

# Alps Industries Ltd.

REGD./CORP. OFFICE  
57/2, Site-IV, Industrial Area  
Sahibabad, Ghaziabad - 201010  
Uttar Pradesh (India)

May 30, 2018

ALPS/182/SE10/2018-19

The General Manager  
Market Operations Deptt.,  
**National Stock Exchange of India Ltd.,**  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G-Block, Bandra-Kurla Complex  
Bandra (E), **Mumbai - 400 051**  
Ph - 91-22-2659 8101 - 8114  
Fax : 022 - 26598237/38/ 2659 8100  
**Email - [cm1ist@nse.co.in](mailto:cm1ist@nse.co.in)**

Ms. Erika D'Sa, (Relationship Manager)  
Corporate Relationship Deptt.,  
**Bombay Stock Exchange Limited,**  
1<sup>st</sup> Floor New Trading Ring,  
Rotunda Building, P. J. Towers,  
Dalal Street, Fort, **Mumbai-400 001.**  
Ph - 022-22728995  
Fax: 022 - 22723121 /  
3719/2037/2039/2041/2061  
Email - [intern.erika@bseindia.com](mailto:intern.erika@bseindia.com) ,  
[corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

Dear Sir,

**RE: DECLARATION IN COMPLIANCE OF CIRCULAR CIR/CFD/CMD/56/2016 DATED  
27.5.2016 ON THE MODIFIED OPINION AUDIT REPORTS FOR THE FINANCIAL YEAR  
2017-18**

## DECLARATION

In terms of regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) 2015 read with the compliance of SEBI circular no- CIR/CFD/CMD/56/2016 dated 27.5.2016, we hereby declare that Audit Report on Standalone & Consolidated financial Statements of M/s. Alps Industries Limited, having its registered office at 57/2, Site IV, Industrial Area Sahibabad, Ghaziabad (U.P.), as provided by the Statutory Auditors of the company is modified Opinion and Qualified Opinion related to the financial year ended on March 31, 2018. As required the Statement on Impact of Audit Qualifications is enclosed.

This is for your kind information and record, please.

FOR ALPS INDUSTRIES LIMITED

  
(A.K. SINGHAL)  
PRESIDENT (CORP. ACCOUNTS)  
DESIGNATED CHIEF FINANCIAL OFFICER (CFO)



Tel.:+91-120-4161700 (60 Lines)  
E-mal : [info@alpsindustries.com](mailto:info@alpsindustries.com)

Telefax.: +91-120-2896041  
Website : [www.alpsindustries.com](http://www.alpsindustries.com)

CIN : L51109UP1972PLC003544



**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS  
IN TERMS OF REGULATION 33 OF SECURITIES AND EXCHANGE BOARD OF  
INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015 AND CIR/CFD/CMD/56/2016 DATED MAY 30, 2016**

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018 (STANDALONE)

NAME OF THE COMPANY: ALPS INDUSTRIES LTD. (L51109UP1972PLC003544)

(Rs. In Lac)

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018.  
(See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016)

1.	SI No.	Particulars	Audited Figures (as reported before adjusting for qualification)	Adjusted Figures (audited figures after adjusting for qualification)
	1.	Turnover/Total Income	37061.90	37061.90
	2.	Total Expenditure	48650.97	173241.16
	3.	Net Profit/(Loss)	(11547.34)	(136137.53)
	4.	Earnings per share (in Rs.)	(29.52)	(348.05)
	5.	Total Assets	42223.76	42223.76
	6.	Total Liabilities	79758.78	204348.97
	7.	Net Worth	(37535.03)	162125.22
	8.	Any other financial item(s)(as felt appropriate by the management) - Contingent Liability towards Derivative Contracts & Corporate Guarantee Etc.	-	-

For Alps Industries Ltd.



*Pranil Goyal*

*Ce 2*  
(Sandeep Agarwal)  
Managing Director

ALPS INDUSTRIES LTD

Authorised Signatory



**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS  
IN TERMS OF REGULATION 33 OF SECURITIES AND EXCHANGE BOARD OF  
INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015 AND CIR/CFD/CMD/56/2016 DATED MAY 30, 2016**

