per the DRS which is consented by secured lenders (representing more than 83% of total outstanding secured debts of the company) pending consideration of Hon'ble BIFR the company is under an obligation to issue fresh equity to the tune of Rs. 27.68 crore (approx.) to its lenders, hence the diluted EPS has been calculated after factoring the same. (P.Y. Since the diluted negative EPS is less than basic EPS hence the basic and diluted EPS is considered same.)

29. Earnings in Foreign Exchange

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
F.O.B. Value of Exports	18528.07	21724.24

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

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	% of consumption	For the year ended 31 st March 15	% of consumption
Raw Material				
Imported	2785.71	7.32%	2196.37	5.31%
Indigenous	35291.24	92.68%	39172.24	94.69%
Total	38076.95	100.00	41368.61	100.00
Stores				
Imported	387.74	31.65%	627.78	46.55%
Indigenous	837.43	68.35%	720.79	53.45%
Total	1225.16	100.00	1348.57	100.00

31. C.I.F. Value of Imports

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Raw Materials	2048.85	2066.33
Capital Goods	-	64.50
Components & Spare Parts	377.93	638.40

NOTES FORMING PART OF ACCOUNTS

32. Payment to Auditors

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
a. Audit Fee	14.30	13.48
b. Other Services	8.00	3.37

33. Expenditure in Foreign Currency

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Foreign Travels	43.91	58.22
Others	295.78	381.22

34. A sum of Rs. 6869.38 lac is credited as exceptional items arising out of credits availed pursuant to write back of amount of interest and principal waiver of secured loans of consented lenders aggregating to Rs. 37963 lac, (in terms of consent accorded by majority secured lenders to the restructuring forming part of Draft Rehabilitation Scheme) as reduced by the loss on disposal of old/slow moving inventory, write off of unrealizable capital and other advances, lapsed MAT credit entitlement and crystallization of liability upon settlement of pending dispute with ABN Amro Bank, all aggregating to Rs. 31093.62 lac.

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:-

- a. **Subsidiary**
 - : Alps Energy Pvt. Ltd.
 - : Snowflakes Meditech Pvt. Ltd
(Formerly known as Alps Retail Pvt Ltd)
- b. **Wholly owned Subsidiary**
 - : Alps USA INC.
- c. **Entities Controlled by subsidiaries, KMP and their relatives**
 - : Alps Processers Private Limited
 - : Careen Fintec (P) Ltd
 - : Coronation Spinning India (P) Ltd
 - : Pacific Texmark Pvt. Ltd.
 - : Padam Precision Dies & Component Pvt. Ltd
 - : Peek Finvest (P) Ltd
 - : Perfect Finmen Services (P) Ltd
 - : Roseate Finevest Pvt.Ltd.
 - : Saurabh Floriculture (P) Ltd
 - : Supreme Finvest Pvt. Ltd
 - : Aspen Enterprises
 - : Peek Texfab Limited
 - : DRS Securities Private Limited
 - : Supersonic Telecommunication Private Limited
- ii **Key Management Personnel**
 - Non-Executive Chairman
 - Managing Director
 - Executive Director (WTD)
 - President Accounts and Finance
 - Company Secretary
 - a. Mr. K.K Agarwal
 - b. Mr. Sandeep Agarwal
 - c. Mr. P.K. Rajput
 - d. Mr. Ashok Kumar Singhal
 - e. Mr. Ajay Gupta

NOTES FORMING PART OF ACCOUNTS

- iii **Relatives of Key Management Personnel**
- Mrs. Sanyog Agarwal
 - Mrs. Nidhi Agarwal
 - Mrs. Indu Singhal

Transactions with Related Parties for the year ended 31st March 2016 are as follows:

Rs.(in Lacs)

Nature of Transaction	Subsidiary		Wholly owned Subsidiary	Entities Controlled by subsidiaries, KMP and their relatives				Remuneration to Directors / Relatives
	Alps Energy Pvt. Ltd	Snowflakes Meditech Pvt. Ltd	Alps USA Inc.	Alps Processers Pvt.Ltd	Pacific Texmark Pvt. Ltd	Aspen Enterprises	Peek Texfab Ltd.	
A. Sale of Goods	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	4806.34 (3007.23)	NIL (NIL)	-
b. Rent Paid	NIL (NIL)	2.40 (2.40)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	10.80 (10.80)	-
c. Interest Paid	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	-
d. Interest Received	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	-
e. Advance/Loans taken	NIL (325.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	-
f. Repayment of Advance /Loans	NIL (NIL)	NIL (37.25)	NIL (NIL)	12.19 (NIL)	0.54 (NIL)	NIL (NIL)	116.15 (NIL)	-
g. Sitting fee to KMP								
- Non-Executive Chairman	-	-	-	-	-	-	-	0.50
Remuneration to KMP								(0.40)
- Managing Director	-	-	-	-	-	-	-	NIL
-Executive Director(WTD)	-	-	-	-	-	-	-	(3.00)
-President Account and Finance	-	-	-	-	-	-	-	13.92
-Company Secretary	-	-	-	-	-	-	-	(13.13)
	-	-	-	-	-	-	-	15.80
	-	-	-	-	-	-	-	(13.75)
	-	-	-	-	-	-	-	7.04
	-	-	-	-	-	-	-	(6.47)
h. Salary to relative of KMP								
- Mrs. Sanyog Agarwal	-	-	-	-	-	-	-	5.23
	-	-	-	-	-	-	-	(5.23)
- Mrs. Nidhi Agarwal	-	-	-	-	-	-	-	9.60
	-	-	-	-	-	-	-	(9.60)
- Mrs. Indu Singhal	-	-	-	-	-	-	-	7.95
	-	-	-	-	-	-	-	(7.44)
i. Balance at the year end (cr.)	1897.46 (1897.46)	572.75 (572.75)	NIL (NIL)	NIL (NIL)	NIL (NIL)	447.03 (NIL)	NIL (NIL)	-
j. Balance at the year end (dr.)	NIL (NIL)	NIL (NIL)	6.61 (6.61)	NIL (12.19)	NIL (0.54)	NIL (1242.25)	NIL (116.15)	-

Note :- The figure shown in brackets are the corresponding figure of previous financial year.

NOTES FORMING PART OF ACCOUNTS

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

Primary Segments							Rs.(in Lacs)	
Particulars	SEGMENTS						Total	
	Home Furnishing & Fashion Accessories		Yarn		Architectural Products			
Year	For the Year ended 31st Mar 16	For the Year ended 31st Mar 15	For the Year ended 31st Mar 16	For the Year ended 31st Mar 15	For the Year ended 31st Mar 16	For the Year ended 31st Mar 15	For the Year ended 31st Mar 16	For the Year ended 31st Mar 15
Segment Revenues	17147.87	16063.37	38803.16	47327.57	3593.18	4013.61	59544.21	67404.55
Less Inter Segment Revenue	190.79	398.62	1193.14	2737.64	-	-	1383.93	3136.26
Net Segment Revenue	16957.08	15664.75	37610.02	44589.93	3593.18	4013.61	58160.28	64268.29
Segment Results	(2066.70)	(834.81)	(3985.83)	(2755.51)	21.67	(35.45)	(6030.86)	(3625.77)
Less Financial Expenses	-	-	-	-	-	-	(47.41)	(34.66)
Less Un-allocable Expenses	-	-	-	-	-	-	-	-
Add Other Income	-	-	-	-	-	-	1232.77	711.71.
Profit before tax	-	-	-	-	-	-	(4847.12)	(2948.70)
Other Information's	-	-	-	-	-	-	-	-
Segment Assets	21601.34	37457.47	38419.87	55278.01	2591.28	2684.71	62612.49	95420.19
Unallocated Assets	-	-	-	-	-	-	3030.58	7921.66
Total Assets	-	-	-	-	-	-	65643.07	103341.85
Segment Liability	6684.89	22956.48	4615.85	21450.89	395.08	1990.04	11695.82	46397.41
Unallocated liability	-	-	-	-	-	-	91943.93	96,963.38
Share Capital, Reserve & Surplus and Profit & Loss	-	-	-	-	-	-	(37996.68)	(40,018.94)
Total Liability	-	-	-	-	-	-	65643.07	103,341.85
Capital Expenditure	100.13	223.54	44.48	279.33	5.52	20.54	-	-
Depreciation	1456.77	1456.10	2041.77	2902.60	76.33	90.18	-	-
Non Cash Expenses	-	-	-	-	-	-	-	-

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

Secondary Segments

Rs.(in Lacs)

Particulars	SEGMENTS				Total	
	Domestic		Export			
	For the Year ended 31 st March 16	For the Year ended 31 st March 15	For the Year ended 31 st March 16	For the Year ended 31 st March 15	For the Year ended 31 st March 16	For the Year ended 31 st March 15
Segment Revenue	38553.89	41173.99	19606.39	23094.30	58160.28	64268.29

NOTES FORMING PART OF ACCOUNTS

37. Contingent Liabilities and Commitments

A) Contingent liability exists in respect of:

Particulars	As at	Rs.(in Lacs)
	31.03.2016	As at 31.03.2015
a) Guarantees issued by banks on behalf of company.	315.56	97.69
b) Other Claims against the company not acknowledged as debt	1269.42	1660.18
c) Other Claims against the company not acknowledged as debt detailed as under:	36799.31	66525.59
<p>(i) Kotak Mahindra Bank Limited (KMBL) filed an Original Application (O.A.) before Hon'ble Debt Recovery Tribunal, Mumbai (DRT) for recovery of its claim amounting to Rs. 601.11 lac (P.Y. Rs. 601.11 lac) in respect of certain foreign currency derivative transactions which were disputed per se illegal as not being within the regulatory permission of RBI and were entered into by the company on the basis of incomplete disclosures and details thus falling in the ambit of mis-selling by the bank to the company. Hon'ble DRT vide an interim order restrained the company to sale its certain Fixed Assets. Hon'ble Debt Recovery Appellate Tribunal (DRAT) Mumbai, on Appeal of the company, has directed to return the said OA and set aside the said restraint order passed by the Hon'ble DRT. The Hon'ble Bombay High Court vide an interim order in the writ filed by KMBL against the order of Hon'ble DRAT stayed the order of Hon'ble DRAT & restored the operation of restraint order passed by Hon'ble DRT and also stayed the proceedings before Hon'ble DRT till further order. The said writ is still pending before the Hon'ble Bombay High Court. Besides this, Subsequently, Kotak Mahindra Bank had also raised another claim of Rs. 1435 Lac (P.Y. Rs. 1435 Lac) in respect of these foreign currency derivative transactions. On the basis of legal opinion obtained, the company has not admitted these claims of bank against these transactions and filed a suit in the competent civil court of law against these derivative transactions where the same is still pending adjudication. An appeal filed by the company against the order passed by the Hon'ble Civil Court in the matter of withdrawing its earlier order directing to maintain the status quo as regards the recovery proceedings is also pending adjudication before Hon'ble Allahabad High Court.</p> <p>(ii) DBS Bank Ltd. has raised claims amounting to US\$ 91.09 Lac & Rs. 667.39 lac (totaling to Rs.6710.28 lac, approx) (P.Y. totaling to Rs. 6369.38 lac approx) against the Company in respect of certain foreign currency derivative transactions which were disputed per se illegal being not within the regulatory permission of RBI and were entered into by the company on the basis of incomplete disclosures and details thus falling in the ambit of mis-selling by the bank to the company. On the basis of legal opinion obtained, the company has not admitted the claims of bank & filed a suit in the competent civil court of law against these transactions who has issued an interim order for maintenance of status quo with regards to recovery towards these transactions. The interim order is still continuing and the matter is still pending adjudication. A revision filed by bank against the status quo order passed by Hon'ble Civil Court is also pending adjudication before Hon'ble Allahabad High Court.</p> <p>(iii) Merrill Lynch Capital Services Inc. raised a claim of US\$ 195.80 Lac (Rs. 12987.94 Lac approx.) (P.Y. Rs. 12255.24 Lac approx.) against the company in respect of an alleged corporate guarantee of US\$ 100 Lac (Rs.6633.29 lac approx.) (P.Y. Rs. 6259.08 Lac approx.) alleged to be given by the company for one of its subsidiary company M/s Alps USA Inc. These claims relate to derivative transactions and corporate guarantee thereof which were disputed per se illegal as being not within the regulatory permission of RBI and were entered into by the company on the basis of incomplete disclosures and details thus falls in the ambit of mis-selling by the bank to the company. RBI has also refused to take on record the said corporate guarantee. Based on legal opinion obtained, the company has not admitted said claim and filed a suit in the competent civil court of law. An Appeal filed by the company against the order passed by Hon'ble Civil Court in the matter of withdrawing its jurisdiction and earlier order directing to maintain the status quo as regards the recovery proceedings is pending adjudication before Hon'ble Allahabad High Court.</p> <p>(iv) Workers of Kashipur and Jaspur units have filed cases before the Industrial Tribunal/Labour Court, Haldwani, Uttarakhand U/s 33C(2) of the Industrial Dispute Act 1947 claiming total amount of Rs. 15064.97 Lac, in respect of their alleged dues towards wages, retirement benefit etc. as per Hon'ble Court's Notice dated 4th May 2013 received by the company, which is being contested. The Liability, if any, will be accounted for as and when the matter is finally decided.</p>		

NOTES FORMING PART OF ACCOUNTS

B) Commitments:-

	31.03.2016	Rs.(in Lacs) 31.03.2015
i) Estimated amount of contracts remaining to be executed On account and not provided for:	59.57	60.40
ii) Arrears of preferential dividend	5047.39	3995.28

C) Forward Contracts Outstanding:-

Future Contracts	1697.77	2665.87
------------------	----------------	---------

38. The company is registered as a sick industrial company with the Hon'ble Board of Industrial & Financial Restructuring (BIFR) Vide registration no. 32/2010 and declared as Sick Industrial Company vide its order dated 6.12.2010. The Draft Rehabilitation Scheme, for the revival of the Company, as consented by the secured lenders representing more than 83% of the total outstanding secured debts of the company filed in terms of the directions of the Hon'ble BIFR, is pending consideration before Hon'ble BIFR. Based on same, the company believes it would be able to meet its financial obligations. Accordingly the Financial Statements have been prepared on going concern basis.

39. No provision has been made during the Financial Year 2015-16 of Rs. 2000 lacs (Previous Year Rs. 2000 lacs) towards interest payable on borrowings from secured lenders (representing less than 17% of the total outstanding secured debt of the Company) and also towards interest Rs. 95 lacs for the Financial Year 2015-16 (Previous Year Rs. 95 lacs) payable on unsecured loans availed by the Company from its subsidiary Companies, who yet to accord their consent to the restructuring proposal/ DRS of the Company. The same is in accordance with the fact that upon sanction of the restructuring forming part of the Draft Rehabilitation Scheme, the decision of the majority secured lenders (representing more than 83% of the secured debt of the Company which have consented for complete waiver of any interest payable) shall be binding on these minority creditors. In line with the proposed treatment to be accorded to the secured debts of the company in the DRS, the outstanding of Banks/FI/ARCs have been bifurcated as Non Current liabilities (Long term Borrowings) and Current Liabilities (Other Current Borrowings) and accordingly stated in these financial statements.

40. The company has reached a settlement with RBS Bank NV (earlier known as ABN Amro Bank) of an old dispute claim with respect to derivative transactions. The entire claim of whatsoever nature against the company has been settled against release of term deposits held by ABN Amro Bank on behalf of company as margin money. The financial impact of the settlement has been recognized during the year.

41. Certain assets lying at the erstwhile units at Kashipur and Jaspur of company have not been reviewed w.r.t. its impairment at the end of the year for want of access since these are under the possession of lessor, SIIDCUL. With regard to Impairment of other units Assets, on assessment it is ascertained that no potential loss is present. Accordingly no impairment loss has been provided in the books of account.

42. Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.16 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.

43. There is no amount outstanding on account of unclaimed dividend as on date. However in previous year Rs.6.03 Lacs for the Financial Year 2006-07 had been transferred to the Investor Education and Protection Fund, as per the provisions of Section 124(5) of the Companies Act, 2013.

44. The balances of Trade Receivable, loans and advances and Trade payable are subject to confirmation, reconciliation and consequential adjustment, if any, which in the opinion of the management will not be material.

