

NOTICE

Notice is hereby given that the Forty Second Annual General Meeting of the Members of **Alps Industries Limited (CIN NO. L51109UP1972PLC003544)** will be held on Tuesday, 30th September, 2014 at 10:00 A.M. at the Corporate Office of the company situated at 57/2, Site IV, Sahibabad Industrial Area, Ghaziabad-201010 (U.P.) to transact the following business:-

ORDINARY BUSINESS :

1. To consider, approve and adopt the Audited Balance Sheet for the financial year ended on 31st March 2014, the statement of Profit and Loss Account for the year ended on that date, cash flow and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pradyuman Kumar Lamba (DIN No. 02843166), Independent & Non-Executive Director by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the forty sixth Annual General Meeting i.e. for four years and to fix their remuneration. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT M/s. P. Jain & Co., Chartered Accountants, Ghaziabad, (Firm Registration No. 000711C), as recommended by the Audit committee and the Board of Directors at their meeting held on May 30, 2014, be and are hereby appointed under Section 139 and other applicable provisions of Companies Act, 2013 and Rules made there under i.e. Companies (Audit and Auditors) Rules, 2014 and Companies Act 1956, as Statutory Auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the forty sixth Annual General Meeting i.e. for four years of the company on such remuneration, plus service tax as applicable and reimbursement of out of pocket expenses related with the audit, as shall be recommended by the Audit committee and approved by the Board of Directors in this behalf.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Companies Act, 1956, wherever applicable and subject to the limits specified in Schedule V of the said New Act, further subject to the approval of the Central Government and the concerned authorities, Mr. P. K. Rajput (DIN No. 00597342), be and is hereby appointed as Executive Director of the Company for a period of three years w.e.f. July 28, 2015 on the following terms and conditions:-

- 1) **Salary :** 1,20,000/- per month in the scale of 1,20,000-10,000-1,40,000 annual increment applicable on 28 July every year, to the maximum limit of 10,000/- will be as decided by the Remuneration Committee and Board of Directors from time to time. Provided further that the aggregate amount of remuneration payable to the appointee in a particular financial year will be subject to the overall ceiling/limit laid down in Sections 197 of the Companies Act, 2013.
- 2) **Perquisites:**
 - (a) Reimbursement of medical expenses upto 1,250/- per month.
 - (b) Leasehold residential premises, in the name of appointee, on a lease rent of Rs.40,000/-per month upto the validity of the term of the office with an increase upto the maximum limit of 20% per annum.

(c) Leave travel concessions (LTC) as per rules of the Company.

(3) Minimum Remuneration:

If in any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the appointee shall be entitled to minimum remuneration by way of salary, perquisites, allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule V of the Companies Act, 2013. Provided further that following perquisites which are also allowed to him shall not be included in the computation of this ceiling:

- Contribution to Provident Fund, to the extent of limit prescribed under the Provident Fund Act from time to time and as per the company policy.
- Gratuity as per law.
- Encashment of leave as per the rule of the Company.

“RESOLVED FURTHER THAT in the event of any relaxation by the Central Government in Guidelines/Ceilings on managerial remuneration and/or perquisites, the Board of Directors be and are hereby authorized to alter and vary the terms and conditions (including salary, commission, perquisites and other allowance) of the said Agreement, so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to between the Board of Directors and Mr. P. K. Rajput, by suitably amending it to give effect to such modification, relaxation or variation without any further reference to the Company in general meeting.

“RESOLVED FURTHER THAT where in any financial year closing on and after July 28, 2015 the Company has no profits or its profits are inadequate, the Company may pay to Mr. P. K. Rajput, the remuneration by way of salary, perquisites and other allowances within the limit specified above, subject to the approval of the Central Government under section II of part II of Schedule V of the Companies Act, 2013.

“RESOLVED FURTHER THAT the Board of

Directors of the Company be and is hereby authorized to take such steps as may be necessary, proper or expedient to give effect to this resolution.”

- To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

“RESOLVED THAT the appointment of M/s. Neeraj Sharma & Co., Cost Accountants, Ghaziabad, (Firm Registration No. 100466) as recommended by the Audit committee and further appointed by the Board of Directors at their meeting held on May 30, 2014 be and are hereby ratified under section 148(3) and other applicable provisions of Companies Act, 2013 and Rules made there under i.e. Companies (Audit and Auditors) Rules, 2014 as Cost Auditors of the company, to hold office from April 1 2014 to March 31 2015 at a remuneration of Rs. 2,50,000 per annum plus service tax as applicable and reimbursement of out of pocket expenses related with the audit subject to the mandatory requirement only as may be specified in the Cost Report and Cost Audit Rules as notified by MCA or any regulatory authority from time to time.”

By the Order of the Board
For **ALPS INDUSTRIES LTD.**

AJAY GUPTA
(COMPANY SECRETARY & GM-LEGAL)

Registered Office- B-2, Loni Road Industrial Area,
Opp. Mohan Nagar, Ghaziabad - 201 007 (U.P.)
Place : Ghaziabad
Date : MAY 30, 2014

NOTES:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself, and such proxy need not be a member of the Company. The proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board resolution to

the company authorizing their representative to attend and vote on their behalf at the Meeting.

2. The Companies Act, 2013 (New Act) was notified in the Gazette of India on 30th August, 2013 whilst 98 sections of the new Act became effective from 12th September, 2013 and other 183 sections of the new Act became effective from 1st April, 2014. Accordingly the New Act and the Companies Act, 1956 co-exist and both have been mentioned in the notice, wherever applicable.
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business set out in Item Nos. 4 and 5 of the accompanying Notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 24, 2014 to Thursday, September 25, 2014 (Both days inclusive).
5. In terms of the section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, shareholders who are the members of the company as on the closing hours of the cut-off date fixed on Wednesday, August 6, 2014 will be eligible for voting rights either by e-voting or physically at the Annual General Meeting.
6. It has been noticed that some shareholders have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2007 such shareholders/investors are requested to make their claim to the company in respect of their unclaimed/unpaid dividend before being transferred to Investors Education and Protection Fund. Shareholders are requested to note that no claim shall lie against the said fund or the company in respect of said unclaimed and unpaid dividend, if transferred to the Investors Education and Protection Fund on due date. In terms of the Notification dated May 10, 2012 issued by MCA, the details of eligible investors whose Dividend is lying unpaid has been displayed on the website of the company viz **www.alpsindustries.com**.
7. The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No.