**II. AUDIT QUALIFICATION (EACH AUDIT QUALIFICATION SEPARATELY)**

S. I. No.	Questionnaire	Particulars
a.	Detail of Audit Qualification	Auditor vide their Audit Report dated 30.5.2018 on the Financial Statements of the Company has issued the basis for their Qualified Opinion as under: <i>"Refer to note no. 38 to the notes on accounts, the Company has not provided for its liability towards interest &amp; part of principal loan, waived earlier, and impact of retained earnings in terms of draft rehabilitation scheme and now revoked by its consented lenders amounting to Rs. 124590.19 lakh, accordingly the loss for the year and loan liability would have been increased and shareholder's fund would have been reduced to that extent".</i>
b.	Type of Audit qualification	Qualified Opinion
c.	Frequency of qualification	This Qualification is given First Time.
d.	Audit Qualification where the impact quantified by the Auditor, Management's Views:	During the year, the lenders having more than 83% of the secured debts of the company revoked their consent to the DRS/settlement circulated by erstwhile Hon'ble BIFR, interalia containing the restructuring of the debts of the company, which was partly implemented. Company has protested to the said revocation of consent being unjustified and beyond terms of scheme. Company has submitted a revised restructuring scheme with Edelweiss Assets Reconstruction Company Ltd., (presently holding 93% of the total secured debt of the company), which is under consideration with them. Management expect to get it approved and would be able to meet its financial obligations. Accordingly the financial statements have been prepared on going concern basis and company continues to give effect to the earlier consented restructuring scheme in these accounts. The impact, if any, of the revised restructuring scheme which is under consideration will be given effect in the financial statements of the year of final settlement with lenders. Hence, no provision considered necessary in these accounts towards interest on entire secured loans and part of principal secured loan, waived earlier and impact on retained earnings thereon totaling to Rs. 124590.19 lakh as per provisions of earlier consented scheme.
e.	Audit Qualification where the impact is not quantified by the Auditor :-	<b>n.a.</b>
(i)	Management's Estimation on the impact of audit	n.a.



*Rami Goyal*

For ALPS INDUSTRIES LTD.  
*Sandeep Agarwal*  
(Sandeep Agarwal)  
Managing Director  
Authorised Signatory



**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS  
IN TERMS OF REGULATION 33 OF SECURITIES AND EXCHANGE BOARD OF  
INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015 AND CIR/CFD/CMD/56/2016 DATED MAY 30, 2016**

	qualification	
(ii)	If management is unable to estimate the impact, reasons for the same:	n.a.
(iii)	Auditor's Comments on (i) or (ii) above:	n.a.
III.	<b>To be signed by-</b>	<b>Name</b>
	CEO/Managing Director	<b>SANDEEP AGARWAL</b>
	CFO	<b>A. K. SINGHAL</b>
	Audit Committee Chairman	<b>PRABHAT KRISHNA</b> (DIN No:- 02569624)
	Auditor of the Company	<b>FOR R.K. GOVIL &amp; CO.,</b> Chartered Accountants (Firm Regn. No. 000748C ) <i>Mani Goyal</i> <b>MANI GOYAL</b> (Partner) Membership No. 421929
		<b>Signature</b> For Alps Industries Ltd. <i>(Sandeep Agarwal)</i> Managing Director for ALPS INDUSTRIES LTD <i>A. K. Singhal</i> Authorized Signatory <i>Prabhat Krishna</i>

Date : 30.05.2018

Place : Ghaziabad





**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS  
IN TERMS OF REGULATION 33 OF SECURITIES AND EXCHANGE BOARD OF  
INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015 AND CIR/CFD/CMD/56/2016 DATED MAY 30, 2016**

**II. AUDIT QUALIFICATION (EACH AUDIT QUALIFICATION SEPARATELY)**

S. I. No.	Questionnaire	Particulars
a.	Detail of Audit Qualification	Auditor vide their Audit Report dated 30.5.2018 on the Financial Statements of the Company has issued the basis for their Qualified Opinion as under: <i>"Refer to note no. 40 to the notes on accounts, the Company has not provided for its liability towards interest &amp; part of principal loan, waived earlier, and impact of retained earnings in terms of draft rehabilitation scheme and now revoked by its consented lenders amounting to Rs. 124590.19 lakh, accordingly the loss for the year and loan liability would have been increased and shareholder's fund would have been reduced to that extent".</i>
b.	Type of Audit qualification	Qualified Opinion
c.	Frequency of qualification	Since Financial Year
d.	Audit Qualification where the impact quantified by the Auditor, Management's Views:	During the year, the lenders having more than 83% of the secured debts of the company revoked their consent to the DRS/settlement circulated by erstwhile Hon'ble BIFR, interalia containing the restructuring of the debts of the company, which was partly implemented. Company has protested to the said revocation of consent being unjustified and beyond terms of scheme. Company has submitted a revised restructuring scheme with Edelweiss Assets Reconstruction Company Ltd., (presently holding 93% of the total secured debt of the company), which is under consideration with them. Management expect to get it approved and would be able to meet its financial obligations. Accordingly the financial statements have been prepared on going concern basis and company continues to give effect to the earlier consented restructuring scheme in these accounts. The impact, if any, of the revised restructuring scheme which is under consideration will be given effect in the financial statements of the year of final settlement with lenders. Hence, no provision considered necessary in these accounts towards interest on entire secured loans and part of principal secured loan, waived earlier and impact on retained earnings thereon totaling to Rs. 124590.19 lakh as per provisions of earlier consented scheme.
e.	<b>Audit Qualification where the impact is not quantified by the Auditor :- n.a.</b>	



