ALPS ENERGY PRIVATE LIMITED

Financial Statements for the year ended 31st March, 2019

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, 2019, 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 including other comprehensive income, cash flow and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 and the Order issued under section 143 (11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act and other applicable authoritative pronouncements issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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, 2019 its Loss 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   - (e) On the basis of the written representations received from the directors as on 31st March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, 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".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   - (h) 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 to us by the management 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.

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

(Rajesh K. Govil)
Partner
Membership No. : 013632

Place : Ghaziabad
Date : May 9th, 2019

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 2019, we report that:

(1) (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 is no overdue principal and interest (Refer Note No 20 of the Financial Statements).

(b) The company has taken reasonable steps for recovery of overdue interest on the unsecured loan (Refer Note No 20 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, Goods And Service Tax and any other statutory dues applicable to it with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Service Tax, Sales-tax, Duty of Custom, Duty of Excise, Cess and other aforesaid statutory dues were outstanding as at 31st March, 2019 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 by its officers or employees has been noticed or reported during the course of our audit.

(11) According to the information and explanations give 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.

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

(Rajesh K. Govil)
Partner
Membership No. : 013632

Place : Ghaziabad
Date : May 9th, 2019

ANNEXURE "B" TO THE INDEPENDENT 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 2019 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2019, 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)

(Rajesh K. Govil)
Partner
Membership No. : 013632

Place : Ghaziabad
Date : May 9th, 2019

BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2019

	Notes	AS AT 31.03.19 Rs.(in Lakh)	AS AT 31.03.18 Rs.(in Lakh)
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	**14.94**	19.67
Financial Assets			
Loans	3	**89.75**	89.15
Deferred Tax Assets (Net)	4	**12.14**	12.14
		116.83	**120.96**
Current Assets,			
Inventories	5	**-**	**-**
Financial assets			
Trade Receivables	6	**-**	8.11
Cash and Cash Equivalents	7	**37.27**	20.40
Current Tax Assets	8	**-**	6.38
Other Current Assets	9	**0.44**	0.49
		37.71	**35.38**
TOTAL ASSETS		**154.54**	**156.34**
EQUITY AND LIABILITIES			
Equity			
Share Capital	10	**324.00**	324.00
Other Equity		**(170.10)**	(168.33)
		153.90	**155.67**
Current liabilities			
Financial Liabilities			
Trade Payables	11	**0.59**	0.53
Other Financial Liabilities	12	**0.05**	0.14
Other Current Liabilities	13	-	-
Provisions	14	-	-
		0.64	**0.67**
TOTAL EQUITY AND LIABILITIES		**154.54**	**156.34**
Significant Accounting Policies	1		
Notes to the Financial Statements	2-26		

The accompanying notes are an integral part of the 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

Rajesh K.Govil	**Rahul Sharma**	**Arun Kumar Agarwal**	**Mehan Kaushik**
Partner	Dy Manager (Accounts)	Director	Director
Membership No. 013632		DIN: 06436816	DIN: 08071910

Place : Delhi
Date : May 9th, 2019

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2019

	Notes	Year Ended 31.03.19 Rs.(in Lakh)	Year Ended 31.03.18 Rs.(in Lakh)
Income			
Revenue from Operations	13	-	-
Other Income	14	6.16	7.59
Total Income		6.16	7.59
Expenses			
Cost of Material Consumed	15	-	-
Change In Inventories	16	-	-
Employees Benefit Expenses	17	-	-
Depreciation	18	4.73	4.73
Other Expenses	19	3.21	2.95
Total Expense		7.94	7.68
Profit/(Loss) before exceptional items and tax		(1.78)	(0.09)
Add/(less): Exceptional Items		-	-
Profit before Tax		(1.78)	(0.09)
Less/(-Add): Tax Expense		-	-
Profit after tax		(1.78)	(0.09)
Other Comprehensive Income		-	-
Total After Tax & Other Comprehensive Income		(1.78)	(0.09)
Earnings Per Equity Share	20		
Basic		(0.05)	(0.00)
Diluted		(0.05)	(0.00)

Significant Accounting Policies 1
Notes to the Financial Statements 2-26

The accompanying notes are an integral part of the 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