45. Sales are net of Rebate & Discounts of Rs. 768.22 Lacs (Previous Year Rs. 702.26 Lacs).

46. The Secured loan of ARCIL has been settled and accordingly paid and adjusted in accounts.

NOTES FORMING PART OF ACCOUNTS

47. Employee Benefits

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

1. Defined Contribution plans:

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

Particulars	Rs.(in Lacs)	
	For the year ended 31 st March 16	For the year ended 31 st March 15
Employers contribution to Provident Fund and Employee's State Insurance Corporation	225.20	231.96

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:

Rs.(in Lacs)

Particulars	Gratuity (Unfunded)		Earned Leave (Unfunded)	
	For the Year ended 31 st March 16	For the Year ended 31 st March 15	For the Year ended 31 st March 16	For the Year ended 31 st March 15
Discount Rate (per annum)	7.50%	7.75%	7.50%	7.25%
Future Salary Increase	5.00%	5.25%	5.00%	5.25%
In Service Mortality	Std of LIC (2006-08)	Std of LIC (2006-08)	Std of LIC (2006-08)	Std of LIC (2006-08)
Retiring Age	58 years	58 years	58 years	58 years
Withdrawal Rates:				
Up to 30 years	3%	3%	3%	3%
Up to 44 years	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%
I. Expenses recognized in Statement Profit & Loss				
Current Service Cost	48.76	56.12	19.51	30.08
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Interest Cost	21.04	20.59	8.14	7.81
Net Actuarial (Gain)/ Loss recognized in the year	(15.96)	10.46	(13.29)	0.09
Total Expenses	53.84	87.17	14.36	37.98
II. Net Assets /(Liability) recognized in the Balance Sheet				
Present value of the Defined Benefit obligation	280.19	270.75	97.61	105.07
Fund Status (Deficit)	(280.19)	(270.75)	(97.61)	(105.07)
Net assets/ (Liability)	(280.19)	(270.75)	(97.61)	(105.07)
III. Change in present value of obligation				
Present Value of obligation as at the beginning of the period	270.75	235.26	105.07	89.24
Interest Cost	21.04	20.59	8.14	7.81
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Current Service Cost	48.76	56.12	19.51	30.08
Benefits Paid	(44.40)	(51.68)	(21.82)	(22.15)
Actuarial (gains)/ Loss on obligation	15.96	10.46	(13.29)	0.09
Present Value of obligation as at the end of the period	280.19	270.75	97.61	105.07

48. Directors Remuneration

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Salary	13.20	15.81
Perquisites	00.72	00.32
Total	13.92	16.13

NOTES FORMING PART OF ACCOUNTS

49. Particulars of Raw Material Consumption

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Cotton	25838.23	31875.30
Yarn	1979.32	3226.12
Fabric	5795.58	2118.10
Architectural Products	2074.85	2570.32
Others	2388.98	1578.77
Total	38076.95	41368.61

50. Details of Purchases of Stock-in-Trade

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Yarn	167.21	769.68
Fabric	16.86	6.25
Architectural	92.73	133.14
Total	276.80	909.07

51. Inventories

Rs.(in Lacs)

Particulars	As at 31 st March 16	As at 31 st March 15
-------------	------------------------------------	------------------------------------

Work-in-Progress

Cotton / Fibre	398.47	2671.39
Yarn	120.30	1945.58
Fabric / Made up	152.55	340.55
Others	19.32	28.63
Total	690.65	4986.15

Finished Goods

Yarn	716.21	5468.91
Fabric / Made up	812.99	2691.30
Others	-	81.51
Total	1529.20	8241.72

52. 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 **R. K. GOVIL & CO.**
Chartered Accountants
(Firm Registration No.000748C)

Kaushal Kishore Pal
Partner
Membership No. 074999
Place : Ghaziabad
Date : May 30, 2016

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

Ajay Gupta
Company Secretary

For and on behalf of the Board

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

FINANCIAL STATEMENTS FOR SUBSIDIARY COMPANIES

ALPS USA INC.

**Financial Statements for the year
ended 31st March, 2016**

ALPS USA INC.
Financial Statements for the year ended 31st March, 2016

Incorporation	:	April 25, 2007
Number	:	070478097-4341527
Reserve Bank of India's Identification No.	:	NDWAZ20070455
Directors	:	Mr. K.K. Agarwal and Mr. Sandeep Agarwal
Business Address	:	Regd. Office: 508, Main Street, Wilmington, New Castle, 19804 USA.
		Mailing Address in USA: 303, Fifth Ave., Suite 1608, New York, N.Y. 10016
		Mailing Address in India: 57/2, Site-IV, Industrial Area, Sahibabad, Ghaziabad. Uttar Pradesh - 201 010, INDIA

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DIRECTORS' REPORT**The Members of
ALPS USA INC.
Delaware, U.S.A.**

Your Directors have pleasure in presenting the Eighth Annual Report, along with Accounts complied by the management of the company for the period ended 31st March, 2016.

FINANCIAL RESULTS

The Financial Statements for the financial year ended on 31st March, 2016 has been prepared. Due to no activity, there is no profit/loss during the year.

PROJECT AND PERFORMANCE

The company is exploring the opportunities to maintain the business activities in other Home Furnishing Textile Products. However, the present operations of the company are downside and not operative. However, the suitable decision with respect to the running of the company will be taken keeping in view the Company's financial position and in compliance with the U.S. and Indian Laws.

FINANCIAL ARRANGEMENT

The Company has not availed any financial assistance from any bank.

SECURITIES

The company has not issued any further capital during the year under review.

PARENT COMPANY

Due to holding of 100% Capital, directly by Alps Industries Limited, the relationship of Wholly Owned Subsidiary is being maintained.

PUBLIC RELATIONS

The management places on record its appreciation to all banks, Government departments and investors for the valuable support extended to the Company. The public relations were cordial with all concerned.

DIVIDEND

As there is no profit/loss, no Dividend has been proposed for the year.

DIRECTORS

There was no change in the Board of Directors of the Company during the year. In terms of the By Laws of the Company, all the Directors are of permanent nature and non-rotational. Hence, none of the Directors have been proposed for retirement at the forthcoming Annual General Meeting.

FIXED DEPOSITS

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

AUDITORS' OBSERVATIONS

Due to the loss incurred by the company, the audit of accounts is not mandatory. The accounts of the company have been prepared by the management.

ACKNOWLEDGMENTS

Your Directors place on record their appreciation for the co-operation and support provided by the Banks and various other government agencies. It is also not out of place to mention that due to the confidence and faith imposed by the investors of the company by contributing in the share capital of the Company, the roots of the company have been well established, for which your Directors place on record their appreciation.

**For and on behalf of the Board
Alps USA Inc.**

**Place : Ghaziabad, U.P., India
Date : May 9, 2016**

K.K. Agarwal
Director
DIN - 00139252

Sandeep Agarwal
Director
DIN - 00139439

BALANCE SHEET

BALANCE SHEET AS AT MARCH 31, 2016

	AS AT 31.03.16 AMOUNT (US\$)	AS AT 31.03.15 AMOUNT (US\$)
ASSETS		
Current Assets		
Cash & Cash Equivalents (see schedules attached)	-	-
Total Current assets	<u>-</u>	<u>-</u>
Investments (see schedules attached)	529,000.00	529,000.00
Intangible Assets	1,354.00	1,354.00
Less : Accumulated Amortisation	(1,354.00)	(1,354.00)
Net Intangible Assets	-	-
Total Assets	<u>529,000.00</u>	<u>529,000.00</u>
LIABILITIES AND SHARE HOLDERS EQUITY		
Current Liabilities		
Accounts Payable (see schedules attached)	15,500.19	15,500.19
Total Current Liabilities	<u>15,500.19</u>	<u>15,500.19</u>
Shareholders Equity		
(Authorised to issue 200 shares at No par value) Issued and Subscribed 15 share at No par value	-	-
Additional paid in Capital	1,225,000.00	1,225,000.00
Retained Earnings	(711,500.19)	(711,500.19)
Total Shareholders equity	<u>513,499.81</u>	<u>513,499.81</u>
Total Liabilities and Shareholders equity	<u>529,000.00</u>	<u>529,000.00</u>

For and on behalf of the Board

Alps USA Inc.

Place : Ghaziabad
Date : May 09, 2016K.K.Agarwal
Director
DIN - 00139252Sandeep Agarwal
Director
DIN - 00139439

INCOME AND RETAINED EARNINGS

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED MARCH 31, 2016

	YEAR ENDED 31.03.16 AMOUNT (US\$)	YEAR ENDED 31.03.15 AMOUNT (US\$)
Revenue	-	-
Gross Profit	<u>-</u>	<u>-</u>
Operating Expenses		
Amortisation Expense	<u>-</u>	<u>3.00</u>
Bank Service Charges	<u>-</u>	<u>-</u>
Total Expenses	<u>-</u>	<u>3.00</u>
Profit/(Loss) Before Interest & Tax	-	(3.00)
Profit/(Loss) Before Tax	<u>-</u>	<u>(3.00)</u>
Provision For Tax	-	-
Profit/(Loss) after Interest & Tax	<u>-</u>	<u>(3.00)</u>
Retained Earnings - Opening Balance	(711,500.19)	(711,497.19)
Retained Earnings - Closing Balance	<u>(711,500.19)</u>	<u>(711,500.19)</u>

For and on behalf of the Board

Alps USA Inc.

Place : Ghaziabad
Date : May 09, 2016

K.K.Agarwal
Director
DIN - 00139252

Sandeep Agarwal
Director
DIN - 00139439

CASH FLOW

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.16 AMOUNT (US\$)	AS AT 31.03.15 AMOUNT (US\$)
Operating activities	0.00	(3.00)
Depreciation and Amortisation	0.00	(3.00)
Changes in Working Capital		
Increase (Decrease) in Current Liabilites	0.00	0.00
Cash provided by (used in) operating activities	0.00	0.00
Investing activities		
(Increase)/Decrease in Investments	0.00	0.00
Cash provided by/(used in) investing activities	0.00	0.00
Financing Activities		
Cash provided by/(used in) financing activities	0.00	0.00
Net Changes in Cash during the period	0.00	0.00
Cash at Beginning	0.00	0.00
Cash at End	0.00	0.00
Changes in Cash	<u>0.00</u>	<u>0.00</u>

For and on behalf of the Board

Alps USA Inc.

Place : Ghaziabad
Date : May 09, 2016

K.K.Agarwal
Director
DIN - 00139252

Sandeep Agarwal
Director
DIN - 00139439

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 AMOUNT (US\$)	AS AT 31.03.15 AMOUNT (US\$)
1. CASH & CASH EQUIVALENTS		
RBS	-	-
Cash	-	-
2. INVESTMENTS		
Alps Energy Pvt. Ltd.	264,500.00	264,500.00
Snowflakes Meditech Pvt Ltd (formerly Alps Retail Pvt. Ltd.)	264,500.00	264,500.00
Total	<u>529,000.00</u>	<u>529,000.00</u>
3. ACCOUNTS PAYABLE		
Alps Industries Ltd.	14,146.19	14,146.19
Pradeep K Gupta, CPA, PC	1,185.00	1,185.00
State of Delaware	169.00	169.00
Total	<u>15,500.19</u>	<u>15,500.19</u>

NOTES TO FINANCIAL STATEMENTS

1. Organization and Operations

Alps USA Inc. (the "Company") was formed in Delaware on April 25, 2007. The company is a 100% owned subsidiary of Alps Industries Limited which was incorporated in India in 1972 as private limited company, subsequently converted into public limited company in 1994.

Alps Industries Limited manufactures and sells home furnishings, fashion accessories, and yarns in India. It also offers a range of architectural products under the brand name 'Vista' and fashion accessories under brand name 'Le-Pashmina'. The company's home furnishings and fashion accessories include made-ups, such as duvet sets, bed covers and sheets, quilts, pillows, cushion covers, curtains and table linens; cashmere, sheer and aromatic shawls, scarves, mufflers, stoles, wraps, and other fashion accessories; and fabrics for upholstery, including office furniture and automobile seats. Alps Industries also offers various types of yarns, including cotton yarn, synthetic and blended yarns.

2. Significant Accounting Policies

• Accounting Principles

The financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States of America using accrual basis of accounting.

• Use of Estimates in Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions in determining the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Examples include provisions for returns, concessions and bad debts; and the length of product lifecycles and buildings' lives. Actual results could differ from those estimates

• Cash, Cash Equivalents

For purpose of the statement of cash flows, the Company considers highly liquid investments purchases with maturity of three months or less to be cash equivalents.

• Pre-operating Expenses

Expenses incurred by the subsidiary prior to the start of commercial operations and in bringing new facilities into operations have been deferred and are being amortized over 7 years up to year 2014.

• Investment

Investment in company in which Alps USA Inc. Has significant influence, but less than a controlling voting interest, are accounted using equity method. Investments are accounted for at Cost.

3. Affiliates and Transactions with Affiliates

The Company is affiliated through common ownership with Alps Industries Limited. During the year ended March 31, 2016 the Company had the following transactions with affiliates: Nil

4. Contingent Liabilities and Assets

As at March 31, 2016 the Company had a legal claim lodged against it for foreign currency transactions. The Company has denied liability and is defending the claims. In addition, the Company has lodged the claims to recover damages which are also being defended. The estimated liability of these claims could be up to \$25 millions.

For and on behalf of the Board
Alps USA Inc.

Place : Ghaziabad
 Date : May 9, 2016

K.K. Agarwal
 Director
 DIN - 00139252

Sandeep Agarwal
 Director
 DIN - 00139439

ALPS ENERGY PRIVATE LIMITED

**Financial Statements for the year
ended 31st March, 2016**

ALPS ENERGY PRIVATE LIMITED
Financial Statements for the year ended 31st March, 2016

Date of incorporation	:	October 30, 2007
CIN No.	:	U40109DL2007PTC169994
Directors	:	Mr. Chetan Agarwal (DIN NO. 01863250), Mr Arun Kumar Agarwal (DIN NO. 06436816) Mr. Prabhat Krishna (DIN NO. 02569624)
Business Address	:	Regd. Office: F- 228, Ground Floor, Lado Sarai, New Delhi-110 030 Mailing Address: 57/2, Site-IV, Industrial Area, Sahibabad, Ghaziabad Uttar Pradesh - 201 010, INDIA.
Name & Address of the Statutory Auditors	:	R.K. Govil & Co., Chartered Accountants, 4, Kiran Enclave, Ghaziabad - 201001

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DIRECTORS' REPORT**The Members of
ALPS ENERGY PVT. LTD.,
New Delhi.**

Your Directors have pleasure in presenting the Ninth Annual Report along with Audited Accounts of the Company for the period ended on 31st March, 2016.

FINANCIAL RESULTS

The financial accounts for the financial year 2015-16 have been compiled. The company has earned a profit of Rs-0.70 Lacs during the year under review.

PROJECT AND PERFORMANCE

The company is exploring identifying more viable business projects.

STATUS OF HOLDING OF PARENT COMPANY

During the year under review, there is no change in the shareholding of M/s. Alps Industries Limited i.e. Parent company. Hence, the status of our company is an ordinary subsidiary company being holding of more than 51% by Alps Industries Limited.

FINANCIAL ARRANGEMENTS

Company has not availed any financial assistance during the year.

ISSUE & TRANSFER OF SECURITIES

The company has not issued any further capital & there are no Transfer of Securities during the year under review.

HUMAN RESOURCES

The management places on record its appreciation for the sincere commitment to work shown by its employees. The public relations were cordial with all concerned.

PARTICULARS OF EMPLOYEES

In terms of Section 197 of the companies Act 2013 and applicable Rules, made there under none of the employee was drawing in excess of limits specified under the relevant rules.

DIVIDEND

In view of the future plans of the company, your company is unable to declare any dividend for the year under review

INTER CORPORATE LOANS, GUARANTEES AND INVESTMENTS

The Company has received an intimation from Alps Industries Limited, Holding Company which is declared by Hon'ble Board for Industrial and Financial Reconstruction (BIFR) as a sick industrial Company, (AIL) whereby AIL has expressed its inability to pay the outstanding interest and any future interest on unsecured loan of company pursuant to a restraint by the majority of secured lenders of AIL (representing 83% of the outstanding secured debt of AIL) on payment of any interest on loans from Subsidiary Companies, while according their consent to the Draft Rehabilitation Scheme of AIL which is under the consideration of Hon'ble BIFR and the same inter-alia envisages complete waiver of outstanding interest and any future interest on all outstanding loans of secured/ unsecured lenders also. Hence, due to the uncertainly regarding the recoverability of interest on unsecured loan extended to AIL, the Company has not recognized any interst income during the year on such loans.

RELATED PARTY TRANSACTIONS

In terms of the Section 188 Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules, 2014, during the year under review, company has not entered into related party transactions which are not at the market prevailing prices and on arm's length basis. Hence there are no conflicts of interest of the company.

DIRECTORS

During the year under review there is no change in the directorship of the company. Mr. Arun Kumar Agarwal (DIN No. 06436816) director of the company retire by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and other applicable Provisions.

STATUS OF INDEPENDENT DIRECTOR

In terms of Section 149,152 and 161 of the Companies Act 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 related to Corporate Governance applicable to the holding company namely Alps Industries Limited, Mr. Prabhat Krishna (DIN N0.02729624) was appointed as Independent Director of the Company by the Board being representative of holding company as it comes under the Material Subsidiary category, and he was regularized by the members of the company at their meeting held on September 30,2015. he continues to be as Representative of Holding Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 134(5) of the Companies Act 2013, the Board confirms and submits the Directors' Responsibility Statement:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 and loss of the company for that period;
- (c) The directors had 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;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively which means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FIXED DEPOSITS

During the year, your company has not raised any money by way of Fixed Deposits. Hence, the information under the Miscellaneous Non-Banking Companies (Reserve Bank) Direction 1977 is not applicable.

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

As the company is not engaged in manufacturing activities and has not commenced its commercial activities, the Information in accordance with the provisions of Section 134 (1) (e) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange is not applicable to the company.

ABSTRACT OF THE ANNUAL RETURN

In terms of section 92 of the Companies Act 2013 the extract of the Annual Return as on it stood on the close of the financial year 2015-16 being attached with the Directors Report as Annexure I.

STATUTORY AUDITORS

M/s. R.K. Govil & Co., Chartered Accountants, (Firm Registration No. 000748C), the Statutory Auditors of the Company, completes the First term one year out of four years as approved at the Annual General Meeting of the Company held on September 30 2015. Now they have further confirmed their eligibility and willingness to accept office, if they get approval for ratification for the reappointment for remaining term of three years at the forthcoming Annual General Meeting. The company has received certificates from the said auditors to the effect that their confirmation, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. Your Directors recommend their confirmation under Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 for a further period of 3 years i.e. till the conclusion of 12th Annual General Meeting. The company has received the confirmation certificates from the auditors to the effect that their ratification for appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013.

AUDITORS' OBSERVATIONS

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

INFORMATION IN TERMS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 2015

In terms of regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) 2015 and Section 188/184 of the Companies Act, 2013 and rules made thereunder, the details of transactions are as under:

S. No.	Particulars	Amount (Rs. In Lacs)	Maximum amount outstanding during the year.
1.	Loans and advances in the nature of loans to subsidiaries (by name and amount)	NIL	NIL
ii.	Loans and advances in the nature of loans to associates -by name and amount	NIL	NIL
iii.	Loans and advances in the nature of loans where there is c) no repayment schedule or repayment beyond seven years or d) no interest or interest below section 186 of the Companies Act 2013 by name and amount	NIL	NIL
iv.	Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount.	NIL	NIL
v.	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	NIL

ACKNOWLEDGMENTS

Your directors would like to express their grateful appreciation to the investors of the company by contributing in the share capital of the Company. Your Directors also wish to place on record their deep sense of appreciation for the committed contribution from all Central/State Government Department, investors and employees and all concerned.