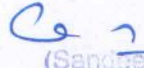


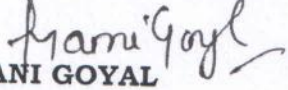
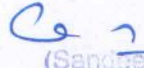


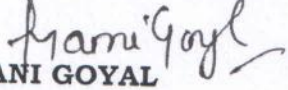
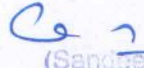


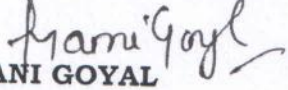
*Rami Goyal*

For Alps Industries Ltd. For ALPS INDUSTRIES LTD.

*Sandeep Agarwal*  
(Sandeep Agarwal)  
Managing Director  
Authorized Signatory



**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS  
IN TERMS OF REGULATION 33 OF SECURITIES AND EXCHANGE BOARD OF  
INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015 AND CIR/CFD/CMD/56/2016 DATED MAY 30, 2016**

(i)	Management's Estimation on the impact of audit qualification	n.a.														
(ii)	If management is unable to estimate the impact, reasons for the same:	n.a.														
(iii)	Auditor's Comments on (i) or (ii) above:	n.a.														
III.	<p><b>To be signed by-</b></p> <p>CEO/Managing Director</p> <p>CFO</p> <p>Audit Committee Chairman</p> <p>Auditor of the Company</p>	<table border="0"> <tr> <td><b>Name</b></td> <td align="right"><b>Signature</b></td> </tr> <tr> <td></td> <td align="right">For Alpa Industries Ltd.</td> </tr> <tr> <td><b>SANDEEP AGARWAL</b></td> <td align="right"> (Sandeep Agarwal) Managing Director</td> </tr> <tr> <td><b>A. K. SINGHAL</b></td> <td align="right"> Authorized Secretary</td> </tr> <tr> <td><b>PRABHAT KRISHNA</b> (DIN No:- 02569624)</td> <td></td> </tr> <tr> <td><b>FOR R.K. GOVIL &amp; CO.,</b> Chartered Accountants (Firm Regn. No. 000748C)</td> <td align="right"></td> </tr> <tr> <td> <b>MANI GOYAL</b> (Partner) Membership No. 421929</td> <td></td> </tr> </table>	<b>Name</b>	<b>Signature</b>		For Alpa Industries Ltd.	<b>SANDEEP AGARWAL</b>	 (Sandeep Agarwal) Managing Director	<b>A. K. SINGHAL</b>	 Authorized Secretary	<b>PRABHAT KRISHNA</b> (DIN No:- 02569624)		<b>FOR R.K. GOVIL &amp; CO.,</b> Chartered Accountants (Firm Regn. No. 000748C)		 <b>MANI GOYAL</b> (Partner) Membership No. 421929	
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	For Alpa Industries Ltd.															
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 <b>MANI GOYAL</b> (Partner) Membership No. 421929																

Date : 30.05.2018

Place : Ghaziabad



**R.K.GOVIL & CO.**  
CHARTERED ACCOUNTANTS

4, Kiran Enclave, G.T.Road,  
Behind Hotel Samrat, Ghaziabad-201001  
Phones: 0120-2861830-832, Fax: 2861832  
Email: [incometax.rkgovil@gmail.com](mailto:incometax.rkgovil@gmail.com)

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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and 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 including other comprehensive income, cash flows 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 standalone 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 thereunder 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 standalone 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 standalone 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 qualified opinion on the standalone financial statements.