17/2011 and circular dated 18/2011 dated 29th April, 2011 the Company encourages members to intimate/update their e-mail addresses to receive the Annual Report and other communication electronically in support of the "Go Green" initiative of the Ministry of Corporate Affairs (MCA). Members may intimate/ update their e-mail address by sending a mail to the R&T Agent i.e. M/s. Alankit Assignments Ltd. e-mail id jksingla@alankit.com or ajaygupta@alpsindustries.com and investorsgrievance@alpsindustries.com with their name and folio details. The Company will send all communication including the Annual Report via e-mail to the members who have provided their e-mail addresses to the Company/ Depositories. A copy of the Annual Report will be available on the Company's website www.alpsindustries.com.

8. Members are requested to notify immediately any change of their address in respect of their electronic share accounts and physical shares (quoting their client ids/folio no's) to the R&T agent i.e. Alankit Assignments Ltd. having its Registered Office situated at Alankit House, 2E/21, Jhandewalan Extn., New Delhi-110055 or at the Corporate Office of the company situated at 57/2, Site IV, Sahibabad Industrial Area, Ghaziabad-201010, Uttar Pradesh. .
9. **Re-appointment of Directors:** At the forthcoming Annual General Meeting, Mr. Pradyuman Kumar Lamba (DIN No. 02843166), Independent and Non Executive Director shall retire by rotation and being eligible offer himself for reappointment. Further Mr. P.K. Rajput (DIN No. 00597342) also proposed to be reappointed as Whole time director designated as Executive Director of the company. The information/details pertaining to the above director that is to be provided in terms of Clause 49 of the Listing Agreement and in terms of the Article No. 106-109 of Articles of Association of the company are furnished in the statement of Corporate Governance published elsewhere in the Annual Report.
10. In terms of the direction from the Ministry of Corporate Affairs (MCA), No Gifts, gifts coupons or any other complimentary items will be distributed at the meeting.
11. The members are requested to bring the copy of

photo ID Proof like Driving License, Voter ID, and Passport etc. to avoid the unscrupulous person entry to the meeting.

12. The members, who hold shares in physical form under multiple folios, in identical name or joint accounts in the same order or names, are requested to send the share certificates to M/s. Alankit Assignments Ltd, Registrar and Share Transfer Agent of the company, for consolidation into a single folio.
13. As per the requirement of Clause 5A (II) of the Listing Agreement, three reminders for unclaimed shares held in physical mode had been sent to the eligible shareholders. Shareholders are requested to note that the above shares have been transferred to "Alps Industries Ltd. -Unclaimed Share Demat Physical Account" and now eligible share holders can claim their shares after providing the requisite documents to the Registrar and Share Transfer Agent.
14. Consequent upon the introduction of Section 72 of the Companies Act, 2013, shareholders are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. SH. 13 to the Company.
15. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agent.
16. In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and clause 35B of the listing agreement with the stock exchanges, the company is pleased to provide members' facility to exercise their right to vote at the Annual General Meeting (AGM) by electronics means and the business may be transacted through e-Voting Services. The details and procedures are annexed with the notice as Annexure-1

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.

The Explanatory Statements for Item no. 4 and 5 of the accompanying Notice are as under:

ITEM NO. 4

Keeping in view the requirements of the Company, Mr. P.K. Rajput, proposed to be reappointed as a Whole Time Director designated as Executive Director for three years w.e.f. 28.07.2015. As Mr. P.K. Rajput is possessing vast experience, the company would, thus, benefit immensely under his able guidance as a member of the Board by way of Whole time Director designated as Executive Director. The terms of his office expires on 27th July 2015. As the 43rd Annual General Meeting of the Company shall fall due after the expiry of the term of office as Executive Director, i.e. 27-07-2015 his reappointment required to be approved by the members for a another period of three years from 28-07-2015. His re-appointment has been approved by the Remuneration Committee and Board of Directors at their meeting held on May 30, 2014 subject to the approval of the members of the company. The members of the company may consider and approve the same by way of Special resolution. This is subject to the limits specified in Schedule V of the said Act, approval of the Central Government as may be required under section II of part II of Schedule V, and the concerned authorities. Hence the matter has been referred to the members of the company for their approval by way of Special Resolution. The major terms and conditions are set out as under, including non-payment of sitting fee for any meeting of Board of Directors or any committee thereof:

- 1) **Salary:** 1,20,000/- per month in the scale of 1,20,000-10,000-1,40,000 annual increment due on July 28 every year, to the maximum limit of 10,000/- will be as decided by the Remuneration Committee and Board of Directors from time to time. Provided further that the aggregate amount of remuneration payable to the appointee in a particular financial year will be subject to the overall ceiling/limit laid down in Sections 197 of the Companies Act, 2013.
- 2) **Perquisites:**

- (a) Reimbursement of medical expenses upto 1,250/- per month.
- (b) Leasehold residential premises, in the name of appointee, on a lease rent of Rs.40,000/-per month upto the validity of the term of the office with an increase upto the maximum limit of 20% per annum.
- (c) Leave travel concessions (LTC) as per rules of the Company.

3) Minimum Remuneration :

If in any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the appointee shall be entitled to minimum remuneration by way of salary, perquisites, allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule V of the Companies Act, 2013. Provided further that following perquisites which are also allowed to him shall not be included in the computation of this ceiling:

- a. Contribution to Provident Fund, to the extent of limit prescribed under the Provident Fund Act from time to time and as per the company policy.
- b. Gratuity as per law.
- c. Encashment of leave as per the rule of the Company.

A statement as required under Section II of Part II of the Schedule V of the Companies Act, 2013 related to the

1. GENERAL INFORMATION																
a. Nature of Industry	Textile Industry															
b. Date or expected date of commencement of commercial production	Running Industry.															
c. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.															
d. Financial performance based on the given indicators.	(Rs. In Lacs) <table><tr><td></td><td>2013-14</td><td>2012-13</td><td>2011-12</td></tr><tr><td>Net Profit</td><td>(11765.60)</td><td>(11529.84)</td><td>(27750.41)</td></tr><tr><td>Turnover</td><td>80582.39</td><td>70072.70</td><td>66860.91</td></tr></table>					2013-14	2012-13	2011-12	Net Profit	(11765.60)	(11529.84)	(27750.41)	Turnover	80582.39	70072.70	66860.91
	2013-14	2012-13	2011-12													
Net Profit	(11765.60)	(11529.84)	(27750.41)													
Turnover	80582.39	70072.70	66860.91													
e. Export performance and net foreign exchange collaborations	i Financial year ended on 31.03.2014-Export turnover Rs. 28463.29 lacs ii Net foreign exchange collaborations – Nil															
f. Foreign investments or collaborators, if any	i Foreign Investment – As on 31.03.2014 -- Nil. ii Collaboration - Nil															