For and on behalf of the Board of
Alps Energy Pvt. Ltd.

Place : Ghaziabad
Date : May 9, 2016

Arun Kumar Agarwal
Director
DIN - 06436816

Chetan Agarwal
Director
DIN - 01863250

**ABSTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2016**

ANNEXURE-I

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U40109DL2007PTC169994
Registration Date	:	30/10/2007
Name of the Company	:	Alps Energy Private Limited
Category / Sub-Category of the Company	:	Company Limited by Shares
Address of the Registered office and contact details	:	F-228 Ground Floor Lado Sarai New Delhi 110030
Whether listed company	:	No
Name, Address and Contact details of Registrar	:	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The entire business activities contributing 10% or more of the total turnover of the company shall be stated:- The company is exploring the opportunities to commence the main business activities.

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Fabrics*	235.3	100

* Ancillary Business Activities

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Alps Industries Limited 57/2 Site-IV, Industrial Area, Sahibabad, Ghaziabad -201010	L51109UP1972PLC003544	Holding	69.75	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the End of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
Indian									
a) Individuals/HUF	0	10	10	0.01	0	10	10	0.01	0
b) Central Government	0	0	0	0	0	0	-	0	0
c) State Governments	0	0	0	0	0	0	-	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
									0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Others (Specify)	0	0	0	0	0	0	0	0	0
Sub Total(A)(1)	0	10	10	0.01	0	10	10	0.01	0
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Others (Specify)	0	0	0	0	0	0	0	0	0
Sub Total(A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	10	10	0.01	0	10	10	0.01	0
B. Public shareholding	-								
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Governments	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the End of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital fund	0	0	0	0	0	0	0	0	0
i) Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0
(2) Non-institutions									
a) Bodies Corporate									
i) Indian	0	3240030	3240030	99.99	0	3240030	3240030	99.99	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i.) Individual shareholders holding nominal share capital up to Rs 2 lakh	0	0	0	0	0	0	0	0	0
ii.) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	0	0	0	0	0	0	0	0	0
c) Any Other (specify)	0	0	0	0	0	0	0	0	0
ii) NRI	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2)	0	3240030	3240030	99.99	0	3240030	3240030	99.99	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	3240030	3240030	99.99	0	3240030	3240030	99.99	0
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	0	3240040	3240040	100.00	0	3240040	3240040	100.00	0

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sandeep Agarwal	10	0.01	0	10	0.01	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Sandeep Agarwal				
	At the beginning of the year	10	0.01	10	0.01
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year	10	0.01	10	0.01

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Alps Industries Limited 57/2 Site-IV, Industrial Area, Sahibabad, Ghaziabad -201010	22,59,990	69.75	22,59,990	69.75
2	Prraneta Industries Limited 574/577 Belgium Square, Opp. Liner Bus Stand Ring Road, Surat, Gujrat	140,000	4.32	140,000	4.32
3	Bhumiputra India Limited Room No. 211, Triveni Complex, E-10, Laxmi Nagar, Delhi-110092	60,000	1.85	60,000	1.85
4	S S J Foods Limited B-3D, Phase-I, Ashok Vihar, Delhi-110092	53,340	1.65	53,340	1.65

5	Dhanus Technologies Limited No6B Mena Kampala Arcade, 113/114 Theyagarya Road, T.Nagar, Chennai, Tamil Nadu	60,000	1.85	60,000	1.85
6	BITS Limited. 4/18, 2nd floor, Asaf Ali Road, New Delhi.	5,66,700	17.49	5,66,700	17.49
7	Pan India Corporation Limited 1111, 11th Floor, New Delhi House 27, Barakhamba Road, Delhi	1,00,000	3.09	1,00,000	3.09

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Chetan Agarwal	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
2.	Mr. Arun Kumar Agarwal	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
3.	Mr. Prabhat Krishna	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

(V) INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payments

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		NA	NA	NA	NA	
1.	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in the section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify...					
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors			Total
		Chetan Agarwal	Arun Kumar Agarwal	Prabhat Krishna	
1.	Independent Directors				
	• Fee for attending board / committee meetings	N.A.	N.A.	NIL	N.A.
	• Commission	N.A.	N.A.	NIL	N.A.
	• Others, please specify	N.A.	N.A.	NIL	N.A.
	Total (1)	N.A.	N.A.	NIL	N.A.
2.	Other Non-Executive Directors				
	• Fee for attending board/ committee meetings	NIL	NIL	N.A.	NIL
	• Commission	NIL	NIL	N.A.	NIL
	• Others, please specify	NIL	NIL	N.A.	NIL
	Total (2)	NIL	NIL	N.A.	NIL
	Total (B)=(1+2)	NIL	NIL	N.A.	NIL
	Total Managerial Remuneration	NIL	NIL	N.A.	NIL
	Overall Ceiling as per the Act	NIL	NIL	N.A.	NIL

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A	N.A	N.A	N.A
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A	N.A	N.A	N.A
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A	N.A	N.A	N.A
2.	Stock Option	N.A	N.A	N.A	N.A
3.	Sweat Equity				
4.	Commission	N.A	N.A	N.A	N.A
	- as % of profit				
	- others, specify...				
5.	Others, please specify	N.A	N.A	N.A	N.A
	Total	N.A	N.A	N.A	N.A

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

AUDITORS' REPORT

**To the Members of
ALPS ENERGY PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of ALPS ENERGY PRIVATE LIMITED (the Company) which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its Profit and its cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable:
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As confirmed there are no pending litigations with the company.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Ghaziabad
Date : May 9, 2016

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000748C)

(Kaushal Kishore Pal)
Partner
Membership No. : 074999

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Financial statements for the year ended 31 March 2016, we report that:

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us the management has physically verified all the fixed assets during the year 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (2) (a) The inventory has been physically verified during the year by the management in phased manner.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) 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 and have been dealt with in the books of account.
- (3) As per the information and explanations given to us, the company has not granted any loan to firms and other parties except unsecured loan to its holding company covered under section 189 of the Companies Act, 2013.
 - (a) As per information and explanations given to us, there appears no overdue amount outstanding towards principal however the interest is overdue.
 - (b) The company has taken the reasonable steps for recovery of overdue interest regard to note no. "21" of the financial statements.
- (4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- (6) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Govt. under of sub section (1) of section 148 of the companies' Act 2013.
- (7) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, no amounts payable in respect of Income-tax, Service Tax, Sales-tax, Duty of Custom, Duty of Excise, Cess and other aforesaid statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (8) The company has not taken any loan from Banks or Financial Institutions nor issued any debentures.
- (9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (10) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration.
- (12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (14) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000748C)

(Kaushal Kishore Pal)
Partner
Membership No. : 074999

Place : Ghaziabad
Date : May 9, 2016

Annexure “B” to the Auditors’ Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **ALPS ENERGY PRIVATE LIMITED** (the Company) as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ghaziabad
Date : May 9, 2016

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000748C)

(Kaushal Kishore Pal)
Partner
Membership No. : 074999

ALPS INDUSTRIES LTD. ALPS ENERGY PVT. LTD.

BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2016

	Notes	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	449.94	449.94
Reserves and Surplus	2	1,532.35	1,531.64
		<u>1,982.29</u>	<u>1,981.58</u>
Current Liabilities			
Trade payables	3	29.85	272.85
Other Current Liabilities	4	0.47	0.34
Short-Term Provisions	5	1.04	2.61
		<u>31.36</u>	<u>275.80</u>
Total		<u>2,013.65</u>	<u>2,257.38</u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	6	29.13	33.87
Long-Term Loans and Advances	7	1,795.00	1,795.00
		<u>1,824.13</u>	<u>1,828.87</u>
Current Assets, Loans & Advances			
Inventories	8	7.17	46.73
Trade Receivables	9	36.56	183.98
Cash & Bank Equivalents	10	16.71	63.68
Short-Term Loans & Advances	11	13.90	19.04
Other Current assets	12	115.18	115.08
		<u>189.52</u>	<u>428.51</u>
Total		<u>2,013.65</u>	<u>2,257.38</u>
Significant Accounting Policies and other Notes on Financial Statements	1-25		
Notes referred to above form an integral part of Financial Statements			

As per our report of even date
For R.K. Govil & CO.
Chartered Accountants
(Firm Registration No. 000748C)

Kaushal Kishore Pal
Partner
Membership No. 074999
Place : Ghaziabad
Date : May 9, 2016

Sanjay Kumar
Astt. Manager (Accounts)

Arun Kumar Agarwal
Director
DIN - 06436816

For and on behalf of the Board

Chetan Agarwal
Director
DIN - 01863250

STATEMENT OF PROFIT & LOSS

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

	Notes	Year Ended 31.03.16 Rs.(in Lacs)	Year Ended 31.03.15 Rs.(in Lacs)
Revenue from operations			
Sale of Products	13	49.70	463.81
Less :Excise Duty		-	-
Net Revenue		49.70	463.81
Other Income	14	-	8.92
Total Revenue		49.70	472.73
Expenses			
Purchase of Stock-in-Trade	15	-	499.85
Changes in inventories of Stock-in-Trade	16	39.56	(46.73)
Employee Benefit Expenses	17	1.20	1.20
Finance Cost	18	-	0.28
Depreciation/Amortization of Expenses	6	4.74	4.73
Other Expenses	19	3.16	4.21
Total Expenses		48.66	463.54
Profit/(Loss) Before Tax		1.04	9.19
Tax Expense			
(1) Current Tax		0.34	2.61
(2) Deferred Tax		-	-
Profit/(Loss) for the Period after tax		0.70	6.58
Basic Earning Per Share(Rs.)	20	0.02	0.20
Diluted Earning Per Share(Rs.)	20	0.02	0.15

Significant Accounting Policies and other Notes on Financial Statements **1-25**

Notes referred to above form an integral part of Financial Statements

As per our report of even date
For R.K. Govil & CO.
 Chartered Accountants
 (Firm Registration No. 000748C)

Kaushal Kishore Pal
 Partner
 Membership No. 074999

Place : Ghaziabad
Date : May 9, 2016

Sanjay Kumar
 Astd. Manager (Accounts)

Arun Kumar Agarwal
 Director
 DIN - 06436816

For and on behalf of the Board

Chetan Agarwal
 Director
 DIN - 01863250

CASH FLOW

Particulars	Rs.(in Lacs)	
	31.03.2016	31.03.2015
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax and Extraordinary items	1.04	9.19
Adjustment for :		
Depreciation	4.74	4.73
Interest Received	-	(8.92)
Finance Cost	-	0.28
Miscellaneous Expenditure	-	-
Operating Profit Before Working Capital Changes	5.78	5.28
Adjustment for Working Capital Changes		
Inventories	39.56	(46.73)
Trade & other Receivable	147.32	(100.38)
Trade Payable & other Liabilities	(244.43)	208.18
Direct Taxes Received/(Paid)	4.80	(3.97)
Net Cash From (Used in) Operating Activities	(46.97)	62.38
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Interest/Dividend received	-	8.92
Increase in Fixed Deposits	-	355.09
Net Cash From (used in) Investment Activities	-	364.01
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	-	(0.28)
Proceeds from Non EMI Bank Loan	-	(41.04)
Movements in Loans & Advances	-	(325.00)
Net Cash From (used in) Financing Activities	-	(366.32)
Net Increase in Cash & Cash Equivalents	(46.97)	60.07
Opening Balance of Cash and Cash Equivalents	63.68	3.61
Closing Balance of Cash and Cash Equivalents (Refer Note No. 10(i))	16.71	63.68

Notes:

- 1- Figure in brackets are for decrease.
- 2- Previous year figures have been regrouped or rearranged to make them comparable with those of current year.

As per our report of even date
For R.K. Govil & CO.
 Chartered Accountants
 (Firm Registration No. 000748C)

Kaushal Kishore Pal
 Partner
 Membership No. 074999

Place : Ghaziabad
Date : May 9, 2016

Sanjay Kumar
 Astt. Manager (Accounts)

Arun Kumar Agarwal
 Director
 DIN - 06436816

For and on behalf of the Board

Chetan Agarwal
 Director
 DIN - 01863250

SIGNIFICANT ACCOUNTING POLICIES**1. BASIS FOR PREPARATION OF ACCOUNTS**

The Financial Statements are prepared on going concern basis under the historical cost convention, on accrual basis unless specifically stated here in above and in accordance with applicable Accounting standards (AS) issued by the Institute of Chartered Accountants of India.

All the liabilities have been provided except of contingent nature which has been disclosed by way of note, if any.

2. FIXED ASSETS

- a) All Fixed assets are stated at cost, net of MODVAT / CENVAT less accumulated depreciation. Acquisition cost, any directly attributable expenditure including borrowing cost and Exchange Fluctuation for bringing the assets to working condition for it's intended use are capitalized.
- B) Cost of Assets not ready to put to use before year end are being shown as Capital Work in Progress and advances paid for acquisition or construction of Capital Assets are being shown as Capital advances.

3. DEPRECIATION

Depreciation on the fixed assets is provided on Straight Line Method as per useful life of the assets and in the manner as prescribed in Schedule II to The Companies Act, 2013.

4. 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 investment.
- b.) Investments that are readily realizable and intended to hold for not more than a year are classified as Current investments. All other investments are classified as Long Term Investment.

5. DEFERRED REVENUE EXPENDITURE

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

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
1. SHARE CAPITAL		
(A) Authorised Capital		
3700000(3700000) Equity Shares of Rs.10/-each	370.00	370.00
1300000(1300000) Preference Shares of Rs.10/-each	130.00	130.00
	<u>500.00</u>	<u>500.00</u>
(B) Issued , subscribed & paid up		
3240040(3240040) Equity Share of Rs.10/-each fully paid up	324.00	324.00
1259360(1259360) Zero Coupon Non Redeemable Convertible Preference Shares of Rs.10/- each fully paid up	125.94	125.94
Total	<u>449.94</u>	<u>449.94</u>

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	3240040	NIL	3240040
Zero Coupon Non Redeemable Convertible Preference Shares	1259360	NIL	1259360

1.2 Right Preferences and Restrictions attached to each class of Share 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.

Zero Coupon Non Redeemable Convertible Preference Shares: - The Company has one class of Preference shares having a par value of Rs. 10 each, such shares have no voting rights.

1.3 Such Preference shares are convertible into equity shares at the end of 15 years on face value or book value whichever is higher as on the date of allotment. The earliest date of conversion is 11th November 2023.

1.4 Particulars of shares of company held

Equity shares in the company held by its Holding Company
Zero Coupon Non Redeemable Convertible Preference Shares held by Subsidiary of holding company

	As at 31 Mar'2016	As at 31 Mar'2015
	2259990	2259990
	1259360	1259360

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

Particulars	As at 31 Mar' 2016 No of Shares	%age	As at 31 Mar' 2015 No of Shares	%age
Equity Shares:				
Alps Industries Limited	2259990	69.75	2259990	69.75
BITS Limited	566700	17.49	566700	17.49
Zero Coupon Non Redeemable Convertible Preference Shares				
Alps USA Inc.	1259360	100	1259360	100

1.6 In Preceding Five Financial Years

Aggregate no. of shares issued for consideration other than cash
Aggregate no. of shares allotted as fully paid up by way of bonus share(s)
Aggregate no. of shares bought back

Nil
Nil
Nil

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)								
2. RESERVES AND SURPLUS										
A Securities Premium										
At the beginning of the year & at the end of the year	<u>1,372.06</u>	<u>1,372.06</u>								
B. Statement of Profit and Loss Account										
Profit (loss) at the beginning of the year	159.58	153.00								
Add: profit (loss) for the year	<u>0.70</u>	6.58								
Profit (loss) at the end of the year	<u>160.29</u>	<u>159.58</u>								
Total	<u>1,532.35</u>	<u>1,531.64</u>								
3. TRADE PAYABLES										
(a) Micro, Small & Medium Enterprises	-	-								
(b) Others	<u>29.85</u>	<u>272.85</u>								
Total	<u>29.85</u>	<u>272.85</u>								
4. OTHER CURRENT LIABILITIES										
Other payable										
(1) Expenses payable	<u>0.47</u>	<u>0.34</u>								
Total	<u>0.47</u>	<u>0.34</u>								
4.1 Expenses Payable include the liabilities towards TDS Payable, commission, Audit Fee etc.										
5. SHORT TERM PROVISIONS										
Provision for Income Tax	<u>1.04</u>	<u>2.61</u>								
Total	<u>1.04</u>	<u>2.61</u>								
6. FIXED ASSETS										
	Rs.(in Lacs)									
	Gross Block				Depreciation				Net Block	
Particulars	Opening Balance	Addition for the year	Deduction/ Sale	Total Upto 31.03.2016	Opening Balance	For The Year	On Deduction	Total Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
TANGIBLE ASSETS										
Office Equipments	0.35	-	-	0.35	0.35	-	-	0.35	-	-
Plant & Machinery	0.19	-	-	0.19	0.19	-	-	0.19	-	-
Vehicle	39.59	-	-	39.59	5.72	4.74	-	10.46	29.13	33.87
Total	<u>40.13</u>	<u>-</u>	<u>-</u>	<u>40.13</u>	<u>6.26</u>	<u>4.74</u>	<u>-</u>	<u>11.00</u>	<u>29.13</u>	<u>33.87</u>
7. LONG-TERM LOANS AND ADVANCES										
(Unsecured, Considered Good)										
Loans And Advances to Related Parties (refer Note No. 24)								<u>1,795.00</u>	<u>1,795.00</u>	
Total								<u>1,795.00</u>	<u>1,795.00</u>	
8. INVENTORIES										
(Valued and certified by the Management)										
Stock-in-Trade								<u>7.17</u>	<u>46.73</u>	
Total								<u>7.17</u>	<u>46.73</u>	