#### **Basis for Qualified Opinion**

*Refer to note no. 38 to the notes on accounts, the Company has not provided for its liability towards interest & part of principal loan, waived earlier, and impact of retained earnings in terms of draft rehabilitation scheme and now revoked by its consented lenders amounting to Rs. 124590.19 lakh, accordingly the loss for the year and loan liability would have been increased and shareholder's fund would have been reduced to that extent.*

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except, for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 March 31, 2018, and its loss, total comprehensive income, the changes in equity and its 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:

To note no 38 related to preparation of financial statement on going concern basis on the expectation of the company to get the necessary resolution for restructuring of debts and to meet its financial obligation and continuation of giving effect to earlier consented scheme.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

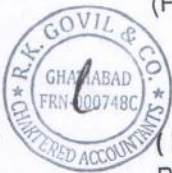
1. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion proper books of account as required 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 standalone 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 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amount 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)



*Mani Goyal*  
(Mani Goyal)  
Partner Membership No.: 421929

Place : Ghaziabad  
Date : May 30, 2018



## ANNEXURE 'A' TO 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 2018, 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 except the assets lying at erstwhile Jaspur and Kashipur unit which are 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 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, 2018 for a period of more than six months from the date they became payable.

- b) The disputed statutory dues aggregating to Rs 138.64 Lac as on 31st March, 2018 have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount	Forum where Dispute is Pending
Nagar Nigam Act,	Sewerage Tax	Rs.7.29 Lakh	Ld. Commisioner, Nagar Nigam, Gzb.
Commercial Tax Act	Commercial Tax	Rs.21.83 Lakh	Ld. Addl. Commissioner, Gzb
Income Tax Act	Income Tax	Rs.109.52 Lakh	Hon'ble CIT (Appeals) Gzb.

- (8) *During the year the consent to the DRS interalia containing the restructuring of the debts of the company have been revoked by the consented secured lenders and demand raised for the dues outstanding in terms of their original sanctions. The company has protested to the said revocation and submitted a revised restructuring scheme which is pending consideration with them (refer note no. 38), 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 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 Companies Act, 2013.
- (12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(ii) 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)



*Mani Goyal*

**(Mani Goyal)**  
Membership No.: 421929

Place : Ghaziabad  
Date : May 30, 2018



## **Annexure - B to 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 INDUSTRIES LIMITED** (the Company) as of 31 March 2018 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 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 2018, 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)



*Mani Goyal*  
(Mani Goyal)  
Membership No.: 421929

Place : Ghaziabad  
Date : May 30, 2018



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 Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 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 including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group 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. 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 judgments 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 there under 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 and other applicable authoritative pronouncements issued by Institute of Chartered Accountants of India. 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' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 qualified opinion on the standalone financial statements.

#### **Basis for Qualified Opinion**

*Refer to note no. 40 to the notes on accounts, the Company has not provided for its liability towards interest & part of principal loan, waived earlier, and impact of retained earnings in terms of draft rehabilitation scheme and now revoked by its consented lenders amounting to Rs. 124590.19 lakh, accordingly the loss for the year and loan liability would have been increased and shareholder's fund would have been reduced to that extent.*

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except, for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 March 31, 2018, and its loss, total comprehensive income, the changes in equity and its 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:

To note no 40 related to preparation of financial statement on going concern basis on the expectation of the company to get the necessary resolution for restructuring of debts and to meet its financial obligation and continuation of giving effect to earlier consented scheme.





1. **Other Matters**

We have relied upon the unaudited financial statements of M/s Alps USA Inc., the subsidiary company, whose financial statements reflect total assets of Rs. 344.08 Lac as at 31st March, 2018, 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, except, for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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.
- (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) in our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March, 2018 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, 2018 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 of pending litigations as at March 31, 2018 on the consolidated financial position of the Group (Refer Note No. 39).
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There was no amount which was 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)



*Mani Goyal*

( **Mani Goyal** )  
Membership No.: 421929

Place : Ghaziabad  
Date : May 30, 2018



## **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, 2018, 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 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**

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, 2018, 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)



*Mani Goyal*  
(Mani Goyal)  
Membership No. : 421929

Place : Ghaziabad  
Date : May 30, 2018



**ALPS INDUSTRIES LIMITED**

CIN : L51109UP1972PLC003544

Registered Office : 57/2, Site-IV Industrial Area, Sahibabad, Ghaziabad-201010 U.P.INDIA  
Ph.: 0120-4161716, Email Id.:ajaygupta@alpsindustries.com, investorgrievance@alpsindustries.com

\*STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED ON 31ST MARCH 2018.