2. INFORMATION ABOUT THE APPOINTEE:	
a. Background Details	He has been serving the Company since 1995. Prior to his elevation to the Board, he was designated as Vice President-Commercial with the Company looking after all commercial affairs and has extensive experience of handling commercial affairs of textile companies.
b. Past remuneration	Rs.11.86 lacs during the 12 months period ended 31.03.2014.

c. Recognition or awards	Remarkable achievements in various commercial and liaisons activities resulting in cost effectiveness and resolving of major issues with the various Ministries.
d. Job profile and his suitability	He has over 40 years of work experience. He has contributed significantly in all commercial areas such as imports, exports and obtaining Government permissions. He is a very diligent administrator and the company has benefited from his able guidance over the years.
e. Remuneration proposed	1. Salary : Rs. 120,000/- per month in the scale of Rs. 120,000-Rs. 10,000-Rs. 140,000 annual increment due on July 28 every year, to the maximum limit of Rs.10,000/- will be as decided by the Remuneration Committee and Board of Directors from time to time. 2. Perquisites : a) Reimbursement of medical expenses upto Rs. 1,250/- per month. b) Leasehold residential premises, in the name of appointee on a lease rent of Rs. 40,000/- per month upto the validity of the term of the office with an increase upto the maximum limit of 20% per annum. c) Leave travel concessions as per rules of the Company. d) Contribution to Provident Fund, to the extent of limit prescribed under the Provident Fund Act from time to time and as per the company policy. e) Gratuity as per law. f) Encashment of leave as per the rule of the Company. Further as may be decided by the Board of Directors of the company from time to time.
f. Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).	Reasonable and competitive with respect to the Industries with similar nature.
g. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	None.

3. OTHER INFORMATION

(a) Reasons of loss or inadequate profit

- (a) Due to the recession faced by Global economy during the period from 2008 to 2010, a number of export orders were cancelled / renegotiated / discounts sought by the original buyers / resold to alternate buyers resulting in loss of value of stock, sales and receivables. The valuation of the existing stock further depreciated because of lower realization of competitive quality of yarn.
- (b) Due to enforcement of Minimum Support Price (MSP) of cotton (Raw Material) by the Government of India there was a sharp increase of over 40% in the cotton prices during the period October, 2008 till March, 2010 which could not be passed on to the customers immediately by way of increased selling prices because of stiff competition in the market and cheaper imports from China.
- (c) The government had announced incentives on export of cotton to the extent of 5%, whereas on the export of yarn (finished goods) the incentive available was only 4%. This resulted in a distinct disadvantage to garment/yarn manufacturers.
- (d) The company embarked upon expansion of its spinning facilities along with yarn dyeing facilities at Haridwar in the FYs 05-06 to 07-08 and a new project for weaving of fabric was set up at Meerut during the period from the FY 2007-08 to 2008-09. However, by the time these projects commenced production, the benefits from these projects as originally envisaged could not fructify because of the recession faced by Global economy during the period from 2008 to 2010.
- (e) The following constraints are also responsible for low profitability and liquidity of the company :
 - Rupee appreciation against USD, vis-à-vis the currencies of other competing countries like Bangladesh, Pakistan, Vietnam, China, etc., witnessed lower appreciation.
 - Significant increased input costs-raw material (Cotton) prices, Power & Fuel costs, etc. without commensurate increase in sales realizations.
 - Higher interest rates.
- (f) Shortage of working capital because of delay in receipt of TUFS subsidy/ other Government receivables and major outflow on account of exchange losses on derivative transactions, which severely curtailed the company's Cash inflow.
- (g) Due to financial instability / uncertainty, the completion of the weaving project at Meerut was

	stopped / slowed down / delayed by six months and operations of same at commercial level almost more than a year. (h) The Company could not realize the value of the stock as expected due to Government's on and off imposition and removal of quantitative restrictions on export of raw cotton as well as cotton yarn without taking a comprehensive view of demand and supply requirements of various segments of textile industry. (i) The yarn converted out of the cotton purchased during Feb'11 & March'11 was sold at a price even below the purchase price of cotton.
(b) Steps taken or proposed to be taken for improvement	• Meerut Unit has started showing significant improvements in terms of quality as well as production quantity. • The company has entered into technical collaboration for manufacture of fabrics for use in automobiles. • The Company has joined hands with a French company for automotive fabric. • Cost reduction by Restructuring and consolidation of various units of the company.
(c) Expected increase in productivity and profits in measurable terms	The Company projected PAT 13.27 Crores to the F.Y 2015-16 and expects to optimize its operations in the year 2017-18.

4. DISCLOSURE	
(a) Remuneration package of the managerial person	1 Managing Director & Executive Director person remuneration during the financial year ended 31.03.2014 is Rs. 15.00 lacs & Rs. 11.86 Lacs respectively. 2 Proposed Remuneration- Details are given in Part 2 (e).
(b) i) All elements of remuneration packages such as salary, benefits, bonuses, stock options, pensions etc., of all directors; ii) Details of fixed component and performance linked incentives along with the performance criteria; iii) Service contracts, notice period, severance fees; iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	The necessary disclosures has been mentioned in the Directors' Report under the heading of "Corporate Governance" attached to the Annual Report for the year 2013-14.

The Shareholders are required to approve the aforesaid resolution by way of Special Resolution, as set out in Item No. 4 of the Notice. In terms of section 102 of the Companies Act 2013, it is confirmed that none of the Directors, except Mr. P.K. Rajput, Executive Director, or any of Key Managerial Persons (KMPs) or their relatives as defined under the Companies Act, 2013 are interested or concerned, directly or indirectly, in the aforesaid resolution for re-appointment, except to the extent of their shareholdings in their individual capacity if any.

ITEM NO. 5

In terms of Section 148(3) of Companies Act, 2013 read with Rule 14 of Companies (Auditors and Audit) Rules, 2014, the appointment of Cost Auditors of the Company is required to be ratified by the members of the company. It has been proposed to ratify the appointment of M/s. Neeraj Sharma & Co., Cost Accountants, Ghaziabad, (Firm Registration No. 100466) as recommended by the Audit committee and further appointed by the Board of Directors at their meeting held on May 30, 2014 to hold office from April 1 2014 to March 31 2015 on remuneration of Rs. 2,50,000 per annum plus service tax as applicable and reimbursement of out of pocket expenses related with the audit. However it is strictly applicable in terms of any Notifications/Circulars related to Cost Records and Cost Audit Rules, as may be specified at any time by the MCA or any regulatory Authorities. If due to any reasons the mandatory requirements abolish, then continuation of the appointment of Cost Auditors, will be at the discretions of the Board of Directors as per the requirements of the company. The Shareholders are required to approve the aforesaid resolution by way of Special Resolution, as set out in Item No. 5 of the Notice. In terms of section 102 of the Companies Act 2013, it is confirmed that none of the Directors, or any of Key Managerial Persons (KMPs) or their relatives as defined under the Companies Act, 2013 are interested or concerned, directly or indirectly, in the aforesaid resolution for re-appointment of Cost Auditors, except to the extent of their shareholdings in their individual capacity if any.