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
9. TRADE RECEIVABLES		
Outstanding for a Period Exceeding Six Months from the date they are due for payment		
Unsecured Considered:		
Good	-	-
Doubtful	-	-
Less: Provision for Doubtful Receivables	-	-
Other Trade Receivables		
Unsecured Considered Good	<u>36.56</u>	<u>183.98</u>
Total	<u>36.56</u>	<u>183.98</u>
10. CASH & BANK BALANCES		
(i) Cash and Cash Equivalents		
In Current Accounts	4.96	61.05
Cash on Hand	<u>11.75</u>	<u>2.63</u>
	<u>16.71</u>	<u>63.68</u>
(ii) Other Bank Balances		
In Fixed Deposit	-	-
Total	<u>16.71</u>	<u>63.68</u>
11. SHORT TERMS LOANS & ADVANCES		
(Unsecured, Considered Good)		
OTHERS		
Advance Income Tax /TDS Recoverable	13.90	19.04
Total	<u>13.90</u>	<u>19.04</u>
12. OTHER CURRENT ASSETS		
Prepaid Expenses	0.58	0.48
Other Receivables (From Related Party) (refer Note No. 24)	102.46	102.46
Minimum Alternate Tax Adjustable	<u>12.14</u>	<u>12.14</u>
Total	<u>115.18</u>	<u>115.08</u>

NOTES FORMING PART OF ACCOUNTS

	YEAR ENDED 31.03.16 Rs.(in Lacs)	YEAR ENDED 31.03.15 Rs.(in Lacs)
13. REVENUE FROM OPERATIONS		
Sales of Products		
Domestic (Traded Goods) Cotton Fabric	49.70	463.81
Sub Total (A)	<u>49.70</u>	<u>463.81</u>
14. OTHER INCOME		
Income From Interest	-	8.92
Total	<u>-</u>	<u>8.92</u>
15. PURCHASE OF STOCK-IN-TRADE (Cotton Fabric)	<u>-</u>	<u>499.85</u>
16. CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Opening Stock-in-Trade	46.73	-
Closing Stock Stock-in-Trade	7.17	46.73
Total	<u>39.56</u>	<u>(46.73)</u>
17. EMPLOYEE BENEFIT EXPENSES		
Salary to Staff	1.20	1.20
Total	<u>1.20</u>	<u>1.20</u>
19. FINANCIAL EXPENSES		
Interest to Banks & Financial Institutions	-	0.28
Total	<u>-</u>	<u>0.28</u>
20. OTHER EXPENSES		
Printing & Stationery Exp.	-	0.02
Rent	0.60	0.60
Legal & Professional Expenses	0.10	1.94
Insurance	0.72	0.31
Vehicle Running & Maintenance Exps.	0.13	0.94
General Expenses	0.96	0.04
Bank Charges	0.01	0.01
Prior Period Expenses	-	0.01
Payment To Auditors (refer Note No. 23)	0.64	0.34
Total	<u>3.16</u>	<u>4.21</u>

NOTES FORMING PART OF ACCOUNTS
20. Basic & Diluted Earnings Per Share :

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Profit/(Loss) attributable to the Equity shareholders (A) (Rs. in Lacs)	0.70	6.58
Weighted average number of equity shares outstanding during the year - (B)	3240040	3240040
Potential Equity Share (Preference Share)	1259360	1259360
Nominal value of equity shares (Rs.)	10	10
Basic Earnings per share (Rs.)	0.02	0.20
Diluted Earnings per share (Rs.)	0.02	0.15

- 21** The Company has received an intimation from Alps Industries Limited, Holding Company which is declared by Hon'ble Board for Industrial and Financial Reconstruction (BIFR) as a sick industrial Company, (AIL) whereby AIL has expressed its inability to pay the outstanding interest and any future interest on unsecured loan of company pursuant to a restraint by the majority of secured lenders of AIL (representing 83% of the outstanding secured debt of AIL) on payment of any interest on Loans from Subsidiary Companies, while according their consent to the Draft Rehabilitation Scheme of AIL which is under the consideration of Hon'ble BIFR and the same inter-alia envisages complete waiver of outstanding interest and any future interest on all outstanding loans of secured/unsecured lenders also. Hence due to the uncertainty regarding the recoverability of interest on unsecured loan extended to AIL, the Company has not recognized any interest income during the year on such loans.
- 22.** In the opinion of the Management, all current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.

23. AUDITORS REMUNERATION

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Audit Fees	0.47	0.17
Others	0.17	0.17

24. RELATED PARTY TRANSACTIONS

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

Holding Company	:	Alps Industries Ltd.
Key Managerial Personnel,	:	1. Mr. Chetan Agarwal
Entities controlled by them	:	2. Mr. Arun Kumar Agarwal
		3. Snowflakes Meditech Private Limited

NOTES FORMING PART OF ACCOUNTS

Rs.(in Lacs)

Nature of Transaction	Transactions with Holding Company		Transactions with Key Managerial Personnel, Entities controlled by them, and their relatives	
	For the year ended 31 st March 16	For the year ended 31 st March 15	For the year ended 31 st March 16	For the year ended 31 st March 15
1. Sale of Goods	NIL	NIL	NIL	NIL
2. Purchase of Goods	NIL	NIL	NIL	NIL
3. Allotment of equity shares along with premium	NIL	NIL	NIL	NIL
4. Interest Paid	NIL	NIL	NIL	NIL
5. Interest Received	NIL	NIL	NIL	NIL
6. Advances/Loans given	NIL	325.00	NIL	NIL
7. Advances/Loans taken	NIL	NIL	NIL	NIL
8. Remuneration & Sitting Fee	NIL	NIL	NIL	NIL
9. Commission Paid	NIL	NIL	NIL	NIL
10. Balance at year end (Dr.)	1897.46	1897.46	NIL	NIL

25. 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 R.K Govil & Co.
 Chartered Accountants
 (Firm Registration N o. 000748C)

Kaushal Kishore Pal
 Partner
 Membership No. 074999
Place : Ghaziabad
Date : May 9th, 2016

Sanjay Kumar
 Astt. Manager (Accounts)

Arun Kumar Agarwal
 Director
 DIN - 06436816

Chetan Agarwal
 Director
 DIN - 01863250

For and on behalf of the Board

SNOWFLAKES MEDITECH PVT. LTD.

**Financial Statements for the year
ended 31st March, 2016**

SNOWFLAKES MEDITECH PVT. LTD.

Incorporation	:	September 7, 2006
CIN No.	:	U52599DL2006PTC153283
Directors	:	Mr. Chetan Agarwal (DIN NO. 01863250) Mr Arun Kumar Agarwal (DIN NO. 06436816) Mr. Prabhat Krishna (DIN NO. 02569624)
Business Address	:	Regd. Office: F- 228, Ground Floor, Lado Sarai, New Delhi-110 030 Mailing Address: 57/2, Site-IV, Industrial Area, Sahibabad, Ghaziabad Uttar Pradesh - 201 010, INDIA.
Name & Address of the Statutory Auditors	:	R.K. Govil & Co., Chartered Accountants, 4, Kiran Enclave, Ghaziabad - 201001

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**The Members of
SNOWFLAKES MEDITECH PVT. LTD.,
New Delhi.**

Your Directors have pleasure in presenting the Tenth Annual Report along with Audited Accounts of the Company for the period ended on 31st March, 2016.

FINANCIAL RESULTS

The financial accounts for the financial year 2015-16 have been compiled. The company has earned a profit of Rs 0.46 Lacs, during the year under review due to other income.

PROJECT AND PERFORMANCE

The company is exploring and identifying more viable business projects.

STATUS OF HOLDING OF PARENT COMPANY

During the year under review, there is no change in the shareholding of M/s. Alps Industries Limited i.e. Parent company. Hence, the status of our company is an ordinary subsidiary company being holding of more than 51% by Alps Industries Limited.

FINANCIAL ARRANGEMENTS

Company has not availed any financial assistance during the year.

ISSUE & TRANSFER OF SECURITIES

During the year under review, there are no changes in capital structure of the company.

HUMAN RESOURCES

The management places on record its appreciation for the sincere commitment to work shown by its employees. The public relations were cordial with all concerned.

PARTICULARS OF EMPLOYEES

In terms of Section 197 of the companies Act 2013 and applicable Rules made there under none of the employee was drawing in excess of limits specified under the relevant rules.

DIVIDEND

In view of the future plans of the company, your company is unable to declare any dividend for the year under review

INTER CORPORATE LOANS, GUARANTEES AND INVESTMENTS

The Company has received an intimation from ALPS Industries Limited, Holding Company which is declared by Hon'ble Board for Industrial and Financial Reconstruction (BIFR) as a sick industrial Company, (AIL) whereby AIL has expressed its inability to pay the interest on unsecured loan of company pursuant to a restraint by the majority of secured lenders of AIL (representing 83% of the outstanding secured debt of AIL) on payment of any interest on Loans from Subsidiary Companies, while according their consent to the Draft Rehabilitation Scheme of AIL which is under the consideration of Hon'ble BIFR and the same inter-alia envisages complete waiver of outstanding interest and any future interest on all outstanding loans of secured/unsecured lenders also. Hence, due to the uncertainty regarding the recoverability of interest on unsecured loan extended to AIL, the Company has not recognized any interest income during the year on such loans.

RELATED PARTY TRANSACTIONS

In terms of the Section 188 of the Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules, 2014, during the year under review, company has not entered into related party transactions which are not at the market prevailing prices and on arm's length basis. Hence there are no conflicts of interest of the company.

DIRECTORS

Mr. Chetan Agarwal (DIN No. 01863250) director of the company retire by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and other applicable Provisions.

During the year under review, Dr. S.M. Ishtiaque (DIN NO. 00125505) has resigned due to pre occupation with other assignments w.e.f. 30.03.2016.

STATUS OF INDEPENDENT DIRECTOR

In terms of Section 149,152 and 161 of the Companies Act 2013 and Regulation 17 of the SEBI(Listing Obligations and Disclosure Requirements) 2015 related to Corporate Governance applicable to the holding company namely Alps Industries Limited, Mr. Prabhat Krishna (DIN NO.02729624) was appointed as Independent Director of the Company by the Board being representative of holding company as it comes under the Material Subsidiary category, and he was regularized by the members of the company at their meeting held on September 30,2015. he continues to be as Representative of Holding Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 134(5) of the Companies Act 2013, the Board confirms and submits the Directors' Responsibility Statement:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 and loss of the company for that period;
- (c) The directors had 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;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively which means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FIXED DEPOSITS

During the year, your company has not raised any money by way of Fixed Deposits. Hence, the information under the Miscellaneous Non-Banking Company (Reserve Bank)Direction 1977, is not applicable.

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

As the company is not engaged in manufacturing activities and has not commenced its commercial activities, the Information in accordance with the provisions of Section 134 (1) (e) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange is not applicable to the company.

ABSTRACT OF THE ANNUAL RETURN

In terms of section 92 of the Companies Act 2013 the extract of the Annual Return as on it stood on the close of the financial year 2015-16 being attached with the Directors Report as Annexure I.

STATUTORY AUDITORS

M/s. R.K. Govil & Co., Chartered Accountants, (Firm Registration No. 000748C), the Statutory Auditors of the Company, completes the First term one year out of four years as approved at the Annual General Meeting of the Company held on September 30 2015. Now they have further confirmed their eligibility and willingness to accept office, if they get approval for ratification for the reappointment for remaining term of three years at the forthcoming Annual General Meeting. The company has received certificates from the said auditors to the effect that their confirmation, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. Your Directors recommend their confirmation under Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 for a further period of 3 years i.e. till the conclusion of 13th Annual General Meeting.

The company has received the confirmation certificates from the auditors to the effect that their ratification for appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013.

AUDITORS’ OBSERVATIONS

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

INFORMATION IN TERMS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 2015

In terms of regulation 34 and Schedule V of the SEBI(Listing Obligations and Disclosure Requirements) 2015 and Section 188/184 of the Companies Act, 2013 and rules made thereunder, the details of transactions are as under:

S. No.	Particulars	Amount (Rs. In Lacs)	Maximum amount outstanding during the year.
1.	Loans and advances in the nature of loans to subsidiaries (by name and amount) -	NIL	NIL
ii.	Loans and advances in the nature of loans to associates by name and amount	NIL	NIL
iii.	Loans and advances in the nature of loans where there is		
	c) no repayment schedule or repayment beyond seven years or	NIL	NIL
	D) no interest or interest below section 186 of the Companies Act 2013 by name and amount	NIL	NIL
iv.	Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount.	NIL	NIL
v.	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	NIL

ACKNOWLEDGMENTS

Your directors would like to express their grateful appreciation to the investors of the company by contributing in the share capital of the Company. Your Directors also wish to place on record their deep sense of appreciation for the committed contribution from all Central/State Government Department, investors and employees and all concerned.

For and on behalf of the Board
Snowflakes Meditech Pvt. Ltd.

Place: Ghaziabad
Dated: May 9, 2016

Arun Kumar Agarwal
Director
DIN - 06436816

Chetan Agarwal
Director
DIN - 01863250

**ABSTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2016**

Annexure I

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U52599DL2006PTC153283
Registration Date	:	07/09/2006
Name of the Company	:	Snowflakes Meditech Private Limited
Category / Sub-Category of the Company	:	Company Limited by Shares
Address of the Registered office and contact details	:	F-228 Ground Floor Lado Sarai New Delhi 110030
Whether listed company	:	No
Name, Address and Contact details of Registrar	:	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The entire business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Fabrics	235.3	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Alps Industries Limited 57/2, Site-IV, Industrial Area, Sahibabad, Ghaziabad Uttar Pradesh - 201 010	L51109UP1972PLC003544	Holding	73.94	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the End of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
Indian									
a) Individuals/HUF	0	10	10	0.01	0	10	10	0.01	0
b) Central Government	0	0	0	0	0	0	-	0	0
c) State Governments	0	0	0	0	0	0	-	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Others(Specify)	0	0	0	0	0	0	0	0	0
Sub Total(A)(1)	0	10	10	0.01	0	10	10	0.01	0
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Others(Specify)	0	0	0	0	0	0	0	0	0
Sub Total(A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	10	10	0.01	0	10	10	0.01	0
B. Public shareholding	-								
(1) Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0

c)Central Government	0	0	0	0	0	0	0	0	0
d)State Governments	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs									
h) Foreign Venture Capital fund	0	0	0	0	0	0	0	0	0
i)Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0
(2) Non-institutions									
a)Bodies Corporate									
i) Indian	0	3056690	3056690	99.99	0	3056690	3056690	99.99	0
ii)Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i.) Individual shareholders holding nominal share capital up to Rs 2 lakh	0	0	0	0	0	0	0	0	0
ii.) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	0	0	0	0	0	0	0	0	0
c)Any Other (specify)	0	0	0	0	0	0	0	0	0
i)Trust & Foundation	0	0	0	0	0	0	0	0	0
ii)NRI	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2)	0	3056690	3056690	99.99	0	3056690	3056690	99.99	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	3056690	3056690	99.99	0	3056690	3056690	99.99	0
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	0	3056700	3056700	100.00	0	3056700	3056700	100.00	0

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sandeep Agarwal	10	0.01	-	10	0.01	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Sandeep Agarwal				
	At the beginning of the year	10	0.01	10	0.01
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year	10	0.01	10	0.01

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Particulars	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Alps Industries Limited 57/2, Site-IV, Industrial Area, Sahibabad, Ghaziabad Uttar Pradesh - 201 010	22,59,990	73.94	22,59,990	73.94
2	Prraneta Industries Limited 574/577 Belgium Square, Opp. Liner Bus Stand Ring Road, Surat, Gujrat	100,000	3.27	100,000	3.27
3	Anubhav Footwears Pvt. Ltd. G-367, Block-G Jaitpur Extension-II, New Delhi	60,000	1.96	60,000	1.96
4	A2S IT Services Pvt. Ltd. G-118-19 Rohini, New Delhi-110016	70000	2.29	70000	2.29
5	Dhanus Technologies Limited No6B Mena Kampala Arcade, 113/114 Theyagarya Road, T.Nagar, Chennai	100,000	3.27	100000	3.27
6	Anil Coal Concern Pvt Ltd B-37, Office No-103, First Floor, Gali No-14, Madhu Vihar, Delhi	4,66,700	15.27	4,66,700	15.27

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	Name of Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Chetan Agarwal	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
2.	Mr. Arun Kumar Agarwal	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
3.	Dr. S. M. Ishtiaque	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
4.	Mr. Prabhat Krishna	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		NA	NA	NA	NA	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify...					
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors				Total
		Chetan Agarwal	Arun Kumar Agarwal	Prabhat Krishna	Dr. S. M. Ishtiaque	
1.	Independent Directors					
	• Fee for attending board/ committee meetings	N.A.	N.A.	NIL	N.A.	N.A.
	• Commission	N.A.	N.A.	NIL	N.A.	N.A.
	• Others, please specify	N.A.	N.A.	NIL	N.A.	N.A.
	Total (1)	N.A.	N.A.	NIL	N.A.	N.A.
2.	Other Non-Executive Directors					
	• Fee for attending board/ committee meetings	NIL	NIL	N.A.	NIL	NIL
	• Commission	NIL	NIL	N.A.	NIL	NIL
	• Others, please specify	NIL	NIL	N.A.	NIL	NIL
	Total (2)	NIL	NIL	N.A.	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	N.A.	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	N.A.	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	N.A.	NIL	NIL

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	N.A.	N.A.	N.A.	N.A.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4.	Commission				
	- as % of profit				
	- others, specify...	N.A.	N.A.	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	N.A.	N.A.	N.A.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

AUDITORS' REPORT

To the Members of

SNOWFLAKES MEDITECH PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SNOWFLAKES MEDITECH PRIVATE LIMITED** (the Company) which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable:
2. As required by Section 143 (3) of the Act, we report that:
 - (A) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 25 to the financial statements;
 - i. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000748C)

Place: Ghaziabad
Date: May 9, 2016

(Kaushal Kishore Pal)
Partner
Membership No. : 074999

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us the management has physically verified all the fixed assets during the year 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (2) (a) The inventory has been physically verified during the year by the management in phased manner.
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) 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 and have been dealt with in the books of account.
- (3) As per the information and explanations given to us, the company has not granted any loan to firms and other parties except unsecured loan to its holding company covered under section 189 of the Companies Act, 2013.
 - a) As per information and explanations given to us, there appears no overdue amount outstanding towards principal however the interest is overdue.
 - b) The company has taken the reasonable steps for recovery of overdue interest regard to note no. "21" of the financial statements.
- (4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- (6) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Govt. under of sub section (1) of section 148 of the companies' Act 2013.
- (7) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.
(b) According to the information and explanations given to us, no amounts payable in respect of Income-tax, Service Tax, Sales-tax, Duty of Custom, Duty of Excise, Cess and other aforesaid statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (8) The company has not taken any loan from Banks or Financial Institutions nor issued any debentures.
- (9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (10) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration.