Rajesh K.Govil
Partner
Membership No. 013632

Rahul Sharma
Dy Manager (Accounts)

Arun Kumar Agarwal
Director
DIN: 06436816

Mehan Kaushik
Director
DIN: 08071910

Place : Delhi
Date : May 9th, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Rs.(in Lakh)

	Equity Share Capital (A)	Securities premium reserve	Equity component of Compound financial Instrument	Retained earnings	Total Other Equity (B)	Total equity attributable to equity holders of the Company (A)+(B)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at March 31,2018	**324.00**	**1,372**	**125.94**	**(1,666.32)**	**(168.32)**	**155.68**
IND AS adjustments	-	-	-	-	-	-
Profit for the year	-	-	-	(1.78)	(1.78)	(1.78)
Balance as at March 31,2019	**324.00**	**1,372**	**125.94**	**(1,668.10)**	**(170.10)**	**153.90**

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

Rajesh K.Govil
Partner
Membership No. 013632

Rahul Sharma
Dy Manager (Accounts)

Arun Kumar Agarwal
Director
DIN: 06436816

Mehan Kaushik
Director
DIN: 08071910

Place : Delhi
Date : May 9th, 2019

CASH FLOW STATEMENT

Rs.(in Lakh)

Particulars	Year Ended 31.03.2019		Year Ended 31.03.2018	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/ (Loss) Before Tax and Extraordinary items		**(1.78)**		**(0.08)**
Adjustment for :				
Depreciation/Amortization	**4.73**		4.73	
Interest Received	**0.60**		7.59	
Other Income	**5.56**	**10.89**	-	12.32
Operating Profit/Loss Before Working Capital Changes		**9.11**		**12.24**
Adjustment for Working Capital Changes				
Increase/(Decrease) in Financial Liabilities				
Trade Payables	**0.06**		-	
Other Financial Liabilities	**(0.09)**		0.06	
Other Current Liabilities	**-**		-	
Increase/(Decrease) in Provisions	**-**		-	
Decrease/(Increase) in Financial Assets	**-**		-	
Trade Receivables	**8.11**		-	
Other Financial Assets	**-**		-	
Decrease/(Increase) in Other Current Assets	**0.05**		(0.03)	
Decrease/(Increase) in other Non Current Assets	**-**		-	
Decrease/(Increase) in Inventories	**-**		-	
Direct Taxes Received/(Paid)	**6.39**	**14.52**	-	0.03
Cash Flow Before Extraordinary Items		**23.63**		**12.27**
Net Cash Generated by Operating Activities		**23.63**		**12.27**

(B) CASH FLOW FROM INVESTING ACTIVITIES				
Expenditure on Property, Plant and Equipment	**-**		-	
Proceeds from Property, Plant and Equipment	**-**		-	
Interest Received	**(0.60)**		(7.59)	
Other Income	**(5.56)**		-	
Net Cash from/ (used in) Investing Activities		**(6.16)**		**(7.59)**
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Decrease/(Increase) in Financial Assets	**-**		**-**	
Increase/(Decrease) in Loans	**(0.60)**		(7.59)	
Net Cash from/ (used in) Financing Activities	**(0.60)**			**(7.59)**
Net Increase(Decrease) in Cash & Cash Equivalents		**16.87**		**(2.91)**
Opening Balance of Cash and Cash Equivalents		**20.40**		**23.31**
Closing Balance of Cash and Cash Equivalents (refer note 9)		**37.27**		**20.40**

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)

For and on behalf of the Board

Rajesh K.Govil
Partner
Membership No. 013632

Rahul Sharma
Dy Manager (Accounts)

Arun Kumar Agarwal
Director
DIN: 06436816

Mehan Kaushik
Director
DIN: 08071910

Place : Delhi
Date : May 9th, 2019

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Alps Energy Pvt. Ltd. (the Company) having CIN: U40109DL2007PTC169994 is a private limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is engaged into ancillary business activity.

2. Basis of Preparation and Significant Accounting Policies

A) Basis of Preparation of Financial Statements

(a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (the Act), (IND AS compliant Schedule III), as applicable to the Company. The Company adopted IND AS from April 01, 2017.