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

By the Order of the Board
For ALPS INDUSTRIES LTD.

Place: Ghaziabad
Date: MAY 30, 2014

AJAY GUPTA
(COMPANY SECRETARY
& GM-LEGAL)

ANNEXURE 1

A. PROCESS OF VOTING THROUGH ELECTRONIC MEANS

1. In compliance with provisions of section 108 of the Companies Act, 2013 and Rule 20 of the companies (Management and Administration) Rules, 2014, and clause 35B of the listing agreement with the stock exchanges, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
2. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
3. Mr. Rajiv khosla of M/s Rajiv Khosla & Associates, practicing company secretaries has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
4. The Scrutinizer shall within a period not exceeding Seven (7) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the company and make a scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the chairman of the company.
5. The results shall be declared on or after the AGM of the company. The results declared alongwith the scrutinizer's Report shall be placed on the company's website www.alpsindustries.com and on the website of CDSL- within two(2) days of passing of the resolutions at the AGM of the company and communicated to BSE & NSE.

B. The instructions for members for voting electronically are as under:-

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Electronic Voting Sequence Number - "EVSN" 140717009 along with "ALPS INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID) Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's after the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA12340000 in the PAN field - Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
Login Method	#Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on August 6, 2014 in the Dividend Bank details field

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- C.** The voting period begins on September 25, 2014 from 10.00 A.M. and ends on September 26, 2014 at 10.00 A.M.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 6 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- D.** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

ALPS INDUSTRIES LIMITED

Registered Office: B-2, Loni Road Industrial Area,
Opp. Mohan Nagar, Ghaziabad -201007 (U.P.)
CIN NO :- L51109UP1972PLC003544



ATTENDANCE SLIP – 42nd ANNUAL GENERAL MEETING 30th SEPTEMBER, 2014

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND OVER IT AT THE ENTRANCE*

I Certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 42nd **Annual General Meeting** of the Company held on Tuesday, the 30th September, 2014 at 10.00 A.M. at the Corporate Office of the company situated at 57/2, Site IV, Sahibabad Industrial Area, Ghaziabad (U.P.).

*Member/Proxy's Name in Block Letters

*Members/Proxy's Signature

Note :

1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed, at the registration counter.
2. The copy of the Notice may please be brought to the Meeting Hall.
3. NO GIFTS WILL BE GIVEN.
4. Shareholders or their proxy should bring their Driving License/ Voter Identity Card or PAN Card for Verification / Identification or any other valid proof of identity.
5. The user id and password for the e voting will be as mentioned in the instruction of E-voting as per Annexure-1.

***Strike out whichever is not applicable**

Tear Here

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

ALPS INDUSTRIES LIMITED

Registered Office: B-2, Loni Road Industrial Area,
Opp. Mohan Nagar, Ghaziabad -201007 (U.P.)
CIN NO :- L51109UP1972PLC003544



Name of the member (s):

Registered address :

Email Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named Company, hereby appoint

(i) Name: (ii) Name:

Address: Address:

E-mail Id: E-mail Id:

Signature:....., or failing him Signature:.....,or failing him

(iii) Name: (iv) Name:

Address: Address:

E-mail Id: E-mail Id:

Signature:....., or failing him Signature:.....,or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the company, to be held on Tuesday the 30th day of September, 2014 At 10.00 A.M. at the Corporate Office of the company situated at 57/2, Site IV, Sahibabad Industrial Area, Ghaziabad-201010 (U.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Regd. Folio No. * Client I.D. * D.P. I.D. No. of Shares.....

I/We..... hereby tender my/our.....votes as under:-

S.No.	Subject Matter of Resolutions	In Favor	Not in favor
1.	To consider, approve and adopt the Audited Balance Sheet for the financial year ended on 31st March 2014, the statement of Profit and Loss Account for the year ended on that date, Cash Flow and the Reports of the Board of Directors and Auditors thereon.(Ordinary Resolution)		
2.	To appoint a Director in place of Mr. Pradyuman Kumar Lamba (DIN No. 02843166), Independent & Non-Executive Director by rotation and being eligible, offers himself for re-appointment.(Ordinary Resolution)		
3.	To appoint Statutory Auditors, M/s. P. Jain & Co., who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the forty sixth Annual General Meeting i.e. for four years and to fix their remuneration. (Special Resolution)		
4.	To Re-appoint Mr. P.K Rajput as Executive Director of the Company for a period of three years.(Ordinary Resolution)		
5.	To ratify the appointment of Cost Auditors, M/s. Neeraj Sharma & Co., who shall hold office for Financial Year 2014-15 (Special Resolution)		

Signed this 30th day of September 2014.

Signature of shareholder _____

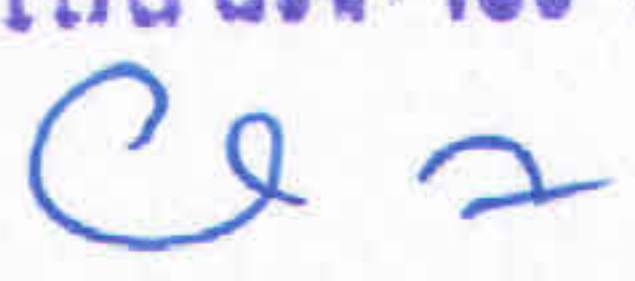
Signature of Proxy holder(s) _____

FORM B

Format of covering letter in terms of SEBI circular no.CIR/CFD/DIL/7/2012 dated August 13, 2012 of the Annual Audit Report to be filed with the Stock Exchange.