UNDER REGULATION 33 OF THE SEBI(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 2015

Particulars	3 months ended	3 months ended	Preceding 3 months ended in current year	Preceding 3 months ended in current year	Corresponding 3 months ended in the previous year	Corresponding 3 months ended in the previous year	Year to date figure of Current Year ended	Year to date figure of Current Year ended	Year to date figure of Previous Year ended	(Rs. in lakhs)
	(Standalone)	(Consolidated)	(Standalone)	(Consolidated)	(Standalone)	(Consolidated)	(Standalone)	(Consolidated)	(Standalone)	(Consolidated)
	31.03.2018 Audited (Refer to Note No. 2)	31.03.2018 Audited (Refer to Note No. 2)	31.12.2017 Unaudited	31.12.2017 Unaudited	31.03.2017 Audited (Refer to Note No. 2)	31.03.2017 Audited (Refer to Note No. 2)	31.03.2018 Audited	31.03.2018 Audited	31.03.2017 Audited	31.03.2017 Audited
<b>I Revenue</b>										
II (a) Income from operations										
III (b) Other income	8,266.39	8,266.39	8,406.97	8,406.97	11,063.05	11,063.05	36,351.63	36,351.63	50,156.84	50,198.16
IV Total Revenue (II+ III)	160.78	160.78	25.43	25.43	148.82	149.00	710.27	710.27	333.38	444.19
<b>V Expenditure</b>										
(a) Cost of Material consumed	8,427.17	8,427.17	8,432.40	8,432.40	11,211.87	11,212.05	37,061.90	36,685.01	50,601.03	50,644.96
(b) Purchase of stock-in-trade										
(c) Excise Dut			0.00	0.00	(288.04)	(288.04)	23,802.61	23,802.61	31,335.29	31,335.29
(d) Changes in inventories of finished goods, Work in progress & stock in trade	-15.80	-15.80	1,390.70	1,390.70	9.41	9.41	4.91	4.91	67.90	67.90
(e) Employee benefit expense					648.09	651.04	1,297.01	1,297.01	(284.71)	(268.82)
(f) Finance cost	1,305.33	1,305.33	1,375.65	1,375.65	1,580.63	1,581.22	5,739.55	5,739.55	6,614.67	6,617.08
(g) Depreciation & Amortisation expenses	1,389.36	1,387.40	1,369.02	1,367.10	1,351.52	1,318.98	5,449.59	5,440.79	5,318.15	5,192.37
(h) Impairment of Assets	947.70	948.87	880.81	882.00	821.24	823.06	3,520.04	3,526.58	3,345.52	3,355.34
(i) Other expenses					2,366.33	2,366.33			2,366.33	2,366.33
Total Expenses	1,888.52	1,314.65	2,198.29	2,198.29	2,330.97	2,339.96	8,837.27	8,840.42	11,084.75	11,098.29
(Loss)/Profit before exceptional items and tax (IV- V)	10,894.92	10,895.91	11,674.21	11,673.48	16,159.13	16,140.95	48,650.97	48,651.87	63,953.58	63,885.78
VI	(2,467.75)	(2,468.74)	(3,241.80)	(3,241.07)	(4,947.26)	(4,928.89)	(11,589.07)	(11,966.86)	(13,352.55)	(13,240.82)
VII Exceptional items										
VIII (Loss)/Profit before tax (VI+ VII)		0.00	0.00	0.00	2,558.37	1,188.89			2,558.37	1,188.89
IX Tax expense	(2,467.75)	(2,468.74)	(3,241.80)	(3,241.07)	(2,388.89)	(3,740.00)	(11,589.07)	(11,966.86)	(10,794.18)	(12,051.93)
(a) i) Current tax										
(b) ii) Deferred tax		0.00	0.00	0.00	0.00	0.00			0.00	0.00
X (Loss)/Profit after tax (VIII- IX)		0.00	0.00	0.00	0.00	0.00			0.00	0.00
XI Comprehensive income	(2,467.75)	(2,468.74)	(3,241.80)	(3,241.07)	(2,388.89)	(3,740.00)	(11,589.07)	(11,966.86)	(10,794.18)	(12,051.93)
XII Total comprehensive income (XII+XIV)	41.53	41.53	(3.71)	(3.71)	7.97	7.97	41.73	41.73	24.12	24.12
Attributable to:	(2,426.22)	(2,427.21)	(3,245.52)	(3,244.79)	(2,380.92)	(3,732.03)	(11,547.34)	(11,925.13)	(10,770.06)	(12,027.81)
Owners										
Non Controlling Interest	(2,426.22)	(2,427.21)	(3,245.52)	(3,244.79)	(2,380.92)	(3,732.03)	(11,547.34)	(11,925.13)	(10,770.06)	(12,027.81)
Profit for the period attributable to:		(0.11)		(0.17)		0.61		0.10		
Owners										
Non Controlling Interest	(2,426.22)	(2,427.10)	(3,245.52)	(3,244.62)	(2,380.92)	(3,732.64)	(11,547.34)	(11,925.23)	(10,770.06)	(12,027.81)
Other comprehensive income for the		(0.11)		(0.17)		0.61		0.10		
Owners										
Non Controlling Interest	41.53	41.53	(3.71)	(3.71)	7.97	7.97	41.73	41.73	24.12	24.12
XIII Paid up equity share capital (face value of Re. 10/- each)	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41
XIV Earnings per share (face value of Rupee 10/- each) (not annualised)										
Basic and Diluted earnings per share (in Rs.)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	(29.52)	(30.75)	(27.53)	(30.75)