- (12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (14) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000748C)

(Kaushal Kishore Pal)
Partner
Membership No. : 074999

Place : Ghaziabad
Date : May 9, 2016

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SNOWFLAKES MEDITECH PRIVATE LIMITED** (the Company) as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place : Ghaziabad
Date : May 9, 2016**

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000748C)

(Kaushal Kishore Pal)
Partner
Membership No. : 074999

BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2016

	Notes	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	434.26	434.26
Reserves and Surplus	2	1,059.33	1,058.86
		<u>1,493.59</u>	<u>1,493.12</u>
Current Liabilities			
Trade payables	3	204.44	202.64
Other current liabilities	4	4.42	86.60
Short Term provision	5	0.68	0.57
		<u>209.54</u>	<u>289.81</u>
Total		<u>1,703.13</u>	<u>1,782.93</u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	6	1,034.24	1,040.13
Capital Work in Progress (Tangible)		28.24	27.95
Long-term loans and advances	7	586.13	586.13
		<u>1,648.61</u>	<u>1,654.21</u>
Current Assets, Loans & Advances			
Inventories	8	8.72	36.96
Trade Receivables	9	21.55	73.80
Cash & Bank Balances	10	11.56	5.51
Short-Term Loans & Advances	11	12.69	12.45
		<u>54.52</u>	<u>128.72</u>
Total		<u>1,703.13</u>	<u>1,782.93</u>

Significant Accounting Policies and other Notes on Financial Statements **1-26**

Notes referred to above form an integral part of Financial Statements

As per our report of even date
For R.K.Govil & CO.
 Chartered Accountants
 Firm Registration No. 000748C

Kaushal Kishore Pal
 Partner
 Membership No.: 074999
 Place : Ghaziabad
 Date : May 9, 2016

Rahul Sharma
 Manager (Accounts)

For and on behalf of the Board

Chetan Agarwal
 Director
 DIN-01863250

Arun Kumar Agarwal
 Director
 DIN-06436816

STATEMENT OF PROFIT & LOSS

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

	Notes	YEAR ENDED 31.03.16 Rs.(in Lacs)	YEAR ENDED 31.03.15 Rs.(in Lacs)
Revenue from operations			
Sale of Products	12	36.13	170.72
Less :Excise Duty		-	-
Net Revenue		<u>36.13</u>	<u>170.72</u>
Other Income	13	2.40	2.80
Total Revenue		<u>38.53</u>	<u>173.52</u>
Expenses			
Cost of Materials Consumed	14	0.91	-
Purchase of Stock-in-Trade	15	-	177.91
Change in Inventories	16	27.33	(18.40)
Depreciation/Amortization of Expenses	6	5.89	5.88
Employee Benefit Expenses	17	1.20	1.20
Other Expenses	18	2.63	3.54
Total Expenses		<u>37.96</u>	<u>170.13</u>
Profit/(Loss) Before Tax		0.57	3.39
Tax Expense			
Current Tax		0.11	0.57
Profit/(Loss) for the Period		<u>0.46</u>	<u>2.82</u>
Basic Earning Per Share(Rs.)	19	0.02	0.09
Diluted Earning Per Share(Rs.)	19	0.01	0.06
Significant Accounting Policies and other Notes on Financial Statements	1-26		
Notes referred to above form an integral part of Financial Statements			

As per our report of even date
For R.K.Govil & CO.
 Chartered Accountants
 Firm Registration No. 000748C

Kaushal Kishore Pal
 Partner
 Membership No.: 074999
 Place : Ghaziabad
 Date : May 9, 2016

Rahul Sharma
 Manager (Accounts)

For and on behalf of the Board

Chetan Agarwal
 Director
 DIN-01863250

Arun Kumar Agarwal
 Director
 DIN-06436816

CASH FLOW

	Rs.(in Lacs)	
	31.03.2016	31.03.2015
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Before Tax	0.57	3.39
Adjustment for :		
Depreciation	5.89	5.88
Miscellaneous Expenditure W/Off	-	5.88
Operating Profit Before Working Capital Changes	6.46	9.27
Adjustment for Working Capital Changes		
Inventories	28.24	(18.40)
Trade & other Receivable	52.26	(69.61)
Trade Payable & other Liabilities	(80.48)	47.92
Direct Taxes Received/(Paid)	(0.13)	(1.79)
Net Cash From / (used in) Operating Activities	6.35	(32.61)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale(Purchase) of Fixed Assets	(0.30)	(2.83)
Loans and Advances Repayment (given)	-	37.25
Net Cash From (used in) Investing Activities	(0.30)	34.42
NET INCREASE (DECREASE) in Cash & Cash Equivalent includes	6.05	1.81
Opening Balance of Cash & Cash Equivalents	5.51	3.70
Closing Balance of Cash & Cash Equivalents (Refer Note No.10)	11.56	5.51

Notes:

1. Figures in brackets are for decrease.
2. Previous years figures have been regrouped or rearranged to make them comparable with those of current year.

As per our report of even date
For R.K.Govil & CO.
 Chartered Accountants
 Firm Registration No. 000748C

Kaushal Kishore Pal
 Partner
 Membership No.: 074999
 Place : Ghaziabad
 Date : May 9, 2016

Rahul Sharma
 Manager (Accounts)

For and on behalf of the Board

Chetan Agarwal
 Director
 DIN-01863250

Arun Kumar Agarwal
 Director
 DIN-06436816

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF ACCOUNTS :

The Financial Statements are prepared on going concern basis under the historical cost convention, on accrual basis unless specifically stated here in above and in accordance with applicable Accounting standards (AS) issued by the Institute of Chartered Accountants of India.

All the liabilities have been provided except of contingent nature which has been disclosed by way of note, if any.

2. FIXED ASSETS

- a) All Fixed assets are stated at cost, net of MODVAT / CENVAT less accumulated depreciation. Acquisition cost, any directly attributable expenditure including borrowing cost and Exchange Fluctuation for bringing the assets to working condition for it's intended use are capitalized.
- b) Cost of Assets not ready to put to use before year end are being shown as Capital Work in Progress and advances paid for acquisition or construction of Capital Assets are being shown as Capital advances.

3. DEPRECIATION

Depreciation on the fixed assets is provided on Straight Line Method as per useful life of the assets and in the manner as prescribed in Schedule II to The Companies Act, 2013.

4. 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 investment.
- b.) Investments that are readily realizable and intended to hold for not more than a year are classified as Current investments. All other investments are classified as Long Term Investment.

5. DEFERRED REVENUE EXPENDITURE

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

6. INVENTORIES

Inventories are valued at cost

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
1. SHARE CAPITAL		
(A) Authorised Capital		
3700000(3700000) Equity Shares of Rs.10/-each	370.00	370.00
1300000(1300000) Preference Shares of Rs.10/-each	130.00	130.00
	<u>500.00</u>	<u>500.00</u>
(B) Issued , subscribed & paid up		
3056700(3056700) Equity Share of Rs.10/-each fully paid up	305.67	305.67
1285910(1285910) Zero Coupon Non Redeemable Convertible Preference Shares of Rs.10/- each fully paid up	128.59	128.59
Total	<u>434.26</u>	<u>434.26</u>

1.1 Reconciliation of Shares outstanding is Set out Below:

Particulars	No. of Shares		
	Beginning of the year	Issue during the year	At the end year
Equity Shares	3056700	NIL	3056700
Zero Coupon Non Redeemable Convertible Preference Shares	1285910	NIL	1285910

1.2 Right Preferences and Restrictions attached to each class of Share 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.

Zero Coupon Non Redeemable Convertible Preference Shares : - The Company has one class of Preference shares having a par value of Rs. 10 each, such shares have no voting rights.

1.3 Such Preference shares are convertible into equity shares at the end of 15 years on face value or book value whichever is higher. The earliest date of conversion is 11th November 2023.

1.4 Particulars of shares of company held

Equity shares in the company held by its Holding Company
Zero Coupon Non Redeemable Convertible Preference Shares held by Subsidiary of holding company

As at 31 Mar'2016	As at 31 Mar'2015
2259990	2259990
1285910	1285910

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

Particulars	As at 31 Mar' 2016 No. of Share	%Age	As at 31 Mar' 2015 No. of Share	%Age
	Equity Shares:			
Alps Industries Limited	2259990	73.93	2259990	73.93
Anil Coal Concern Pvt. Limited	466700	15.27	466700	15.27
Zero Coupon Non Redeemable Convertible Preference Shares				
ALPS USA INC	1285910	100	1285910	100

1.6 In Preceding Five Financial Years

Aggregate no. of shares issued for consideration other than cash
Aggregate no. of shares allotted as fully paid up by way of bonus share(s)
Aggregate no. of shares bought back

Nil
Nil
Nil

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
2. RESERVES AND SURPLUS		
A. Securities Premium		
At the beginning of the year & at the end of the year	<u>1,115.38</u>	<u>1,115.38</u>
B. Statement of Profit and Loss Account		
Profit (loss) At The Beginning of The Year	(56.52)	(59.34)
Add: Profit (Loss) for the year	<u>0.46</u>	<u>2.82</u>
Profit (Loss) at the end of the year	<u>(56.05)</u>	<u>(56.52)</u>
Total	<u>1,059.33</u>	<u>1,058.86</u>
3. Trade Payable	<u>204.44</u>	<u>202.64</u>
4. OTHER CURRENT LIABILITIES		
Other payable		
Expenses Payable	0.88	0.74
Creditors for Fixed Assets	3.54	3.55
Book Overdraft	-	82.31
Total	<u>4.42</u>	<u>86.60</u>
4.1 Expenses Payable include the liabilities towards Sale tax, TDS Payable, Contractual exp. etc.		
5. SHORT TERM PROVISIONS		
Provision for Income Tax	0.68	0.57
Total	<u>0.68</u>	<u>0.57</u>

6. FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	Opening Balance 01.4.2015	Addition During The Year	Deduction	Total Upto 31.03.2016	Opening Balance as on 01.04.2015	During The Year	On Deduction	Total Upto 31.03.2016	As On 31.03.2016	As On 31.03.2015
	Rs.(in Lacs)									
TANGIBLE ASSETS										
Freehold Land	877.77	-	-	877.77	-	-	-	-	877.77	877.77
Factory Building	186.97	-	-	186.97	24.61	5.89	-	30.50	156.47	162.36
Total	<u>1,064.74</u>	<u>-</u>	<u>-</u>	<u>1,064.74</u>	<u>24.61</u>	<u>5.89</u>	<u>-</u>	<u>30.50</u>	<u>1,034.24</u>	<u>1,040.13</u>

7. LONG-TERM LOANS AND ADVANCES
(Unsecured, Considered Good)

Loans and Advance to Related Parties (refer Note No. 23)	572.75	572.75
Capital Advance	13.13	13.13
Security Deposits	0.25	0.25
Total	<u>586.13</u>	<u>586.13</u>

8. INVENTORIES (Refer Note No. 20)

(Valued as per accounting policy)

Raw Materials	-	0.91
Stock in Trade	8.72	36.05
Total	<u>8.72</u>	<u>36.96</u>

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
9. TRADE RECEIVABLES		
Outstanding for a Period Exceeding Six Months from the Date they are due for Payment		
Unsecured Considered Good	-	-
OTHER TRADE RECEIVABLE		
Unsecured Considered Good	<u>21.55</u>	<u>73.80</u>
Total	<u>21.55</u>	<u>73.80</u>
10. CASH & BANK BALANCES		
In Current Accounts	1.11	0.54
Cash In Hand	<u>10.45</u>	<u>4.97</u>
Total	<u>11.56</u>	<u>5.51</u>
11. SHORT TERMS LOANS & ADVANCES (Unsecured, Considered Good)		
OTHERS		
Advance Income Tax/TDS Recoverable	12.64	12.40
Advance To Supplier	<u>0.05</u>	<u>0.05</u>
Total	<u>12.69</u>	<u>12.45</u>

NOTES FORMING PART OF ACCOUNTS

	YEAR ENDED 31.03.16 Rs.(in Lacs)	YEAR ENDED 31.03.15 Rs.(in Lacs)
12. REVENUE FROM OPERATIONS		
Sales of Products (Fabric)	36.13	170.72
Total	<u>36.13</u>	<u>170.72</u>
13. OTHER INCOME		
(a) Rent	2.40	2.40
(b) Other Income	-	0.40
Total	<u>2.40</u>	<u>2.80</u>
14. COST OF MATERIAL		
Opening Stock	0.91	0.91
Add: Purchases	-	-
Less: Closing Stock	-	0.91
Total	<u>0.91</u>	<u>-</u>
15. PURCHASE OF STOCK-IN-TRADE (Fabric)	<u>-</u>	<u>177.91</u>
16. CHANGES IN INVENTORIES		
Opening Stock-in-Trade	36.05	17.65
Closing Stock Stock-in-Trade	8.72	36.05
Total	<u>27.33</u>	<u>(18.40)</u>
17. EMPLOYEE BENEFIT EXPENSES		
Salary to Staff	1.20	1.20
Total	<u>1.20</u>	<u>1.20</u>
18. OTHER EXPENSES		
Rent	0.60	0.60
Printing & Stationery	-	0.01
Legal & Professional Expenses	0.60	2.27
Fees & Subscription	0.01	0.11
General Expenses	0.77	0.16
Bank Charges	0.01	-
Payment To Auditors (refer Note No. 24)	0.64	0.34
Repairs & Maintenance		
Others	-	0.05
Total	<u>2.63</u>	<u>3.54</u>

NOTES FORMING PART OF ACCOUNTS

19. BASIC & DILUTED EARNINGS PER SHARE has been calculated as under:

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Profit/(Loss) attributable to the Equity shareholders (Rs.) - (A) (Rs. in Lacs)	0.46	2.82
Weighted average number of equity shares outstanding during the year - (B)	3056700	3056700
Potential equity share (Preference Share)	1285910	1285910
Nominal value of equity shares (Rs.)	10.00	10.00
Basic Earnings per share (Rs.)	0.02	0.09
Diluted Earnings per Share (Rs.)	0.01	0.06

20. INVENTORIES

Particulars	Rs.(in Lacs)	
	For the year ended 31 st March 16	For the year ended 31 st March 15
Fabric	8.72	36.96
Total	8.72	36.96

- 21.** The Company has received an intimation from Alps Industries Limited, Holding Company which is declared by Hon'ble Board for Industrial and Financial Reconstruction (BIFR) as a sick industrial Company, (AIL) whereby AIL has expressed its inability to pay the outstanding interest and any future interest on unsecured loan of company pursuant to a restraint by the majority of secured lenders of AIL (representing 83% of the outstanding secured debt of AIL) on payment of any interest on Loans from Subsidiary Companies, while according their consent to the Draft Rehabilitation Scheme of AIL which is under the consideration of Hon'ble BIFR and the same inter-alia envisages complete waiver of outstanding interest and any future interest on all outstanding loans of secured/unsecured lenders also. Hence due to the uncertainty regarding the recoverability of interest on unsecured loan extended to AIL, the Company has not recognized any interest income during the year on such loans.
- 22.** In the opinion of the Management, all current assets, loans and advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated.

23. RELATED PARTY TRANSACTIONS

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

- | | | |
|------------------------------|---|------------------------------|
| Holding Company | : | Alps Industries Ltd. |
| Key Managerial Personnel, | : | 1. Mr. Chetan Agarwal |
| Entities controlled by them, | | 2. Mr. Arun Kumar Agarwal |
| and their relatives: | | 3. M/s Alps Energy Pvt. Ltd. |

NOTES FORMING PART OF ACCOUNTS

Rs.(in Lacs)

Nature of Transaction	Transactions with Holding Company		Transactions with Key Managerial Personnel, Entities controlled by them, and their relatives	
	For the year ended 31 st March 16	For the year ended 31 st March 15	For the year ended 31 st March 16	For the year ended 31 st March 15
1. Purchase of Goods	NIL	NIL	NIL	NIL
2. Rental Income	2.40	2.40	NIL	NIL
3. Interest Paid	NIL	NIL	NIL	NIL
4. Interest Received	NIL	NIL	NIL	NIL
5. Advances/Loans taken	NIL	37.25	NIL	NIL
6. Balance at year end(Dr.)	572.75	572.75	NIL	NIL

24. AUDITORS REMUNERATION

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Audit Fees	0.47	0.17
Others	0.17	0.17

25. CONTINGENT LIABILITIES

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Claims against the company not acknowledged as debts	13.71	13.71

26. 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 R.K.Govil & Co.
 Chartered Accountants
 (Firm Registration No. 000748C)

Kaushal Kishore Pal
 Partner
 Membership No. 074999
Place : Ghaziabad
Date : May 9, 2016

Rahul Sharma
 Manager (Accounts)

Arun Kumar Agarwal
 Director
 DIN - 06436816

For and on behalf of the Board

Chetan Agarwal
 Director
 DIN - 01863250

CONSOLIDATED

**Financial Statements for the year
ended 31st March, 2016**

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AUDITORS' REPORT

**To the Members of
ALPS INDUSTRIES LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **ALPS INDUSTRIES LIMITED** ("hereinafter referred to as the Holding Company") and its subsidiaries which comprising of the Consolidated Balance Sheet as at 31st March, 2016, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

- I. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
- II. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
- III. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31 March 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to Financial Statements:

1. To Note No. 39 related to preparation of financial statement on going concern basis on belief of the company on its ability to meet its financial obligations as per restructuring consented to by the majority secured, forming part of the Draft Rehabilitation Scheme which is pending for consideration before Hon'ble Board for Industrial and Financial Reconstruction.
2. To Note No.40 related to non provision of interest on loans from subsidiary companies and loans from minority secured lenders pending their consent to the restructuring which has been consented to by the majority secured lenders.