1.	Name of the company	ALPS INDUSTRIES LTD.
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit qualification	Details of Qualification in Audit Report: The Auditors have given the following qualification with regard to non provisioning of claims against company in earlier years in their Audit Report dated 30th May 2014: <i>"The company has not made any provisions towards losses amounting to Rs. 38979 Lacs on derivative contracts crystallized (refer to note nos. 36 (A) (d) I, II and III to the notes to account) and towards claim amounting to Rs. 6009 Lacs against the corporate guarantee provided by the company on behalf of one of its subsidiary company (Refer to note no. 36 (A) (d) IV to the notes to account), hence to these extent the loss as shown in statement of profit & Loss, accumulated losses and current liabilities are understated."</i>
4.	Frequency of qualification	Since F.Y 2008-09
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Please refer to note nos. 36 (A) (d) I, II, III and IV to the notes to account in the financial statements as of 31st march 2014 with regard to contingent liability in respect of disputed claims towards losses of derivative transactions and a corporate guarantee against the company. Management's response to the Auditors qualification in the Board of Directors report dated 30th May 2014 is as follows: "Observations in the Auditors' Report are dealt within notes to accounts at appropriate places and being self explanatory, needs no further explanations."
6.	Additional comments from the board/audit committee chair:	This may relate to nature of the qualification including materiality, agreement/disagreement on the qualification, steps taken to resolve the qualification, etc. Company has certain disputed claims raised

1

For Alps Industries Ltd.

 Managing Director

For ALPS INDUSTRIES LTD.

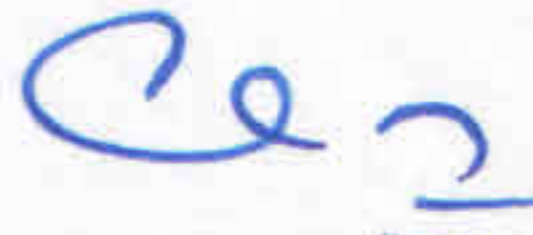
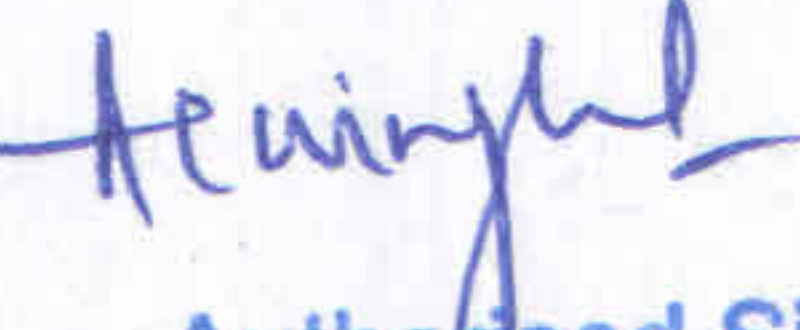
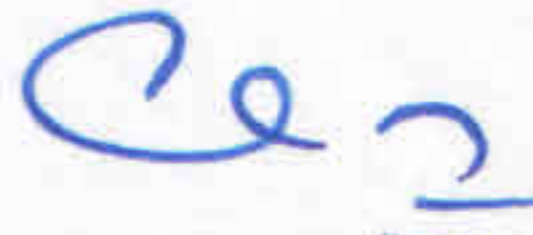
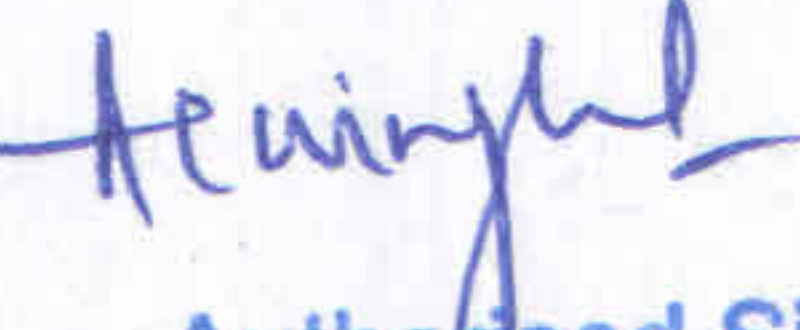
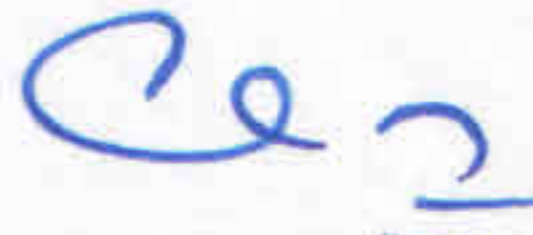
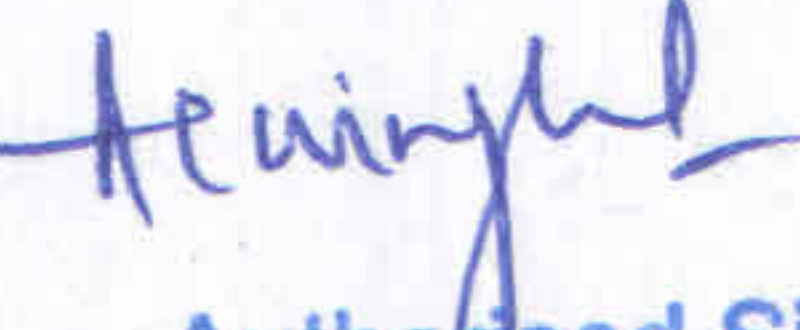
Authorised Signatory





FORM B

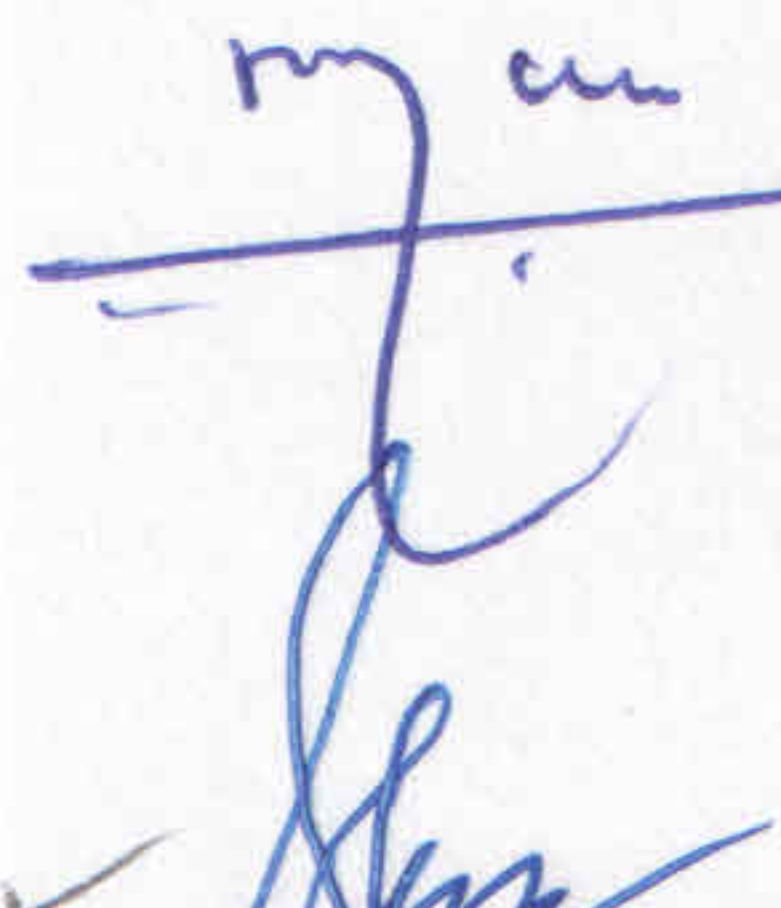
Format of covering letter in terms of SEBI circular no.CIR/CFD/DIL/7/2012 dated August 13, 2012 of the Annual Audit Report to be filed with the Stock Exchange.