For Alps Industries Ltd.  
*(Signature)*  
(Sandeep Agarwal)  
Managing Director



**ALPS INDUSTRIES LIMITED**  
CIN : L51109UP1972PLC003544

Registered Office : 57/2, Site-IV Industrial Area, Sahibabad, Ghaziabad-201010 U.P.INDIA Ph.: 0120-4161716,  
Email Id.:ajaygupta@alpsindustries.com, investorgrievance@alpsindustries.com

STANDALONE AND CONSOLIDATED AUDITED SUMMARY OF STATEMENT OF ASSET AND LIABILITIES FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018.

Particulars	(Rs. In Lakhs)					
	Standalone		Audited		Standalone	Consolidated
	As at	As at	As at	As at	As at	As at
	31.03.2018	31.03.2018	31.03.2017	31.03.2017	01.04.2016	01.04.2016
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	31,832.81	31,852.48	35,458.58	36,439.14	41,207.26	42,270.63
Capital Work In Progress	0.60	0.60	453.89	453.89	-	28.24
Other Intangibles Assets	248.92	248.92	13.53	13.53	19.62	19.62
Intangible assets under Development	-	-	255.98	255.98	225.66	225.66
<b>Financial assets</b>						
Investments	727.49	129.30	953.36	0.00	953.30	0.00
Loans	436.44	436.44	596.55	596.80	606.56	606.81
Deferred tax assets (net)	-	12.14	-	12.14	-	12.14
Other Non-Current assets	1,319.08	1,319.08	1336.70	1,336.70	1184.92	1,198.05
<b>Total of non-current assets (a)</b>	<b>34,565.34</b>	<b>33,998.96</b>	<b>39,068.58</b>	<b>39,108.76</b>	<b>44,197.32</b>	<b>44,361.67</b>
<b>Current assets</b>						
Inventories	3,313.37	3,313.37	6,978.88	6,978.88	11,114.52	11,130.40
<b>Financial assets</b>						
Investment	-	-	56.57	56.57	43.58	43.58
Trade receivables	3,021.61	3,029.72	4,049.18	4,064.49	8,257.06	8,315.17
Cash and cash equivalents	133.82	154.22	353.23	376.54	490.43	518.70
Other bank Balance	122.37	122.37	294.30	294.30	326.37	326.37
Other financial assets	50.18	43.57	53.14	46.53	61.04	54.98
Current Tax Assets	112.83	119.21	139.81	157.87	151.44	177.98
Other current assets	904.24	904.73	777.37	777.81	1,007.46	1,008.09
<b>Total of current assets (b)</b>	<b>7,658.41</b>	<b>7,687.18</b>	<b>12,702.49</b>	<b>12,752.99</b>	<b>21,451.90</b>	<b>21,575.27</b>
<b>Total of assets (a+b)</b>	<b>42,223.76</b>	<b>41,686.14</b>	<b>51,771.07</b>	<b>51,861.75</b>	<b>65,649.22</b>	<b>65,936.94</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41
Other equity	(41,446.44)	-41,908.00	(29,899.10)	(29,983.74)	(19,129.08)	(18,324.40)
Non Controlling Interest	-	8.99	-	221.55	-	589.85
<b>Total of equity (a)</b>	<b>(37,535.03)</b>	<b>(37,987.60)</b>	<b>(25,987.69)</b>	<b>(25,850.78)</b>	<b>(15,217.67)</b>	<b>(13,823.23)</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
<b>Financial Liability</b>						
Borrowings	40,065.23	39,966.08	40,391.43	40,283.84	40,181.23	38,829.94
Provisions	314.68	314.68	351.41	351.41	332.09	332.09
<b>Total of non current liabilities (b)</b>	<b>40,379.92</b>	<b>40,280.76</b>	<b>40,742.85</b>	<b>40,635.25</b>	<b>40,513.32</b>	<b>39,162.03</b>
<b>Current liabilities</b>						
<b>Financial liabilities</b>						
Borrowings	32,287.14	32,297.14	26721.27	26721.27	25713.41	25713.41
Trade Payables	1,969.56	1,969.59	3,658.66	4,447.23	9,050.21	9,284.50
Other financial liabilities	4,942.21	4,946.30	5199.79	4472.02	4514.16	4522.72
Other current liabilities	137.44	137.44	1,397.04	1,397.04	1,030.08	1,030.08
Provisions	42.51	42.51	39.15	39.72	45.71	47.43
<b>Total of current liabilities (c)</b>	<b>39,378.87</b>	<b>39,392.98</b>	<b>37,015.91</b>	<b>37,077.28</b>	<b>40,353.57</b>	<b>40,598.14</b>
<b>Total of liabilities (d = b+c)</b>	<b>79,758.78</b>	<b>79,673.74</b>	<b>77,758.76</b>	<b>77,712.53</b>	<b>80,866.89</b>	<b>79,760.17</b>
<b>Total of equity and liabilities (a+d)</b>	<b>42,223.76</b>	<b>41,686.14</b>	<b>51,771.07</b>	<b>51,861.75</b>	<b>65,649.22</b>	<b>65,936.94</b>