Other Matters

1. We have relied on the unaudited financial statements of one subsidiary (Alps USA Inc.) whose financial statements reflect total assets of 350.90.11 Lac as at 31st March, 2016, total expense of Nil, cash flows amounting to nil for the year then ended. These unaudited financial statements, as approved by the Board of Directors of this company and translated from US\$ into INR have been furnished to us by the Management and our report insofar as it relates to the amounts included in respect of this subsidiary is based solely on such approved unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to 'the Group'.
2. Our opinion on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, is not qualified in respect of the above Emphasis of Matters and other matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries including relevant records relating to the preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and of its subsidiary companies, none of the directors of the Group companies, is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2016.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended March 31, 2016.

Place: Ghaziabad
Date: May 30, 2016

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000748C)

(Kaushal Kishore Pal)
Partner
Membership No. : : 074999

ANNEXURE - A TO THE AUDITORS' REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Alps Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
 - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. K. Govil & Co.
Chartered Accountants
(Firm Reg. No. : 000748C)

(Kaushal Kishore Pal)
Partner
Membership No. : : 074999

Place: Ghaziabad
Date: May 30, 2016

ALPS INDUSTRIES LTD. CONSOLIDATED



BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2016

	Notes	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	30,704.31	30,704.31
Reserves and Surplus	2	(67,105.45)	(69,127.96)
		<u>(36,401.14)</u>	<u>(38,423.65)</u>
Share application money pending Allotment			
Minority Interest		<u>917.27</u>	<u>916.94</u>
Non-Current Liabilities			
Long-term borrowings	3	76,257.15	67,358.15
Deferred tax Liabilities(Net)		-	-
Other Long term Liabilities	4	4,521.44	23,040.59
Long-term provisions	5	332.09	343.56
		<u>81110.68</u>	<u>90742.30</u>
Current Liabilities			
Short-term borrowings	6	111.17	38318.41
Trade payables	7	9280.03	5676.87
Other current liabilities	8	10864.80	6686.25
Short-term provisions	9	47.43	35.44
		<u>20,303.43</u>	<u>50,716.97</u>
Total		<u>65,930.24</u>	<u>103,952.56</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	43,394.45	46,887.82
Intangible Assets	10	19.62	15.80
Capital Work in Progress		28.24	64.60
Intangible Assets Under Development		225.66	188.32
Non-current Investments	11	5.78	5.78
Long-term loans and advances	12	693.38	1,283.40
Other non-current assets	13	12.13	548.99
		<u>44,379.26</u>	<u>48,994.71</u>
Current Assets, Loans & Advances			
Current Investments	14	25.00	25.00
Inventories	15	11,131.50	38,538.56
Trade Receivables	16	8,315.17	9,577.54
Cash & Bank Balances	17	845.07	3,156.28
Short-Term Loans & Advances	18	682.72	2,712.85
Other current assets	19	551.52	947.62
		<u>21,550.98</u>	<u>54,957.85</u>
Total		<u>65,930.24</u>	<u>103,952.56</u>

Significant Accounting Policies and other notes on Financial Statements 1-53

Notes referred to above form an integral part of Financial Statements

As per our report of even date

For R.K.Govil & Co.

Chartered Accountants

(Firm Registration No. 000748C)

Kaushal Kishore Pal

Partner

Membership No. 074999

Place : Ghaziabad

Date : May 30, 2016

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

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

For and on behalf of the Board

STATEMENT OF PROFIT & LOSS
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

	Notes	YEAR ENDED 31.03.16 Rs.(in Lacs)	YEAR ENDED 31.03.15 Rs.(in Lacs)
Revenue from operations			
Sale of Products	20	55,110.22	61,290.97
Other Operating Revenues		3,304.58	3,812.91
Less :Excise Duty		168.68	201.06
Net Revenue		58,246.12	64,902.82
Other Income	21	1,232.77	721.03
Total Revenue		59,478.89	65,623.85
Expenses			
Cost of Materials Consumed	22	38,077.86	41,368.61
Purchase of Stock-in-Trade	23	276.80	1,586.83
Change in inventories of finished goods and Work-in-Progress	24	1,782.21	(149.66)
Employee Benefit Expenses	25	6,579.16	6,935.30
Finance Cost	26	47.41	34.93
Depreciation/Amortization of Expenses	10	3,597.05	4,486.02
Other Expenses	27	13,963.91	14,297.93
Total Expenses		64,324.40	68,559.96
Profit/(Loss) Before exceptional items and Tax		(4,845.51)	(2,936.11)
Less/(Add) Exceptional Items	34	6,869.38	-
Profit/(Loss) after Exceptional items and before Tax		2,023.87	(2,936.11)
Tax Expense			
(1) Current Tax		0.34	2.61
(2) Minimum Alternate Tax		0.11	0.57
Profit/(Loss) after Tax		2,023.42	(2,939.29)
Less: Minority Interest		0.33	2.73
Profit/(Loss) for the Year		2,023.09	(2,942.02)
Basic Earning Per Share (Rs.)	28	1.93	(10.76)
Diluted Earning Per Share (Rs.)	28	1.13	(10.76)

Significant Accounting Policies and other Notes on Financial Statements 1-53
 Notes referred to above form an integral part of Financial Statements

As per our report of even date
For R.K.Govil & Co.
 Chartered Accountants
 (Firm Registration No. 000748C)

Kaushal Kishore Pal
 Partner
 Membership No. : 074999
Place : Ghaziabad
Date : May 30, 2016

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

Ajay Gupta
 Company Secretary

For and on behalf of the Board

Sandeep Agarwal
 Managing Director
 DIN - 00139439

P.K. Rajput
 Executive Director
 DIN - 00597342

CASH FLOW

	Rs.(in Lacs)	
	31.03.2016	31.03.2015
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(4,845.51)	(2,936.11)
Adjustment for :		
Depreciation & Amortisation	3,597.05	4,486.02
Interest Received	(235.67)	(350.23)
Finance Cost	47.41	420.49
Loss on Sale of Assets	25.72	14.68
Exchange Fluctuation	(0.58)	(0.39)
Exceptional Items	6,869.38	-
Operating Profit Before Working Capital Changes	5,457.80	1,634.46
Adjustment for Working Capital Changes		
Inventories	27,407.06	(764.50)
Trade & other Receivable	4,840.06	661.16
Trade Payable & other Liabilities	3460.76	(1,054.44)
Direct Taxes received/ (Paid)	(26.49)	(43.88)
Net Cash from/ (used in) Operating Activities	41,139.19	432.80
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(184.69)	(548.66)
Proceeds from Fixed Assets	50.49	14.98
Interest Received	235.67	350.23
(Increase)/Decrease in Fixed Deposits	2,249.48	1,915.71
Net Cash from/ (used in) Investment Activities	2,350.95	1,732.26
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	(47.41)	(420.49)
Proceeds/(Repayment) of short term & Long term Borrowing/(Write backs on consent of DRS) (Net) (refer Note No. 39)	(43504.46)	(1,810.02)
Net Cash from/ (used in) Financing Activities	(43551.87)	(2,230.51)
Net Increase(Decrease) in Cash & Cash Equivalents	(61.73)	(65.45)
Opening Balance of Cash and Cash Equivalents	<u>580.43</u>	<u>645.88</u>
Closing Balance of Cash and Cash Equivalents (refer note 17(i))	<u>518.70</u>	<u>580.43</u>

Notes:

- 1- Figure in brackets are for decrease.
- 2- Previous years figures have been regrouped or rearranged to make them comparable with those of current year.

As per our report of even date
For R.K.Govil & Co.
 Chartered Accountants
 (Firm Registration No. 000748C)

Kaushal Kishore Pal
 Partner
 Membership No. : 074999
Place : Ghaziabad
Date : May 30, 2016

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

Ajay Gupta
 Company Secretary

For and on behalf of the Board

Sandeep Agarwal
 Managing Director
 DIN - 00139439

P.K. Rajput
 Executive Director
 DIN - 00597342

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 relating to 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, 2013.

The financial Statement 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 represent 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/Intangible Assets under Development'.
- 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 as per useful life of the assets and in the manner as prescribed in Schedule II to The Companies Act, 2013. However having regard to materiality assets upto Rs. 5000/- each are fully depreciated in the year of purchase. Leasehold lands are amortised over the lease period.

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 yearend 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.
- 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 Reserves included in Reserves & Surplus.

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. Non specific Capital Subsidy in the nature of promoters' contribution is credited to Capital Reserve.

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

P. OPERATING LEASE:

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

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
1. SHARE CAPITAL		
(A) Authorised Capital		
40000000(40000000) Equity Shares of Rs.10/-each	4,000.00	4,000.00
305000000(305000000) Preference Shares of Rs.10/-each	30,500.00	30,500.00
	<u>34,500.00</u>	<u>34,500.00</u>
(B) Issued , subscribed & paid up		
39114100(39114100) Equity Share of Rs.10/-each fully paid up	3,911.41	3,911.41
	<u>3,911.41</u>	<u>3,911.41</u>
111094047(111094047) 1% Cumulative Redeemable Preference Shares (1%CRPS) of Rs. 10/- each fully paid-up.	11,109.40	11,109.40
156835012(156835012) 6% Cumulative Redeemable Preference Shares (6%CRPS) of Rs. 10/- each fully paid-up.	15,683.50	15,683.50
	<u>26,792.90</u>	<u>26,792.90</u>
Total	<u>30,704.31</u>	<u>30,704.31</u>

1.1 Reconciliation of Shares outstanding is Set out Below:

Particulars	No. of Shares			
	Beginning of the year	Issue during the year	Reclassification during the year	At the end year
Equity Shares	39114100	NIL	NIL	39114100
6% CRPS	156835012	NIL	NIL	156835012
1% CRPS	111094047	NIL	NIL	111094047

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

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 under Category -A:- Such shares have right of 6 % dividend with no voting right and preference of

Repayment over other instruments in discounted redemption as per CDR Scheme over other instrument (6% or 1%) issued under category, C and D, subject to the availability of funds

6 % CRPS under Category -B:- Such shares have right of 6 % dividend with no voting right and preference of

Repayment over other instruments in discounted redemption as per CDR Scheme over other instrument 1% CRPS, except 6% instruments issued under category, issued under category and D, subject to the availability of funds

1% CRPS under Category -C:- Such shares have right of 1 % dividend with no voting right and preference of

Repayment over other instruments in discounted redemption as per CDR Scheme over other instrument 1% CRPS, except 6% instruments issued under category and B, issued under category and D, subject to the availability of funds

1% CRPS under Category -D:- Such shares have right of 1 % dividend with no voting right and preference of

Repayment over other instruments in discounted redemption as per CDR Scheme over other instrument 1% CRPS, except 6% instruments issued under category and B, but at par issued under category, subject to the availability of funds

Detail of Shares reserved under option and Contracts/Commitment:

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

- Rs. 1629.61 Lacs (P.Y. 1629.61 lacs) Equity shares of Rs. 10 each at par aggregating to Rs.1629.61 Lacs (P.Y. Rs.16296.06 lacs) Refer Note No....
- i Shares issued for consideration other than cash in last 5 financial years._ Nil (P/Y Nil)
- ii Bonus Shares in last 5 financial years. - Nil (P/Y Nil)
- iii. Shares bought back in last 5 financial years.- Nil (P/Y Nil)

NOTES FORMING PART OF ACCOUNTS

Details of Share holders holding more than 5 % Share Capital

PARTICULARS	As at 31 Mar' 2016	Percentage (%)	As at 31 Mar' 2016	Percentage (%)	As at 31 Mar' 2015	Percentage (%)	As at 31 Mar' 2015	Percentage (%)
Equity Shares:								
Pacific Texmark Pvt. Ltd.	2835872	7.25			2835872	7.25		
Details of Preference Shareholders								
6% CRPS	CATEGORY A		CATEGORY B		CATEGORY A		CATEGORY B	
State Bank of Bikaner & Jaipur	4891690	3.76	-	-	4891690	3.76	-	-
The Jammu & Kashmir Bank	6194500	4.77	-	-	6194500	4.77	-	-
Export Import Bank of India	3534800	2.72	-	-	3534800	2.72	-	-
IDBI Bank Ltd.	1413076	1.09	-	-	1413076	1.09	-	-
Edelweiss Asset Reconstruction Company Limited	40376560	31.08	-	-	40376560	31.08	-	-
State Bank of Patiala	23081900	17.77	-	-	23081900	17.77	-	-
State Bank of Mysore	12155480	9.36	6601506	24.51	12155480	9.36	6601506	24.51
State Bank of Hyderabad	-	-	-	-	9665390	7.44	3960904	14.72
Edelweiss Asset Reconstruction Company Limited (shares acquired by way of transfer from SBH May 2015)	9665390	7.44	3960904	14.72	-	-	-	-
Syndicate Bank	7416190	5.71	-	-	7416190	5.71		
UCO Bank	6813950	5.25	-	-	6813950	5.25		
Punjab National Bank	14357330	11.05	13203013	49.01	14357330	11.05	13203013	49.01
ICICI Bank Ltd.	-	-	2112482	7.84	-	-	2112482	7.84
HDFC Bank	-	-	1056241	3.92	-	-	1056241	3.92
Total	129900866	100.00	26934146	100.00	129900866	100.00	26934146	100.00
1% CRPS	CATEGORY C		CATEGORY D		CATEGORY C		CATEGORY D	
Edelweiss Asset Reconstruction Company Limited (shares acquired by way of transfer from SBI May 2015)	11440240	42.57	26944509	31.99	-	-	-	-
HDFC Bank	2462350	9.16	13019737	15.46	2462350	9.16	13019737	15.46
Development Credit Bank Ltd.	11661448	43.40	-	-	11661448	43.40	-	-
State Bank of India	-	-	-	-	11440240	42.57	26944509	31.99
Standard Chartered	1309525	4.87	34439893	40.89	1309525	4.87	34439893	40.89
ICICI Bank Limited	-	-	9816345	11.66	-	-	9816345	11.66
Total	26873563	100.00	84220484	100.00	26873563	100.00	84220484	100.00

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
2. RESERVES AND SURPLUS		
A Capital Reserve		
At the Beginning and at the end of the Year	<u>290.00</u>	<u>290.00</u>
B Securities Premium		
At the Beginning and at the end of the Year	<u>19,156.37</u>	<u>19,156.37</u>
C. General Reserves		
At the Beginning and at the end of the Year	<u>7,999.30</u>	<u>7,999.30</u>
D. Exchange Fluctuation Reserve		
At the Beginning of the Year	84.61	85.00
Less : Exchange Fluctuation	0.58	0.39
At the end of the Year	<u>84.03</u>	<u>84.61</u>
E. Surplus		
Balance in Statement of Profit And Loss		
Loss at the Beginning of the Year	(95,945.40)	(92,878.37)
Add: Retained Earning on change in useful life on fixed assets	-	(125.01)
(Less)/Add: Profit/(Loss) for the Year	2,023.09	(2,942.02)
Balance at the end of the Year	<u>(93,922.31)</u>	<u>(95,945.40)</u>
Total :	<u>(66,392.61)</u>	<u>(68,415.12)</u>
Less : Minority Interest	712.84	712.84
Total	<u>(67,105.45)</u>	<u>(69,127.96)</u>

3. LONG TERM BORROWINGS
Secured Loans
(a) Term Loans

(1) Banks & Financial Institutions/ARC (See Note 3.1 Below)	49105.47	67006.05
(i) Term Loans Rs.44253.50 Lacs (P.Y. Rs. 67006.05 Lacs) from Banks and Financial Institution 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.		

(b) Working Capital Loans

(1) Banks & Financial Institutions/ARC (See Note 3.1 Below)	27151.68	-
(i) Working Capital Loans 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.		

Unsecured Loans (See Note 3.2 Below)

Loans And Advances from others	-	352.10
Total	<u>76,257.15</u>	<u>67,358.15</u>

3.1 Maturity Profile of Term Loans From Banks & Financial Institutions

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. The DRS having consented by lenders representing more than 83% of total Secured debts of the company spending consideration of Hon'ble BIFR which interalia envisage the repayment of all loans in interest free quarterly installments lasting upto 31-03-2022 including waivers and conversion into equity as per terms.