		against it towards losses on derivative transactions and towards a corporate guarantee. The company has filed cases against the bankers who are party to the derivative transactions and these disputed claims are at present pending adjudication before the competent Hon'ble Courts of law, therefore these disputed claims have been stated as contingent liability of Rs. 43897 Lac in the last Audited Balance Sheet as of 31.03.2013 and of Rs. 44988 Lacs in the current Audited Balance Sheet as of 31.03.2014 while the Auditors has continued to qualify their reports with a total qualified amount of Rs. 44988 lacs in their current year's audit report dated 30th May 2014 on the financial statements for the year ended on March 31, 2014. The increase of Rs. 1091 lacs in the total qualified amount as compared to their previous qualification is on account of change in exchange rate of USD against Rupee at the current year ended on 31st March 2014 over previous year ended on 31st March 2013. In case company would have considered this as liability during the current financial year 2013-14 its Net Loss for the year would have been of Rs. 56740.19 Lac as against already stated Net Loss of Rs.11752.19 Lacs and current years Accumulated Loss would have been higher by Rs. 44988 Lacs. The management has decided to consider these disputed claims only after the decision of Hon'ble Courts against the company.								
7.	To be signed by- CEO/Managing Director CFO Auditor of the	<table border="0"> <thead> <tr> <th data-bbox="913 2122 1039 2166">Name</th> <th data-bbox="1606 2122 1827 2172">Signature</th> </tr> </thead> <tbody> <tr> <td data-bbox="850 2211 1228 2270">Sandeep Agarwal</td> <td data-bbox="1375 2181 1837 2329"> for ALPS INDUSTRIES LTD.  </td> </tr> <tr> <td data-bbox="850 2359 1123 2418">A.K Singhal</td> <td data-bbox="1123 2344 1837 2478"> For ALPS INDUSTRIES LTD. Managing Director  </td> </tr> <tr> <td data-bbox="850 2448 1207 2507">For P. Jain & Co.</td> <td data-bbox="1165 2418 1785 2478"> Authorized Signatory  </td> </tr> </tbody> </table>	Name	Signature	Sandeep Agarwal	for ALPS INDUSTRIES LTD. 	A.K Singhal	For ALPS INDUSTRIES LTD. Managing Director 	For P. Jain & Co.	Authorized Signatory 
Name	Signature									
Sandeep Agarwal	for ALPS INDUSTRIES LTD. 									
A.K Singhal	For ALPS INDUSTRIES LTD. Managing Director 									
For P. Jain & Co.	Authorized Signatory 									

FORM B

Format of covering letter in terms of SEBI circular no.CIR/CFD/DIL/7/2012 dated August 13, 2012 of the Annual Audit Report to be filed with the Stock Exchange.

company	Chartered accountants (Firm Reg. No. 000711C)
Audit Committee Chairman"	Munish Kr. Jain (Partner) Membership No. 070335 Prabhat Krishna (DIN No:-02569624)





Corporate Directory	2
Board of Directors	3
Directors' Report	4
Annexure to the Directors' Report	13
Management Discussion & Analysis	18
Corporate Governance	22
Statement of Subsidiary Companies	42
Auditors' Report	43
Balance Sheet	48
Statement of Profit and Loss	49
Cash Flow Statement	50
Significant Accounting Policies	51
Notes to Financial Statement	53
Consolidated	71
Independent Auditors' Report	74
Balance Sheet	76
Statement Profit and Loss	77
Cash Flow Statement	78
Significant Accounting Policies	79
Notes to Financial Statement	82
Statement Pursuant to Exemption Under section 212(8) of the Companies Act ,1956	100
Auditors' Certificate for Cash Flow Statement	100

CORPORATE DIRECTORY

Manufacturing Facilities / Offices

Unit I

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

Unit IV

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

Showroom

B-2, Loni Road Industrial Area, Opp. Mohan
Nagar, Ghaziabad – 201 007 (U.P.)
Ph : 0120-2657 649
Fax : 0120-2657 540
Email –b2alps@alpsindustries.com

REGISTERED OFFICE

B-2, Loni Road Industrial Area, Opp. Mohan
Nagar, Ghaziabad – 201 007 (U.P.)
Ph : 0120-2657 649
Fax : 0120-2657 540
Email –b2alps@alpsindustries.com

STATUTORY AUDITORS

P. Jain & Co., Chartered Accountants

Unit II

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

Unit V

Vista Window Covering Division
B -160-161, Industrial Estate, Mettupalayam,
Puducherry - 605009

Yarn & Fabric Marketing office

57/2 & 58/1, Site-IV Industrial Area,
Sahibabad, Ghaziabad – 201010 (U.P.)
Ph : 0120-4161700/822

R&T AGENCY

Alankit Assignments Ltd.
Alankit House, 2E/21, Jhandewalan Extn.,
New Delhi – 110 055 (INDIA)
Ph : 91-11-4154 0061-63, Fax : 91-11-4154
0064, 4254 1201
Email: alankit@alankit.com

COST AUDITORS

Neeraj Sharma & Co., Cost Accountants

Unit III

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

Unit VI

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

CORPORATE OFFICE & SHARE DEPTT.