For Alps Industries Ltd.

  
 (Sandeep Arora)  
 Managing Director

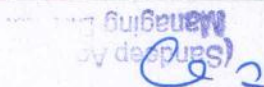


-: NOTES :-

1. The Audited Financial Results for the quarter and Financial Year ended on March 31, 2018 have been reviewed by the Audit Committee and adopted by the Board of Directors at their respective meetings held on May 30, 2018.
2. The figures for the quarters ended on 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 are the balancing figures between the audited figures in respect of the full financial year and the published-year-to-date-figures up to the third quarter of the relevant financial year.
3. These results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning from April 1, 2017, the Company has for the first time adopted Ind AS with a transition date of April 1, 2016 and accordingly, the Company restated results for the quarter & financial year ended on March 31, 2017 and impact of transition has been provided in the Opening Reserves as at 1st April 2016.
4. The reconciliation of standalone and consolidated net profit/(loss) after tax as previously reported under Indian GAAP and as restated under IND AS for the quarter & financial year ended on March 31, 2017 is given below:

Rs. In Lakh

Description	Quarter Ended 31.03.2017		Financial Year Ended 31.03.2017	
	Standalone	Consolidated	Standalone	Consolidated
	Audited	Audited	Audited	Audited
<b>Net profit/ (loss) for the period as per previous Indian GAAP</b>	496.56	(1867.07)	(3962.34)	(6327.66)
<b>Add/(Less): Adjustments under Ind AS</b>				
a) Prior period adjustment	(0.44)	(0.44)	18.50	17.95
b) Notional interest on financial liability	(1346.38)	(1313.33)	(5310.58)	(5184.80)
c) Reduction in Exceptional Items	(1528.68)	(546.35)	(1528.68)	(546.35)
d) Actuarial Valuation taken in OCI	(11.07)	(11.07)	(11.07)	(11.07)
<b>Net profit/ (loss) for the period as per Ind-AS</b>	<b>(2390.01)</b>	<b>(3738.26)</b>	<b>(10794.18)</b>	<b>(12051.93)</b>

  
 Managing Director  
 (Sd/-)

For Alps Industries Ltd



Other Comprehensive Income/(expenses)				
Items that will be reclassified to profit and loss account	7.97	7.97	24.12	24.12
<b>Total Comprehensive Income for the period</b>	<b>(2382.04)</b>	<b>(3730.29)</b>	<b>(10770.06)</b>	<b>(12027.81)</b>