Effective April 1, 2017, the company was adopted all the IND AS standards and the adoption was carried out in accordance with IND AS 101 'First Time Adoption of Indian Accounting Standards' with April 01, 2016, as the transaction date . The transaction was carried out from Indian Accounting Principles Generally Accepted in India as prescribed under section 133 of the Act, read with rule of the companies (Accounts) rules, 2014 (IGAAP) which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Functional and Presentation Currency

These financial statements are presented in Indian rupees (Rs. In Lakh), which is the Company's functional currency.

(c) Basis of Measurement

The financial statements are prepared as a going concern basis under historical cost convention basis except for certain items which are measured at fair values.

Determining the Fair Value

While measuring the Fair Value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a Fair Value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

NOTES FORMING PART OF ACCOUNTS

(d) Use of Estimate

The preparation of financial statements in conformity with the IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of the contingent asset and contingent liability at the date of the financial statements and reported amount of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from the estimates. Appropriate changes in estimate are made as the management become aware of the change in circumstances surrounding the estimates. Change in the estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effect are disclosed in the notes to financial statements.

(e) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and IND AS 1 – Presentation of Financial Statements issued by the Ministry of Corporate Affairs based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

B) Recent Accounting Pronouncement

IND AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the IND AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

C) Significant Accounting Policies

(a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction, net of Input tax credit available, less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of Property, Plant and Equipment recognised as at April 1, 2016 measured as per the previous GAAP. Cost directly attributable to acquisition are capitalised until the Property, Plant and Equipment are ready for use as intended by the management.

Property, Plant and Equipment are derecognised from financial statements, either on disposal or when no economic benefits are expected from its use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the Property, Plant and Equipment and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation on Property, Plant and Equipment commences when these assets are ready for their intended use. Items of Property, Plant and Equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of these assets, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Depreciation on Property, Plant and Equipment purchased or sold during the year is proportionately charged.

(b) Financial Assets:

Recognition: Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

NOTES FORMING PART OF ACCOUNTS

(c) **Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

(d) **In Case of other Assetes**

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc., are classified at cost.

(e) **Financial Liabilities**

Initial and Subsequent Recognition: Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

(f) **De-Recognition:** Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation in respect of the liabilities is discharged, cancelled and settled on expiry by the Company.

(g) **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(h) **Claims, Provisions, Contingent Assets and Liabilities**

Claims lodged by and lodged against the Company are accounted in the year of payment or settlement thereof. Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

Contingent liabilities are not recognised but are disclosed by way of notes to the financial statements, after careful evaluation by the management of the facts and legal aspects of each matter involved.

Contingent assets are neither recognised nor disclosed in the financial statements.

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying the economic benefit has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.

(i) **Recognition of Revenue and Expenditure**

(i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenue represents the net invoice value of goods and services provided to third parties after deducting discounts, volume rebates, outgoing taxes.

Revenue is recognised usually when all significant risks and rewards of ownership of the asset sold are transferred to the customer and the commodity has been delivered to the shipping agent. Revenue from sale of material by-products are included in revenue.

(ii) Interest and Dividend Income

Interest income is recognised using Effective Interest Method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of financial instruments or a shorter period, where appropriate, to the gross carrying amount of the asset or to the amortised cost of financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss.

Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

(j) Borrowing Cost

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which they are incurred.

(k) Employee Benefits

Benefits such as salaries, wages and short term compensations etc. is recognized in the period in which the employee renders the related services.

The Company makes contributions to defined benefit schemes and defined contribution plans. Provident Fund contributions are in the nature of defined contribution scheme. Provident funds are deposited with government and recognised as an expense. The Company also make contribution to defined benefit plan i.e. gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

(l) Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

(m) Foreign Currency Transactions and Translation

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

Non-monetary foreign currency items are carried at cost.

(n) Prior Period Errors

Prior Period Errors have been corrected retrospectively in the financial statements. Retrospective application means that the correction affects only prior period comparative figures, current period amounts are unaffected. Comparative amounts of each prior period presented which contain errors are restated. If however, an error relates to a reporting period that is before the earliest prior period presented, then the opening balances of assets, liabilities and equity of the earliest prior period presented has been restated by following IAS 8.