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ajay Gupta
57/2, Site-IV Industrial Area, Sahibabad,
Ghaziabad – 201010 (U.P.)
Ph (D) : 0120-4161716
Fax : 0120-2896041, 2895299
Email ID : ajaygupta@alpsindustries.com
investorsgrievance@alpsindustries.com

COMPANY IDENTIFICATION NUMBER (CIN)

L51109UP1972PLC003544

REGIONAL & MARKETING OFFICES - VISTA DIVISION

BANGALORE : 303, Ahuja Chambers of
Commerce, 3rd Floor, Kumara Krupa Road,
Bangalore – 560 001
Ph.: 080-40914620
Telefax: 080-41136070
Email : vista-bangalore@alpsindustries.com

KOLKATA : Room No. 8 & 9, M.A. Business
Centre, Poddar Point Rear Street, 113, Park Street
Kolkatta – 700016
Mob: 09831545591
Email: vista-kolkata@alpsindustries.com

CHENNAI : Door No.T-26/1, 11th Street,
T Block, Annanagar, Chennai - 600040.
Ph: 044-28156210
Email : vista-chennai@alpsindustries.com

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

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

LUCKNOW : 193,G.B. Marg Bansmandi, La
touché Road, Lucknow -226018
Tel : 0522 -3015452, Fax : 0522-3015453
Mob: 9839013683
E-mail:vista-lucknow@alpsindustries.com

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

Hyderabad : 2-3-531/19/A1 First Floor, Kachi
Colony, D.V. Colony Minister Road,
Secunderabad
Hyderabad-500003
Tel: 088-01022295
Email: vista-hyderabad@alpsindustries.com

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

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

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

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

Mr. Sandeep Agarwal, Managing Director

He is in the textile industry since last 25 years and under his acumen and dynamic leadership, the company had floated various Indian and overseas subsidiary companies. The company had also obtained significant recognitions/ certifications from different organizations. He is very meticulous in diversifying into value added products in domestic Home Furnishing business segment of the company. Under his leadership, the Company has set-up a nationwide distribution system for the Company's products. This has helped the Company in marketing its brands such as "Vista" throughout the country. Under his acumen leadership and strong patience, the company is able to sail smoothly even in testing times.

Mr. Pramod Kumar Rajput, Executive Director

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

Mr. Prabhat Krishna, Independent Director

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

Mr. Tilak Raj Khosla, Independent Director

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

Mr. Pradyuman Kumar Lamba, Independent Director

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

Mr. Mohan Lal Sharma, Special Director (BIFR)

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

DIRECTORS' REPORT

To,
The Members,
Alps Industries Limited

Your Directors have pleasure in presenting the 42nd Annual Report, together with the Audited Statements of Account of the Company for the financial year ended 31st March, 2014. In terms of the General Circular 08/2014 No. 1/19/2013-CL-V dated April 4, 2014 issued by Ministry of Company Affairs (MCA), the report of the Board of the Directors has been prepared in compliance with the erstwhile Companies Act' 1956 and rules & regulation made thereunder only.

The Financial 'Performance of the Company, for the year ended March 31, 2014 is summarized below:

FINANCIAL RESULTS

(Rs. in Millions)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Total Income	8058.24	7007.26
Operating Earnings/Losses before Financial Expenses, Depreciation & Amortization and Tax	421.66	425.14
Finance Cost	1148.51	1012.00
Depreciation	449.71	449.51
Profit/Loss Before Tax	(1176.56)	(1036.37)
Provision for Tax	-	-
Profit/Loss After Tax	(1176.56)	(1036.37)
Exceptional Items	-	(116.61)
Surplus of last year Add:	(8084.21)	(6931.23)
Surplus available for appropriation	(9260.77)	(8084.21)
Appropriations	-	-
Surplus carried to Balance Sheet	(9260.77)	(8084.21)
Surplus available for appropriation	(9260.77)	(8084.21)

OPERATING SCENARIO**At Macro Level – Domestic & Exports**

The Indian cotton yarn industry is in a spot. The recently announced Chinese cotton policy has made cotton yarn exports to the dragon country unattractive, thus denting Indian yarn exports by 25% in the month of April'2014. Though the demand of cotton yarn in domestic market is showing some recovery', but the robust growth is yet to be felt, thus raising concern for the industry which has just come out from the financial hardship of 2009-10. Last year, the average monthly exports was around 120 million kgs. This was largely driven by Chinese demand. But this April'14, yarn exports have come down to 90 million kg. Chinese cotton policy is one of the major reasons for a drop in cotton yarn exports from the country. China accounts for nearly 50% of the yarn exports from India. China has reduced its cotton yarn import volumes from India in the last two months, which has put Indian yarn exports under pressure. According to the new policy which has become effective from April 1 2014, the Government has lowered cotton auction bids to 17,250 Yuan per tonne, down 4.2% from its floor price of 18,000 Yuan per tonne. Price is the main concern for Indian yarn exporters. But things will start changing shortly. Exporters are trying to beef up their presence in Bangladesh, Korea and Hong Kong.

The Textile Ministry has made a comprehensive plan to increase export growth rate from present level of 6-10% to 15-20% in next five years, in the 12th plan period. Towards this, Planning Commission has already allocated Rs. 2,5931 Crores to the Ministry for overall schemes. Further, the textile up gradation fund scheme is proposed to be continued. The report of the Working Group, constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017. As per the report, in the global exports of Textiles, India ranked as the third largest exporter, trailing European Union and China. In the global exports market of clothing, India ranked as the fifth largest exporter, trailing Bangladesh, Hong Kong, EU and China.

On the other hand, India accounts for 22% of the world's installed capacity of spindles and is one of the largest exporters of yarn in international market. It has the second highest spindleage in the world after China, highest loomage (including handlooms) in the world and contributes about 61% to the world loomage. Keeping this in mind, one of the major strategies adopted to increase exports is to tap new markets in Latin American Countries, Eastern European Countries and Middle East. As part of this strategy, mega textile shows have been held to capture new markets in Japan, South Asia and Latin American Countries. Besides, Memorandum of Understanding on international cooperation on Textiles has been signed with the countries like Sri Lanka, Australia, and Czech. This strategy will improve export competitiveness. Further, in the next 10 years, China's Textile and Garment export growth rate is projected to slow down because of rising costs and increasing domestic demand. The export space that is likely to be ceded by China is open to other Asian countries including India.

In order to improve competitiveness and thereby increase textile exports, the focus is on upgrading infrastructure, modernization & technological up gradation, setting up of integrated textile parks, development of mega clusters for power loom, handloom and handicrafts, skill development of the textile workforce, enhancing welfare of the weavers and artisans etc.

India's cotton yarn export registration raised 33% last fiscal, aided by the initial rupee appreciation and a relatively steady order flow, especially from China, outpacing the pace of growth in overall textile and garment shipments. Traders registered contracts to export 1,415 million kg of cotton yarn in 2013-14 compared with 1,067 million kg a year before. There was a steady flow of orders for Indian companies, as China has been facing some problems in terms of credit and pollution. The neighboring country is seeking to move away from labour-intensive sectors, including garments and textiles, as well. The rupee depreciation in the initial months also added to our competitiveness in the export market. The rupee hit a record low of 68.81 against the dollar in August last year, although the domestic currency has appreciated 12.4% since then, causing some distress to exporters.