3.2 Maturity Profile of Unsecured Loans

Particular	Amount	Period
Towards Related Party	2367.75	2022-23

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
4. OTHER LONG TERM LIABILITIES		
Interest accrued but not due on borrowing Banks/ARC(Refer Note No. 3.1 above)	4521.44	23040.59
Total	<u>4521.44</u>	<u>23040.59</u>
5. LONG TERM PROVISION		
Provision for Employee benefits (Refer Note No. 48)	332.09	343.56
Total	<u>332.09</u>	<u>343.56</u>
6. SHORT TERM BORROWINGS		
Secured Loans		
From Banks/ARC	111.17	38,318.41
Total	<u>111.17</u>	<u>38,318.41</u>
Refer to Note No. 3a(1) (i) and 3b(1) (i)		
7. TRADE PAYABLES		
(a) Micro, Small & Medium Enterprises (Refer Note No. 7.1)	65.00	47.54
(b) Others	9,215.03	5,629.33
Total	<u>9,280.03</u>	<u>5,676.87</u>
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,2016 as per the terms of Contract.		
8. OTHER CURRENT LIABILITIES		
SECURED (Refer to Note No. 3.1 above)		
Current Maturity of long terms Borrowing of Banks & ARC	5,318.78	-
Unsecured		
(a) Interest accrued but not due on borrowing	80.19	1,076.04
(b) Other payable		
(1) Expenses payable (Refer Note No. 8.1)	4,293.76	4,248.96
(2) Creditors for Fixed Assets	139.16	324.40
(3) Book overdraft	0.06	86.17
(4) Advance from Customers	1,030.08	948.44
(5) Others	2.77	2.24
Total	<u>10,864.80</u>	<u>6,686.25</u>
8.1 Expenses Payable include the liabilities to employees, Sales Tax/Vat, other taxes, Rebate & Discount etc.		
9. SHORT TERM PROVISIONS		
Provision for Employee benefits (Refer Note No. 48)	45.71	32.26
Provision for Tax	1.72	3.18
Total	<u>47.43</u>	<u>35.44</u>

NOTES FORMING PART OF ACCOUNTS

10 FIXED ASSETS

Rs.(in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	Opening Balance	Addition	Deduction/Sale	Total Upto 31.03.2016	Opening Balance	For the year	Written Back	Total Upto 31.03.2016	As On 31.03.2016	As On 31.03.2015
TANGIBLE ASSETS										
Leasehold Land	1301.37	0.00	0.00	1301.37	163.72	13.83	0.00	177.55	1123.82	1137.65
Free Hold Land	1515.48	12.12	0.00	1527.60	0.00	0.00	0.00	0.00	1527.60	1515.48
Building	14873.03	10.01	13.73	14869.31	3950.75	510.05	13.73	4447.07	10422.24	10922.28
Plant & Machinery	62497.23	101.41	187.40	62411.24	29604.22	2959.29	130.51	32433.00	29978.24	32893.01
Furniture Fixture	405.95	3.72	4.12	405.55	268.11	23.24	4.12	287.23	118.32	137.84
Vehicles	434.30	0.60	68.36	366.54	286.05	31.66	49.40	268.31	98.23	148.25
Office Equipment	284.17	17.06	1.41	299.82	212.92	28.41	1.41	239.92	59.90	71.25
Computers	728.73	26.87	4.22	751.38	666.68	22.82	4.22	685.28	66.10	62.05
Sub Total A	82040.26	171.79	279.24	81932.81	35152.45	3589.30	203.39	38538.36	43394.45	46887.81
INTANGIBLE ASSETS										
Computer (software)	76.10	11.92	42.14	45.88	60.29	7.75	41.78	26.26	19.62	15.81
Brand & Trade Mark	646.05	0.00	646.05	0.00	646.05	0.00	646.05	0.00	0.00	0.00
Sub Total B	722.15	11.92	688.19	45.88	706.34	7.75	687.83	26.26	19.62	15.81
Total	82762.41	183.71	967.43	81978.69	35858.79	3597.05	891.22	38564.62	43414.07	46903.62
Previous Year	82324.68	527.96	90.23	82762.41	31308.32	4,486.02	60.56	35858.79	46903.62	

AS AT
31.03.16
Rs.(in Lacs)

AS AT
31.03.15
Rs.(in Lacs)

11. NON - CURRENT INVESTMENTS (AT COST)

Long Term (Fully Paid Unless Otherwise Stated)

Other Investment

Investment in Equity Instruments

(A) Quoted Shares

13400(13400)Equity Shares of Rs. 10/- each of Kay Power and Paper Ltd. Market Value - Rs. 46900 (64454)	1.34	1.34
720(720)Equity Shares of Rs. 10/- each of Parasram Puria Synthetics Ltd. (Market Value - Not Available)	0.22	0.22
2000(2000)Equity Shares of Rs. 10/- each of Global Syntex (Bhilwara)Ltd.(Partly of Rs. 5/- each Paid-up) (Market Value- Not Available)	0.10	0.10

(B) Unquoted Shares

2450(2450)Shares of Colombine Cody Corp. N.P.V	4.12	4.12
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Subsidiary Companies

Total	5.78	5.78
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12. LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Capital Advance	86.58	645.80
Security Deposits	606.80	637.60
Total	693.38	1,283.40

13. OTHER NON CURRENT ASSETS

(Unsecured)

Considered Good

Considered Doubtful

Less : Provision as Doubtful for realisation	-	214.05
Minimum Alternate Tax Adjustable	-	32.38
Total	12.13	334.94
Total	12.13	548.99

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
14. CURRENT INVESTMENT		
Investment in Mutual Fund		
20000 (20000) Unit of Rs. 10/- each of SBI Magnum Equity Fund (Formerly known as SBI one India Fund) Market Value-Rs. - 1455544/- (898780/-)	2.00	2.00
19560(19560) Unit of Franklin India High Growth Co. Market Value - Rs. - 538956.24 (Rs. 583163.80)	2.00	2.00
100000(100000) Unit of Rs. 10/- each of SBI Infrastructure Fund Market Value - Rs. - 1062390/- (1177770/-)	10.00	10.00
2930 (2930) Unit of Reliance Growth Fund Market Value- Rs. - 2134256.54 (2384406.46/-)	10.00	10.00
10000(10000) of Rs. 10/- each of UTI Infrastructure Advantage Fund-Series-I Market Value- Rs. - 379099/- (440655/-)	1.00	1.00
Total	<u>25.00</u>	<u>25.00</u>
15. INVENTORIES		
Raw Materials	8,619.39	24,529.87
Work-in-Progress (Refer Note No. 52)	690.65	4,986.15
Finished Goods (Refer Note No. 52)	1,545.09	8,324.49
Stores & Spares Parts	276.37	698.05
Total	<u>11,131.50</u>	<u>38,538.56</u>
16. TRADE RECEIVABLES		
Outstanding for a Period Exceeding Six Months from the date they are due for payment		
Unsecured Considered, Good	591.86	1,501.31
Doubtful	466.46	215.52
Less: Provision for Doubtful Receivables	<u>(466.46)</u>	<u>(215.52)</u>
	<u>591.86</u>	<u>1,501.31</u>
Other Trade Receivables Unsecured Considered Good	7,723.31	8,076.23
Total	<u>8,315.17</u>	<u>9,577.54</u>
17. CASH & CASH EQUIVALENTS		
Balances in Current Accounts with Banks	354.64	370.07
Cheques and Draft on Hand	95.92	122.14
Cash on Hand	68.14	88.22
	<u>518.70</u>	<u>580.43</u>
Other Bank Balances in Fixed Deposit with Banks (Pledged against Margin and other Commitments)	326.37	2,575.85
Total	<u>845.07</u>	<u>3,156.28</u>

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.16 Rs.(in Lacs)	AS AT 31.03.15 Rs.(in Lacs)
18. SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
(A) Loans & Advances to Related Parties (With Subsidiaries Company)		
(B) Others		
Balances With Revenue Authorities	77.90	92.26
Advance Income Tax /Tds Recoverable	177.98	153.40
Other Receivables #	426.84	2,467.19
Total	682.72	2,712.85
# Includes Advance to suppliers, Staff, Prepaid Expenses etc.		
19. OTHER CURRENT ASSETS		
Export Incentive Receivable	534.26	724.21
Less: Provision for Doubtful Receivable	(63.04)	-
Insurance and other Claim Receivable	22.02	138.71
Interest Accrued but not due	58.28	84.70
Total	551.52	947.62
	YEAR ENDED 31.03.16 Rs.(in Lacs)	YEAR ENDED 31.03.15 Rs.(in Lacs)
20. REVENUE FROM OPERATIONS		
(A) Sale of Products (Including Traded Goods)		
Export	18,486.40	21,771.28
Domestic	36,623.82	39,519.69
Sub Total (A)	55,110.22	61,290.97
(B) Other Operating Revenues		
Scrap / Waste Sale	1,856.95	2,235.40
Export Incentives	1,120.00	1,323.02
Job Work Receipt	327.63	254.49
Sub Total (B)	3,304.58	3,812.91
Total (A+B)	58,414.80	65,103.88
	Rs.(in Lacs)	
Details of Product Sold	2015-16	2014-15
Yarn	35858.82	42855.78
Fabric/Made up/Fashion	15645.41	14394.02
Architectural Products	2586.71	2772.80
Others	1029.27	1268.37
Total	55120.21	61290.97
21. OTHER INCOME		
(A) Income from Interest	235.67	350.23
(B) Other Income	752.36	151.37
(C) Foreign Currency exchange fluctuation (Net)	244.74	219.43
Total	1,232.77	721.03

NOTES FORMING PART OF ACCOUNTS

	YEAR ENDED 31.03.16 Rs.(in Lacs)	YEAR ENDED 31.03.15 Rs.(in Lacs)
22. COST OF MATERIAL CONSUMED (Refer Note No. 50)		
Opening Stock	24,529.87	24,110.08
Trfd. Slowmoving Inventory	19,828.68	-
Add: Purchases	41,996.06	41,788.40
Total	46,697.25	65,898.48
Less: Closing Stock	8,619.39	24,529.87
Total	38,077.86	41,368.61
23. PURCHASE OF STOCK-IN-TRADE (Refer Note No. 51)	276.80	1586.83
24. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventories (at commencement)		
Finished Goods	8,324.49	8,606.77
Work-in-Progress	4,986.15	4,554.21
Trfd. Slowmoving Inventory	9,292.69	-
Sub Total (A)	4,017.95	13,160.98
Inventories (at end)		
Finished Goods	1,545.09	8,324.49
Work-in-Progress	690.65	4,986.15
Sub Total (B)	2,235.74	13,310.64
Total (A-B)	1,782.21	(149.66)
25. EMPLOYEE BENEFIT EXPENSES		
Salaries Including other Benefits	3,281.65	3,452.51
Wages Including other Benefits	2,920.36	3,036.77
Contribution to Provident & other Funds-Wages	147.83	175.00
Contribution to Provident & other Funds-Salary	77.37	56.97
Gratuity	53.83	87.17
Staff Welfare	84.18	110.75
Managerial Remuneration (Refer Note No. 49)	13.92	16.13
Total	6,579.16	6,935.30
26. FINANCE COST		
Interest to Others	47.41	34.93
Total	47.41	34.93

NOTES FORMING PART OF ACCOUNTS

	YEAR ENDED 31.03.16 Rs.(in Lacs)	YEAR ENDED 31.03.15 Rs.(in Lacs)
27. OTHER EXPENSES		
Manufacturing Expenses		
Production Expenses	1,080.18	958.91
Security & Vigilance	59.74	60.01
Consumption Of Stores & Spares	1,225.16	1,348.57
Power & Fuel	5,244.52	5,495.21
Carriage & Cartage	30.27	36.13
Administrative Expenses		
Rent	56.11	53.90
Insurance	139.91	145.22
Rates & Taxes	34.61	24.96
Postage & Telegram	22.33	20.53
Printing, Stationery & Computer Expenses	56.17	58.09
Legal & Professional Expenses	493.06	374.41
Travelling & Conveyance - Others	363.93	415.16
Travelling & Conveyance - Directors	9.36	18.52
Telephone ,Fax & Internet Exp.	63.06	72.26
Books & Periodicals	1.33	0.87
Fees & Subscription	31.30	31.46
General Expenses	27.91	40.92
Bank Charges	113.14	133.26
Payment to Auditors (Refer Note 32)	23.59	17.53
Vehicle Running Expenses	88.20	118.09
Donation	0.50	0.02
Hank Yarn Obligation	37.53	57.07
Net Loss on Foreign Currency Fluctuation & Translation	-	3.45
Loss on Disposal/Sale of Assets	25.72	14.68
Repairs & Maintenance		
Building	66.78	21.85
Machinery	103.60	86.99
Others	65.12	69.74
Selling & Distribution Expenses		
Packing & Forwarding	2,195.86	2,409.21
Sales Promotion & Incentives	777.65	919.68
Cash Discount	20.40	47.05
Bad Debts w/off	379.83	-
Prov. for doubtful Debts	290.52	141.89
Advertisement & Publicity	97.90	84.49
Vat / Sales Tax Paid	0.88	2.24
Freight on Exports	717.25	1,010.93
Sub Total	<u>13,943.42</u>	<u>14,293.30</u>
Prior Period Expenses (Net)	20.49	4.63
Total	<u>13,963.91</u>	<u>14,297.93</u>

NOTES FORMING PART OF ACCOUNTS
28. Basic & Diluted Earnings Per Share:

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Profit (Loss) for the Year before Preference Dividend and attributable tax thereon (Rs. in Lacs)	2023.09	(2942.02)
Less:- Preference Dividend and attributable tax (Rs. in Lacs)	(1266.28)	(1266.28)
Profit/(Loss) attributable to the Equity shareholders after Preference Dividend and attributable tax thereon (Rs. in Lacs) - (A)	756.81	(4208.30)
Weighted average number of equity shares outstanding during the year - (B)	39114100	39114100
Nominal value of equity shares (Rs.)	10.00	10.00
Basic Earnings per share (Rs.)	1.93	(10.76)
Diluted Earnings per share (Rs.)	1.13	(10.76)

Note : As per the DRS which is consented by secured lenders (representing more than 83% of total outstanding secured debts of the company) pending consideration of Hon'ble BIFR the company is under an obligation to issue fresh equity to the tune of Rs. 27.68 crore (approx.) to its lenders, hence the diluted EPS has been calculated after factoring the same. (P.Y. Since the diluted negative EPS is less than basic EPS hence the basic and diluted EPS is considered same.)

29. Earnings in Foreign Exchange

Particulars	Rs.(in Lacs)	
	For the year ended 31 st March 16	For the year ended 31 st March 15
F.O.B. Value of Exports	18528.07	21724.24

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

Particulars	Rs.(in Lacs)			
	For the year ended 31 st March 16	% of consumption	For the year ended 31 st March 15	% of consumption
Raw Material				
Imported	2785.71	7.32%	2196.37	5.31%
Indigenous	35292.15	92.68%	39172.24	94.69%
Total	38077.86	100.00	41368.61	100.00
Stores				
Imported	387.74	31.65%	627.78	46.55%
Indigenous	837.43	68.35%	720.79	53.45%
Total	1225.16	100.00	1348.57	100.00

31. C.I.F. Value of Imports

Particulars	Rs.(in Lacs)	
	For the year ended 31 st March 16 Amount	For the year ended 31 st March 15 Amount
Raw Materials	2048.85	2066.33
Capital Goods	-	64.50
Components & Spare Parts	377.93	638.40

NOTES FORMING PART OF ACCOUNTS
32. Payment to Auditors

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
a. Audit Fee	15.59	13.82
b. Other Services	8.00	3.71

33. Expenditure in Foreign Currency

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Foreign Travels	43.91	58.22
Others	295.78	381.22

34. A sum of Rs. 6869.38 lac is credited as exceptional items arising out of credits availed pursuant to write back of amount of interest and principal waiver of secured loans aggregating to Rs. 37963 lac, (in terms of consent accorded by majority secured lenders to the restructuring forming part of Draft Rehabilitation Scheme) as reduced by the loss on disposal of old/slow moving inventory, write off of unrealizable capital and other advances, lapsed MAT credit entitlement and crystallization of liability upon settlement of pending dispute with ABN Amro Bank, all aggregating to Rs. 31093.62 lac.

35. Holdings of Alps Industries Limited in its Subsidiaries:

Name of the Subsidiary	Country of Incorporation	Holding as on 31 st March 2016	Holding as on 31 st March 2015
Alps Energy Pvt. Ltd	India	69.75%	69.75%
Snowflakes Meditech (P) Ltd	India	73.94%	73.94%
Alps USA INC	USA	100.00%	100.00%

All the companies are subsidiaries of Alps Industries Ltd.

36. 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:-

- | | |
|--|---|
| a. Subsidiary | : Alps Energy Pvt. Ltd. |
| | : Snowflakes Meditech Pvt. Ltd
(Formerly known as Alps Retail Pvt Ltd) |
| b. Wholly owned Subsidiary | : Alps USA Inc. |
| c. Entities Controlled by subsidiaries,
KMP and their relatives | : Alps Processers Private Limited |
| | : Careen Fintec (P) Ltd |
| | : Coronation Spinning India (P) Ltd |
| | : Pacific Texmark Pvt. Ltd. |
| | : Padam Precision Dies & Component pvt. Ltd |
| | : Peek Finvest (P) Ltd |
| | : Perfect Finmen Services (P) Ltd |
| | : Roseate Finevest Pvt. Ltd. |
| | : Saurabh Floriculture (P) Ltd |
| | : Supreme Finvest Pvt. Ltd |
| | : Aspen Enterprises |
| | : Peek Texfab Limited |
| | : DRS Securities Private Limited |
| | : Supersonic Telecommunication Private Limited |

NOTES FORMING PART OF ACCOUNTS

ii. Key Management Personnel

- | | |
|--------------------------------|----------------------------|
| Non-Executive Chairman | a. Mr. K.K Agarwal |
| Managing Director | b. Mr. Sandeep Agarwal |
| Executive Director (WTD) | c. Mr. P.K. Rajput |
| President Accounts and Finance | d. Mr. Ashok Kumar Singhal |
| Company Secretary | e. Mr. Ajay Gupta |

iii. Relatives of Key Management Personnel

- a. Mrs. Sanyog Agarwal
 b. Mrs. Nidhi Agarwal
 c. Mrs. Indu Singhal

Transactions with Related Parties for the year ended 31st March 2016 are as follows:

Rs.(in Lacs)

Nature of Transaction	Entities Controlled by subsidiaries, KMP and their relatives				Remuneration to Directors / Relatives
	Alps Processors Pvt.Ltd	Pacific Texmark Pvt. Ltd	Aspen Enterprises	Peek Texfab Ltd.	
a. Sale of Goods	NIL (NIL)	NIL (NIL)	4806.34 (3007.23)	NIL (NIL)	-
b. Rent Paid	NIL (NIL)	NIL (NIL)	NIL (NIL)	10.80 (10.80)	-
c. Interest Paid	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	-
d. Interest Received	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	-
e. Advance/Loans taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	-
f. Repayment of Advance /Loans	12.19 (NIL)	0.54 (NIL)	NIL (NIL)	116.15 (NIL)	-
g. Sitting fee to KMP					
- Non-Executive Chairman	-	-	-	-	0.50 (0.40)
Remuneration to KMP					
- Managing Director	-	-	-	-	NIL (3.00)
- Executive Director(WTD)	-	-	-	-	13.94 (13.13)
- President Account and Finance	-	-	-	-	15.80 (13.75)
- Company Secretary	-	-	-	-	7.04 (6.47)
h. Salary to relative of KMP					
- Mrs. Sanyog Agarwal	-	-	-	-	5.23 (5.23)
- Mrs. Nidhi Agarwal	-	-	-	-	9.60 (9.60)
- Mrs. Indu Singhal	-	-	-	-	7.95 (7.44)
i. Balance at the year end (cr.)	NIL (NIL)	NIL (NIL)	447.03 (NIL)	NIL (NIL)	-
j. Balance at the year end (dr.)	NIL (12.19)	NIL (0.54)	NIL (1242.25)	NIL (116.15)	-

Note :- The figure shown in brackets are the corresponding figure of previous financial year.