(o) Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also, the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(p) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Amendment to IND AS-7

Effective April 1, 2017, the Company adopted the amendment to IND AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

(q) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

NOTES FORMING PART OF ACCOUNTS

2. Property, Plant and Equipment

Rs.(in Lakh)

Particulars	Office equipments	Plant & Machinery	Vehicles	Total
As at March 31, 2018	0.35	0.19	39.59	40.13
-Additions	-	-	-	-
-Disposals	-	-	-	-
As at Dec.31, 2019	0.35	0.19	39.59	40.13
Depreciation				
As at March 31, 2018	0.35	0.19	19.92	20.46
Depreciation charge during the period	-	-	4.73	4.73
Depreciation on deduction	-	-	-	-
As at March 31, 2019	0.35	0.19	24.65	25.19
Net Book Value				
As at March 31, 2019	-	-	14.94	14.94
As at March 31, 2018	-	-	19.67	19.67

	AS AT 31.03.19 Rs.(in Lakh)	AS AT 01.04.18 Rs.(in Lakh)
3. Loans		
Unsecured, considered good	**89.75**	89.15
Total	**89.75**	**89.15**
4. Deferred Tax Assets		
MAT Credit Entitlement	**12.14**	12.14
Net Deferred Tax Assets	**12.14**	**12.14**
5. Inventory		
Finished Goods	-	-
	-	-
6. Trade Receivables		
Unsecured, considered good	-	8.11
Total	**-**	**8.11**
7. Cash and Cash Equivalents		
Balances with banks		
- on current account	**36.62**	19.16
Cash on hand	**0.65**	1.24
Total	**37.27**	**20.40**
8. Current Tax Assets		
Advance Income Tax including TDS	-	6.38
Total	**-**	**6.38**
9. Other Current Assets		
Other Receivables	**0.44**	0.49
Total	**0.44**	**0.49**

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.19 Rs.(in Lakh)	AS AT 01.04.18 Rs.(in Lakh)
10. Equity Share Capital		
Authorized Share Capital		
37,00,000 March 31, 2019:(37,00,000, March 31, 2018)	**370.00**	370.00
Equity Shares of Rs.10 March 31, 2019:(Rs.10, March 31, 2018) each		
13,00,000 March 31, 2019: (13,00,000, March 31, 2018)	**130.00**	130.00
Preference shares of Rs.10 March 31, 2019: (Rs.10, March 31, 2018) each		
	500.00	**500.00**
Issued Share Capital		
32,40,040 Mar, 2019 (Mar, 2018: 32,40,040)	**324.00**	324.00
Equity Shares Rs. 10 Mar'2019, (Mar'2018: Rs.10) each	**324.00**	**324.00**
Subscribed and paid up Capital		
32,40,040 Mar, 2019 (Mar, 2018: 32,40,040)	**324.00**	324.00
Equity Shares Rs.10 Mar'2019 (Rs. 10 Mar'2018: Rs.10) each	**324.00**	**324.00**
a. Reconciliation of the Shares Outstanding at the Beginning and At the end of the Reporting Period:		
Equity shares		
Outstanding at the beginning of the year	3240040	3240040
Outstanding at the end of the period/year	3240040	3240040
b. Details of shareholders holding more than 5% shares in the Company		
Alps Industries Limited No.	2259990	2259990
Alps Industries Limited %age	69.75%	69.75%
BITS Ltd. No.	566700	566700
BITS Ltd. %age	17.49%	17.49%
Zero Coupon Non Redeemable Convertible Preference Shares		
Alps USA Inc. No.	1259360	1259360
Alps USA Inc. %age	100.00%	100.00%
11. Trade Payable		
(a) Micro, Small & Medium Enterprises (Refer Note No. 7.1)	**-**	-
(b) Others	**0.59**	0.53
Total	**0.59**	**0.53**
12. Other financial liabilities		
Expenses Payable	**0.05**	0.14
Total	**0.05**	**0.14**
13. Revenue from operations		
(Including Traded Goods)		
Domestic	**-**	-
Total	**-**	**-**