5. Reconciliation of Equity as on 31st March' 2017 as previously reported under previous GAAP to IndAs is as Below :

Rs. In Lacs

S. No.	Description	As at 1 <sup>st</sup> April 2016 (Standalone)	As at 1 <sup>st</sup> April 2016 (Consolidated)	As at 31 <sup>st</sup> March 2017 (Standalone)	As at 31 <sup>st</sup> March 2017 (Consolidated)
	Equity Under previous GAAP	(37996.68)	(36401.14)	(41959.04)	(42035.97)
	Adjustments:				
a.	Transfer of preference capital in financial liabilities	(26792.90)	(26792.90)	(26792.90)	(26792.90)
b.	Amortization of Loans and Borrowings	47345.07	47345.07	47345.07	47345.07
c.	Equity component of compound financial instrument	2232.01	2232.01	2232.01	2232.01
d.	Prior Period adjustments	(18.50)	(17.95)	--	--
e.	Notional interest on financial liability	--	--	(5310.58)	(5184.80)
f.	Reduction in exceptional items	--	--	(1528.68)	(546.35)
g.	Fair valuation of investments	13.32	13.32	26.41	26.41
	Equity as per Ind AS	(15217.68)	(13621.59)	(25987.71)	(24956.53)

For Alps Industries Ltd.

  
(Sandeep Agarwal)  
Managing Director



6. Due to losses incurred by the company during the financial year ended on March 31, 2018, no dividend has been recommended by the Board of Directors.
7. During the year, the lenders having more than 83% of the secured debts of the company revoked their consent to the DRS/settlement circulated by erstwhile Hon'ble BIFR, interalia containing the restructuring of the debts of the company, which was partly implemented. Company has protested to the said revocation of consent being unjustified and beyond terms of scheme. Company has submitted a revised restructuring scheme with Edelweiss Assets Reconstruction Company Ltd., (presently holding 93% of the total secured debt of the company), which is under consideration with them. Management expect to get it approved and would be able to meet its financial obligations. Accordingly the financial statements have been prepared on going concern basis and company continues to give effect to the earlier consented restructuring scheme in these accounts. The impact, if any, of the revised restructuring scheme which is under consideration, will be given effect in the financial statements of the year of final settlement with lenders. Hence no provision considered necessary in these accounts towards interest on entire secured loans & part of principal secured loan, waived earlier, and impact on retained earnings thereon totaling to Rs. 124590.19 lakh as per provisions of earlier consented scheme.
8. The equity shares of the Company are listed at National Stock Exchange India Limited (NSE) under Scrip Code ALPSINDUS-EQ and Bombay Stock Exchange Limited (BSE) under Scrip Code 530715/ALPSIND. In terms of the resolution passed by the Board of Directors of the Company at their meeting held on May 30, 2016, and in pursuant to Regulations 6 and 7 of the SEBI (Delisting of Equity Shares) Regulation 2009, as amended from time to time, the Company has submitted the application dated 9.6.2016 for Voluntary Delisting of its 39114100 Equity Shares from Bombay Stock Exchange Limited which is still pending with Stock Exchange. The Company has filed a Writ Petition No. WIRC/0008567/2018 before Allahabad High Court for necessary directions which is under consideration.
9. The Board Of Directors considered and reviewed the requirement of presenting the financial results under segment reporting in terms of the Ind AS, and is of the

For Alps Industries Ltd.



(Sandeep Agarwal)  
Managing Director



opinion that henceforth, instead of presenting the results into Product Stage Wise viz. Yarn, Home Furnishing & Fashion Accessories and Architectural Products of 'Textile Segment', aggregate the same into one reportable segment only i.e. Textile Segment.

10. In the audit report dated 30.05.2018 on the financial statements of the company for the year ended on March 31, 2018, the auditors have given the following qualification:-

*"Refer to note no. 38 to the notes on accounts, the Company has not provided for its liability towards interest & part of principal loan, waived earlier, and impact of retained earnings in terms of draft rehabilitation scheme and now revoked by its consented lenders amounting to Rs. 124590.19 lakh, accordingly the loss for the year and loan liability would have been increased and shareholder's fund would have been reduced to that extent."*

In case company would have considered this as liability, its net loss for the year would have been of Rs. 136179.26 lakh as against already stated net loss of Rs. 11589.07 lakh and the accumulated loss and loan liabilities at the end of the year March 31' 2018 would have been higher by Rs. 124590.19 lakh.

Managements perception and beliefs for resolving it is already explained in elaborated manner in para 7 above.

11. The figures for the previous quarter/period have been regrouped, re-casted and rearranged, wherever considered necessary.

**DATE : MAY 30, 2018**

**PLACE : GHAZIABAD**

For Alps Industries Ltd.

*(Sandeep Agarwal)*  
For Alps Industries Ltd.  
**BY ORDER OF THE BOARD**

*(Sandeep Agarwal)*  
**(SANDEEP AGARWAL)**

**MANAGING DIRECTOR**

**DIN NO.: 00139439**