NOTES FORMING PART OF ACCOUNTS

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

Primary Segments

Rs.(in Lacs)

Particulars	SEGMENTS							
	Home Furnishing & Fashion Accessories		Yarn		Architectural Products		Total	
Year	For the year ended 31 st March 2016	For the year ended 31 st March 2015	For the year ended 31 st March 2016	For the year ended 31 st March 2015	For the year ended 31 st March 2016	For the year ended 31 st March 2015	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Segment Revenues	17233.71	16697.90	38803.16	47327.57	3593.18	4013.61	59630.05	68039.08
Less Inter Segment Revenue	190.79	398.62	1193.14	2737.64	-	-	1383.93	3136.26
Net Segment Revenue	17042.92	16299.28	37610.02	44589.93	3593.18	4013.61	58246.12	64902.82
Segment Results	(2066.70)	(831.27)	(3985.41)	(2369.94)	21.67	(35.45)	(6030.42)	(3236.65)
Less Financial Expenses	-	-	-	-	-	-	(47.41)	(34.66)
Less Un-allocable expenses	-	-	-	-	-	-	-	-
Add Other Income	-	-	-	-	-	-	1232.77	721.03
Profit before tax	-	-	-	-	-	-	(4845.06)	(2936.10)
Other Informations								
Segment Assets	21888.52	38068.18	38419.87	55278.01	2591.28	2684.71	62899.67	96030.90
Unallocated Assets	-	-	-	-	-	-	3030.57	7921.66
Total Assets	-	-	-	-	-	-	65930.24	103952.56
Segment Liability	6750.66	23419.53	4535.07	21450.89	405.03	1990.04	11690.76	46860.46
Unallocated liability	-	-	-	-	-	-	90640.62	95515.75
Share Capital, Reserve & Surplus and Profit & Loss	-	-	-	-	-	-	(36401.14)	(38423.65)
Total Liability							65930.24	103,952. 56
Capital Expenditure	100.13	223.54	44.48	279.33	5.52	20.54	-	-
Depreciation	1456.77	1466.70	2041.77	2902.60	76.33	90.18	-	-
Non Cash Expenses	-	-	-	-	-	-	-	-

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

NOTES FORMING PART OF ACCOUNTS

Particulars	Secondary Segments						Rs.(in Lacs)
	SEGMENTS						
	Domestic		Export		Total		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015	For the year ended 31 st March 2016	For the year ended 31 st March 2015	For the year ended 31 st March 2016	For the year ended 31 st March 2015	
Segment Revenue	38639.72	41808.52	19606.40	23094.30	58246.12	64902.82	

38. Contingent Liabilities and Commitments
A) Contingent liability exists in respect of:

Particulars	Rs.(in Lacs)	
	As at 31.03.2016	As at 31.03.2015
a) Guarantees issued by banks on behalf of company.	315.56	97.69
b) Claims against the company not acknowledged as debts	1269.42	1660.18
c) Other Claims against the company not acknowledged as debt :(detailed as under):	36799.31	35725.59

- (i) Kotak Mahindra Bank Limited (KMBL) filed an Original Application (O.A.) before Hon'ble Debt Recovery Tribunal, Mumbai (DRT) for recovery of its claim amounting to Rs. 601.11 lac (P.Y. Rs. 601.11 lac) in respect of certain foreign currency derivative transactions which were disputed being per se illegal as not within the regulatory permission of RBI and were entered into by the company on the basis of incomplete disclosures and details thus falls in the category of mis-selling by the bank to the company. Hon'ble DRT vide an interim order 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 directed to return the said OA and set aside the said restrained order passed by the Hon'ble DRT. The Hon'ble Bombay High Court vide an interim order in the writ filed by KMBL against the order of Hon'ble DRAT has stayed the order of Hon'ble DRAT & restored the operation of restrain order passed by Hon'ble DRT and also stayed the proceedings before Hon'ble DRT till further order. The said writ still under consideration of Hon'ble Bombay High Court. Besides this, Subsequently, Kotak Mahindra Bank had also raised another claim of Rs. 1435 Lac (P.Y. Rs. 1435 Lac) in respect of these foreign currency derivative transactions. On the basis of legal opinion, the company has not admitted these claims of bank against these transactions and filed a suit in the competent civil court of law against these derivative transactions where the same is still pending adjudication. An appeal filed by the company against the order passed by the Hon'ble Civil Court in the matter of withdrawing its earlier order directing to maintain the status quo as regards the recovery proceedings is also pending adjudication before Hon'ble Allahabad High Court.. In view of above facts, no provision against these transactions is considered necessary.
- (ii) DBS Bank Ltd. has raised claims amounting to US\$ 91.09 Lac & Rs. 667.39 lac (totaling to Rs.6710.28 lac, approx) (P.Y. Totaling to Rs. 6369.38 lac approx) against the Company in respect of certain foreign currency derivative transactions which were disputed being per se illegal as not within the regulatory permission of RBI and were entered into by the company on the basis of incomplete disclosures and details thus falls in the category of mis-selling by the bank to the company. On the basis of legal opinion, the company has not admitted the claims of bank & filed a suit in the competent civil court of law against these transactions who has issued an interim order for maintenance of status quo with regards to recovery towards these transactions. The interim order is still continuing and the matter is still pending adjudication. A revision filed by bank against the status quo order passed by Hon'ble Civil Court is also pending adjudication before Hon'ble Allahabad High Court. In view of above facts, no provision against these transactions is considered necessary

NOTES FORMING PART OF ACCOUNTS

- (iii) Merrill Lynch Capital Services Inc. raised a claim of US\$ 195.80 Lac (Rs. 12987.94 Lac approx.) (P.Y. Rs. 12255.24 Lac approx.) against the company in respect of an alleged corporate guarantee of US\$ 100 Lac (Rs.6633.29 lac approx.) (P.Y. Rs. 6259.08 Lac approx.) alleged to be given by the company for one of its subsidiary company M/s Alps USA Inc. These claims relate to derivative transactions and corporate guarantee thereof which were disputed being per se illegal as not within the regulatory permission of RBI and were entered into by the company on the basis of incomplete disclosures and details thus falls in the category of mis-selling by the bank to the company. RBI has also refused to take on record the said corporate guarantee. Based on legal opinion, the company has not admitted said claim and filed a suit in the competent civil court of law. An Appeal filed by the company against the order passed by Hon'ble Civil Court in the matter of withdrawing its jurisdiction and earlier order directing to maintain the status quo as regards the recovery proceedings is pending adjudication before Hon'ble Allahabad High Court. In view of above facts, no provision against above claim is considered necessary.
- (iv) Workers of Kashipur and Jaspur units have filed cases before the Industrial Tribunal/Labour Court, Haldwani, Uttarakhand U/s 33C(2) of the Industrial Dispute Act 1947 claiming total amount of Rs. 15064.97 Lac, in respect of their alleged dues towards wages, retirement benefit etc. as per Hon'ble Court's Notice dated 4th May 2013 received by the company, which is being contested. The Liability, if any, will be accounted for as and when the matter is finally decided.

B) Commitments:-

	31.03.2016	Rs.(in Lacs) 31.03.2015
i) Estimated amount of contracts remaining to be executed On capital account and not provided for:	59.57	60.40
ii) Arrears of preferential dividend as on 31.03.2016 amounting to Rs 5047.39 Lac (Previous year amounting to Rs. 3995.28 Lac).		

C) Forward Contracts outstanding:-

a) Future Contracts	1697.77	2665.87
---------------------	----------------	---------

39. The company is registered as a sick industrial company with the Hon'ble Board of Industrial & Financial Restructuring (BIFR) Vide registration no. 32/2010. The Draft Rehabilitation Scheme, for the revival of the Company, as consented by the secured creditors representing more than 83% of the total outstanding secured debts of the company filed in terms of the directions of the Hon'ble BIFR, is pending consideration with Hon'ble BIFR. Based on same, the company believes it would be able to meet its financial obligations. Accordingly the Financial Statements have been prepared on going concern basis.
40. No provision has been made during the Financial Year 2015-16 of Rs. 2000 lac (Previous Year Rs. 2000 lac) towards interest payable on borrowings from secured lenders (representing less than 17% of the total outstanding secured debt of the Company) and also towards interest Rs. 95 lacs for the Financial Year 2015-16 (Previous Year Rs. 95 lacs) payable on unsecured loans availed by the Company from its subsidiary Companies, who yet to accord their consent to the restructuring proposal of the Company. The same is in accordance with the fact that upon sanction of the restructuring forming part of the Draft Rehabilitation Scheme, the decision of the majority secured lenders (representing more than 83% of the secured debt of the Company which have consented for complete waiver of any interest payable) shall be binding on these minority creditors.

NOTES FORMING PART OF ACCOUNTS

- 41. The company has reached a settlement with RBS Bank NV (earlier known as ABN Amro Bank) of an old dispute claim with respect to derivative transactions. The entire claim of whatsoever nature against the company has been settled against release of term deposits held by ABN Amro Bank on behalf of company as margin money. The financial impact of the settlement has been recognized during the year.
- 42. Certain assets lying at the erstwhile units at Kashipur and Jaspur of company have not been reviewed w.r.t. its impairment at the end of the year for want of assess since these are under the possession of lessor, SIIDCUL. With regard to Impairment of other units Assets, on assessment it is ascertained that no potential loss is present. Accordingly no impairment loss has been provided in the books of account.
- 43. Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.16 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.
- 44. There is no amount outstanding on account of unclaimed dividend as on date. However in previous year Rs.6.03 Lacs for the Financial Year 2006-07 had been transferred to the Investor Education and Protection Fund, as per the provisions of Section 124(5) of the Companies Act, 2013.
- 45. The balances of Trade Receivable, loans and advances and Trade payable are subject to confirmation, reconciliation and consequential adjustment, if any, which in the opinion of the management will not be material.
- 46. Sales are net of Rebate & Discounts amounting to Rs. 768.22 Lacs (Previous Year Rs. 702.26 Lacs).
- 47. The Secured loan of ARCIL has been settled and accordingly paid and adjusted in accounts.

48. Employee Benefits

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

- 1. Defined Contribution plans:

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

Particulars	Rs.(in Lacs)	
	For the year ended 31 st March 16	For the year ended 31 st March 15
Employers contribution to Provident Fund and Employee's State Insurance Corporation	225.20	231.96

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:

Rs.(in Lacs)

Particulars	Gratuity (Unfunded)		Earned Leave (Unfunded)	
	For the Year ended 31 st March 16	For the Year ended 31 st March 15	For the Year ended 31 st March 16	For the Year ended 31 st March 15
Discount Rate (per annum)	7.50%	7.75%	7.50%	7.25%
Future Salary Increase	5.00%	5.25%	5.00%	5.25%
In Service Mortality	Std of LIC (2006-08)	Std of LIC (2006-08)	Std of LIC (2006-08)	Std of LIC (2006-08)
Retiring Age	58 years	58 years	58 years	58 years
Withdrawal Rates:				
Up to 30 years	3%	3%	3%	3%
Up to 44 years	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%
I. Expenses recognized in Statement Profit & Loss				
Current Service Cost	48.76	56.12	16.51	30.08
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Interest Cost	21.04	20.59	8.14	7.81
Net Actuarial (Gain)/ Loss recognized in the year	(15.96)	10.46	(13.29)	0.09
Total Expenses	53.84	87.17	14.36	37.98
II. Net Assets /(Liability) recognized in the Balance Sheet				
Present value of the Defined Benefit obligation	280.19	270.75	97.61	105.07
Fund Status (Deficit)	280.19	270.75	97.61	105.07
Net assets/ (Liability)	280.19	270.75	97.61	105.07
III. Change in present value of obligation				
Present Value of obligation as at the beginning of the period	270.75	235.26	105.07	89.24
Interest Cost	21.04	20.59	8.14	7.81
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Current Service Cost	48.76	56.12	19.51	30.08
Benefits Paid	(44.40)	(51.68)	(21.82)	(22.15)
Actuarial (gains)/ Loss on obligation	15.96	10.46	(13.29)	0.09
Present Value of obligation as at the end of the period	280.19	270.75	97.61	105.07

49. Directors Remuneration

Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Salary	13.20	15.81
Perquisites	00.72	00.32
Total	13.92	16.13

NOTES FORMING PART OF ACCOUNTS
50 Particulars of Raw Material Consumption
Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Cotton	25838.23	31875.30
Yarn	1979.32	3226.12
Fabric	5863.37	2118.10
Architectural Products	2074.85	2570.32
Others	2388.98	1578.77
Total	38076.95	41368.61

51. Details of Purchases of Stock-in-Trade
Rs.(in Lacs)

Particulars	For the year ended 31 st March 16	For the year ended 31 st March 15
Yarn	167.21	769.68
Fabric	16.86	6.25
Architectural	92.73	133.14
Total	276.80	909.07

52. Inventories
Rs.(in Lacs)

Particulars	As at 31 st March 16	As at 31 st March 15
Work-in-Progress		
Cotton / Fibre	398.47	2671.39
Yarn	120.30	1945.58
Fabric / Made up	152.55	340.55
Others	19.32	28.63
Total	690.65	4986.15

Finished Goods		
Yarn	716.21	5468.91
Fabric / Made up	828.88	2774.07
Others	-	81.51
Total	1545.09	8324.49

NOTES FORMING PART OF ACCOUNTS

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

As per our report of even date
For R.K.Govil & Co.
Chartered Accountants
(Firm Registration No. 000748C)

Kaushal Kishore Pal
Partner
Membership No. : 074999
Place : Ghaziabad
Date : May 30, 2016

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

Ajay Gupta
Company Secretary

For and on behalf of the Board

Sandeep Agarwal
Managing Director
DIN - 00139439

P.K. Rajput
Executive Director
DIN - 00597342

DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND JOINT VENTURES UNDER SCHEDULE III OF COMPANIES ACT, 2013.

Rs.(in Lacs)

S. No.	Name of the Entity	Net Assets (Total Assets - Total Liabilities)		Net Assets (Total Assets - Total Liabilities)	
		As % of Consolidated Net Assets	Net Assets as on 31.03.2016	As % of Consolidated Profit or Loss	Profit/ (Loss) for the Year Ended on 31.3.2016
	Parent Company Alps Industries Limited	107.08%	(37996.68)	106.70%	(40018.94)
	Subsidiary Company				
1.	Alps Energy Pvt. Ltd.	(4.59%)	1630.36	(4.34%)	1629.65
2.	Snowflakes Meditech Pvt. Ltd.	(3.21%)	1138.99	(3.04%)	1138.53
3.	Alps USA Inc.	0.72%	(256.54)	0.68%	(255.96)

As per our report of even date
For R.K.Govil & Co.
 Chartered Accountants
 (Firm Registration No. 000748C)

Kaushal Kishore Pal
 Partner
 Membership No. : 074999
Place : Ghaziabad
Date : May 30, 2016

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

Ajay Gupta
 Company Secretary

For and on behalf of the Board

Sandeep Agarwal
 Managing Director
 DIN - 00139439

P.K. Rajput
 Executive Director
 DIN - 00597342

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 2016, The statement has been prepared by the Company in accordance with the requirements of Regulation 53 of SEBI (Listing Obligations and Disclosure Requirements)2015 with the Stock exchange and is based on and in agreement with the corresponding Profit and Loss Account and the Balance sheet of the Company covered by our report of May 30, 2016 to the members of the Company.

For R.K.Govil & Co.
 Chartered Accountants
 (Firm Registration No. 000748C)

Place : Ghaziabad
Date : May 30, 2016

Kaushal Kishore Pal
 Partner
 Membership No. : 074999

IMPORTANT AND USEFUL LINKS :

1. **Board Of Directors and Updates** : http://alpsindustries.com/board_of_directors.php.
2. **Financial Performance** http://alpsindustries.com/financial_performance.php.
3. **Annual Report** : http://alpsindustries.com/details_of_reports.php.
4. **Shareholding Pattern**: <http://alpsindustries.com/shareholding.php>.
5. **Corporate Governance**: http://alpsindustries.com/corporate_governance.php.
6. **Investors News** : http://alpsindustries.com/investor_news.php.
7. **Code of Conduct of the Company**:
<http://alpsindustries.com/images/pdf-img/Code-of-conduct.pdf>.
8. **Nomination & Remuneration, Evaluation and Board Diversity Policy** :
http://alpsindustries.com/images/pdfimg/Remuneration_Policy_ALPS.pdf.
9. **Whistle Blower Policy**:
http://alpsindustries.com/images/pdfimg/Vigil%20mechanism_ALPS.pdf.
10. **Related Party Policy**:
<http://alpsindustries.com/images/pdf-img/related-party-transction-policy.pdf>.
11. **Risk Management Policy**: <http://alpsindustries.com/images/pdf-img/Risk-Management-Policy.pdf>.
12. **Code of Conduct under SEBI(Insider Trading) Regulations, 2015** :
<http://alpsindustries.com/images/pdf-img/CODE-OF-CONDUCT.pdf>.
13. **Material Informations in terms of regulation 30 of under SEBI(LODR) 2015** :
www.alpsindustries.com
14. all the relevant informations in terms of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements)2015 : www.alpsindustries.com





Alps Industries Limited

Registered & Corporate Office : 57/2 Site IV, Industrial Area, Sahibabad, Ghaziabad - 201010 (U.P.)

Ph. : 0120 - (91) - 4161700 • Fax : 0120 - (91) 2896041

e-mail : alps@alpsindustries.com • www.alpsindustries.com