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.19 Rs.(in Lakh)	AS AT 01.04.18 Rs.(in Lakh)
14. Other income		
Interest Income from Fair Valuation	**0.60**	7.59
Others	**5.56**	-
Total	**6.16**	**7.59**
15. Cost of Material Consumed		
Opening Stock	-	-
Add: Purchases	-	-
Total	**-**	**-**
Less: Closing Stock	-	-
Total	**-**	**-**
16. Change in Inventories of Finished Goods		
Closing Stock		
Finished Goods	-	-
Total (A)	**-**	**-**
Less : Opening Stock		
Finished Goods	-	-
Total (B)	**-**	**-**
Total (B-A)	**-**	**-**
17. Employee Benefit Expenses		
Salaries including other Benefits	**-**	-
Total	**-**	**-**
18. Depreciation Expenses		
Depreciation	**4.73**	4.73
Total	**4.73**	**4.73**
19. Other Expenses		
Insurance	**0.64**	0.63
Legal & Professional Charges	**0.31**	0.35
General Expenses	**1.22**	0.01
Payment to Auditors	**0.30**	0.30
Vehicle Running Expenses	**0.56**	1.66
Fees & Subscription	**0.18**	-
Total	**3.21**	**2.95**

NOTES FORMING PART OF ACCOUNTS

20. Basic & Diluted Earnings Per Share

Particulars	For the year ended 31st March 19	For the year ended 31st March 18
Profit/(Loss) attributable to the Equity shareholders (A) (Rs. in Lacs)	**(1.78)**	(0.09)
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.)	**(0.04)**	(0.00)
Diluted Earnings per share (Rs.)	**(0.04)**	(0.00)

21. The company had settled the unsecured loans including interest thereon granted to Alps Industries Limited at a total value of Rs. 89.75 Lac receivable interest free by end of March 2019. However the company has reserved its right to reinstate the waivers granted in case of breach of terms of repayment of settled amount by the borrower.

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. Auditor's Remuneration

Rs.(in Lakh)

Particulars	For the year ended 31st March 19	For the year ended 31st March 18
Audit Fees	**0.29**	0.29
Others	**0.30**	0.30

24. Related Party Transactions

Name of related parties and description of relationship as required by IND AS 24:
Holding Company : Alps Industries Ltd.
Key Managerial Personnel, 1. Mr. Mahen Kaushik
2. Mr. Arun Kumar Agarwal

Rs.(in Lakh)

Nature of Transaction	Transactions with Holding Company		Transactions with Key Managerial Personnel, Entities controlled by them, and their relatives	
	For the year ended 31st March 2019	For the year ended 31st March 2018	For the year ended 31st March 2019	For the year ended 31st March 2018
1. Sale of Goods	**NIL**	NIL	**NIL**	NIL
2. Purchase of Goods	**NIL**	NIL	**NIL**	NIL
3. Allotment of equity shares	**NIL**	NIL	**NIL**	NIL
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**	NIL	**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.)	**89.75**	89.15	**NIL**	NIL

NOTES FORMING PART OF ACCOUNTS

25. Financial Risk Management

i) Financial Instrument by Category:

The Company does not carry any investments or similar instruments.

ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages those risks.

(A) Credit Risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed only by accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost include loans to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures the amounts are within defined limits.

Credit Risk Management: The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

a) Low credit risk

b) Moderate credit risk

c) High credit risk

Credit Risk Exposures: The Company's trade receivables do not have any expected credit loss as they are generally within the credit period. In case of non-recoverability in extreme cases, the Company, accordingly, provides for the same in its books of account instead of writing it off permanently.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains adequate liquidity for meeting its obligations by monitoring the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows from the operations.

C) Market Risk

Market risk is the risk of changes in the market prices on account of foreign exchange rates, interest rates and Commodity prices, which shall affect the Company's income or the value of its holdings of its financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the returns

a) Currency Risk

The Company does not have any transactions denominated in foreign currencies, which are subject to the risk of exchange rate fluctuations.

b) Interest risk

i) Assets: The Company's deposits are maintained in current account, therefore the company is not at any risk on account of interest rate

ii) Liabilities: The Company does not have any borrowings hence the Company is not at any risk on account of interest rate.

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)

For and on behalf of the Board

Rajesh K.Govil	**Rahul Sharma**	**Arun Kumar Agarwal**	**Mehan Kaushik**
Partner	Dy Manager (Accounts)	Director	Director
Membership No. 013632		DIN: 06436816	DIN: 08071910

Place : Delhi
Date : May 9th, 2019

ALPS USA INC.

Financial Statements for the year ended 31st March, 2019

BALANCE SHEET

BALANCE SHEET AS AT MARCH 31, 2019

	AS AT 31.03.19 AMOUNT (US$)	AS AT 31.03.18 AMOUNT (US$)
ASSETS		
Current Assets		
Cash & Cash Equivalents (as per schedules attached)	-	-
Total Current Assets	**-**	**-**
Investments (as per 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	**529,000.00**	**529,000.00**
LIABILITIES AND SHARE HOLDERS EQUITY		
Current Liabilities		
Accounts Payable (as per schedules attached)	**15,500.19**	15,500.19
Total Current Liabilites	**15,500.19**	**15,500.19**
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	**513,499.81**	**513,499.81**
Total Liabilities and Shareholders Equity	**529,000.00**	**529,000.00**

For and on behalf of the Board

Alps USA Inc.

Place : Ghaziabad
Date : May 09, 2019

K.K.Agarwal
Director
DIN - 00139252

Sandeep Agarwal
Director
DIN - 00139439

INCOME AND RETAINED EARNINGS

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED MARCH 31, 2019

	YEAR ENDED 31.03.19 AMOUNT (US$)	YEAR ENDED 31.03.18 AMOUNT (US$)
Revenue	-	-
Gross Profit	-	-
Operating Expenses		
Amortisation Expense	-	-
Bank Service Charges	-	-
Total Expenses	-	-
Profit/(Loss) Before Interest & Tax	-	-
Profit/(Loss) Before Tax	-	-
Provision For Tax	-	-
Profit/(Loss) after Interest & Tax	-	-
Retained Earnings - Opening Balance	**(711,500.19)**	(711,500.19)
Retained Earnings - Closing Balance	**(711,500.19)**	**(711,500.19)**

For and on behalf of the Board
Alps USA Inc.

Place : Ghaziabad
Date : May 09, 2019

K.K.Agarwal
Director
DIN - 00139252

Sandeep Agarwal
Director
DIN - 00139439

CASH FLOW

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

	AS AT 31.03.19 AMOUNT (US$)	AS AT 31.03.18 AMOUNT (US$)
Operating activities	**0.00**	0.00
Depreciation and Amortisation	**0.00**	0.00
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	**0.00**	**0.00**

For and on behalf of the Board

Alps USA Inc.

Place : Ghaziabad
Date : May 09, 2019

K.K.Agarwal
Director
DIN - 00139252

Sandeep Agarwal
Director
DIN - 00139439

		AS AT 31.03.19 AMOUNT (US$)	AS AT 31.03.18 AMOUNT (US$)
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	**529,000.00**	**529,000.00**
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	**15,500.19**	**15,500.19**

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. 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, 2019, the Company had the following transactions with affiliates: Nil

4. Contingent Liabilities and Assets

The Company jointly with Alps Industries Limited, India (AIL) had received a legal claim of US$ 195.80 Lac (P.Y. Rs. 195.80 Lac approx.). The said claim is alleged for foreign currency derivative transactions entered into in India by the company and issuance of Corporate Guarantee of US$ 100 Lac by AIL against these transactions. The Claims were disputed being per se illegal as not within the regulatory permission of Reserve Bank of India (RBI) and were entered into by the company and AIL on the basis of incomplete disclosures and details thus falls in the category of mis-selling by the party. RBI has also refused to take on record the said corporate guarantee of AIL. The company has not admitted said claim and jointly with Alps Industries Limited filed a suit in the competent civil court in India as per laws in India. An Appeal filed by the company and AIL, jointly, against the order passed by Hon'ble Civil Court, Ghaziabad (India) 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, India.

For and on behalf of the Board
Alps USA Inc.

Place : Ghaziabad	**K.K. Agarwal**	**Sandeep Agarwal**
Date : May 9, 2019	Director	Director
	DIN - 00139252	DIN - 00139439