Industry also noticed that actual shipments of cotton yarn in 2013-14 could be to the tune of the registration level, even though it takes some time to physically ship out. This is because shipments against some contracts registered in FY13 were also made in FY14. Cotton yarn exports fared better than some other textile segments, as shipments of cotton fabric and made-ups rose 20% while those of man-made fabric and made-up grew 13%. Overall garment exports grew 15.4% last fiscal from a year before.

Despite the surge in cotton yarn exports, the fluctuation in raw material prices and the economic slowdown have hurt the textile and garment sector, as the profitability of listed companies tumbled 33% in the first three quarters of the last fiscal from a year before.

At micro level- overall performance

During the period under review, the company has consolidated its operations for optimum utilizations of resources and cost reduction, to achieve the market competitiveness.

In the fabric export segment, the next fiscal year will be a significant period in terms of consolidation in various markets for “fabric by roll” exports. In “fabric by roll”, focus is always on quantity as well as quality to serve the customers in best possible way. The last year’s performance was better as compared to past years, in terms of Values, Quality etc. US market has been developing well, both on the residential fabric and contract business viz. hotel and hospitality industry. Middle East has shown significant jump on the volumes. Your company has spread its wings in most of the markets now, like US, UK, South East Asia, Australia, NZ and Middle East. It was planned to avoid Europe and Latin America for sometime till the worst is over there. Your company has emerged as a prominent supplier of blackouts cotton and natural upholstery fabrics, in last few years. We expect an upward trend in export business in coming years. The Company has also introduced some new products in export segment like multi-head embroidered fabrics which has higher value proposition, outdoor fabrics etc. This range is expected to have lesser competition, is highly technical with a higher value addition.

During the year under review, under the Fashion Accessories Division, your company had initiated holistic changes in this segment. Your company also plans to introduce various intimate blends to provide innovative products including metallic based fabrics, intricate jacquard patterns using ancient ethnic patterns, Persian motifs and contemporary geometrical patterns, humungous range of printed scarves, stoles, shawls & sarongs to our product range in the coming year to maintain the domestic market. In the Anti-Bacterial “Sleep Dry” baby product, your company has maintained the brand category. To continue the maximum reach to valued consumers, the company participates in exhibitions, advertises in magazines etc., apart from other promotional efforts towards domestic market, promoting through various promotional materials and hopeful to have better profitability in coming years. In one of the most important and major segment i.e. yarn, your company is focusing on some of the key markets like domestic, South America and China. To penetrate the market with only sizeable buyers, the market friendly terms of supply are being offered. Your company is also taking various steps to strengthen the buyer base, domestic as well as overseas. Efforts are also made to introduce various variety of value added yarn. Your company has also added more value added yarn like Core Spun Lycra, Slub Yarn, Multi Fold & Multi Count Yarn etc. in the product range. We are also striving to take a balanced approach towards all premium paying markets, increasing the share in most contributing count. Besides above, your company has also plan to expand the export of yarn.

One of the segments of the company i.e. Vista, in domestic market, has earned an enviable reputation and is the market leader in window dressing range of products, which are well known in the domestic market for its world class quality & continuous innovations in the segment. Under this product range, which are crafted with absolute focus towards customer’s needs and desire, company has introduced various new products like Carpet tiles, Hospital Curtains, New Gallery & window blinds, Mellee, Medley & Milange for residential sectors, new shades in Naturons, S-contour & Sheer dimout blinds, New mechanism called “Top Down Bottom Up” have been introduced in cellular blinds range, roller blinds etc. apart from various other customer-friendly services like after sale services to the buyers, free home deliveries, arranging for spare parts & its installation at the door of the customers, to boost the market share.

To maintain the market share in domestic Market in Made ups Segments, company has introduced various new products/range in its CMT divisions and fabric. Your company is catering to almost all big retailers related to above segment by introducing various range in the product line like Curtains, Cushions, Pillows, Bed Linen and Table Cloth etc. It is our endeavor to increase the business by meeting the demands of the market timely. Your company is targeting to be a leading name in the field of home textiles, for which networking for direct supply to leading international customers, implementation of SAP and introducing the new segment e-business on domestic and exports. During the period under review your company struggled to maintain the EBITDA at near about the same level to Rs.421.66 millions in comparison to Rs 425.14 million in previous year. Company has incurred a net loss of Rs 1176.56 millions in comparison to net loss of Rs. 1036.37 millions in the previous year showing the same level of performance inspite of meeting the various operational challenges in the production and marketing front, like decrease in the margin of yarn, up trend in cotton prices and consolidation/merging and closing of some of its units on economical viability grounds during the year. The impact of measures for improvement in the performance will be reflected in the current year’s financial parameters.

FUTURE OUTLOOK – TECHNICAL/CONSOLIDATION/CLOSING DOWN/ EXPANSION OF OPERATIONS

In view of the economical, technical & financial viability and to centralize the production & marketing activities, your company has taken various drastic steps during the year. In this efforts the CMT units which were earlier operated at three

units situated at B-2, Loni Road Industrial Area, Ghaziabad, A-16/2, Site IV Industrial Area, Sahibabad, Ghaziabad and 57/2, Site IV Industrial Area, Sahibabad, Ghaziabad, have been merged at the recently started main unit at 57/2, Site-IV Sahibabad, Ghaziabad. The Fashion Accessories Division, which was earlier operating at B-2, Loni Road Industrial Area, Ghaziabad, has also been shifted to 57/2, Site- IV Sahibabad, Ghaziabad.

Further, the lease hold weaving units of SIDCUL, located at Kashipur Spinning Mills, Near Govt. Degree College, Kashipur-Bazpur Road, Kashipur, Udham Singh Nagar, Uttarakhand and Jaspur Spinning Mills, Afzal Garh Road, Jaspur, Udham Singh Nagar, Uttarakhand have been closed down and surrendered during the year.

At the yarn manufacturing units located at Haridwar, the technical thrust is on the development of the value added items like Fancy yarns, Slub yarns, Core spun yarns, Multi Folded Yarns and Zero twist yarns etc. The technical team constantly conducts the trial runs, special studies to meet out the requirements of the latest developments in the manufacturing process, to meet out the demands of the competitive domestic & export market.

The Weaving and Processing units manufacture Furnishing & Automotive Fabric for export and domestic segments. There has been a significant growth of market share in US, UK, Middle East, South East Asia, Australia, New Zealand and Japan during the fiscal year 2013-14, as compared to previous year. The competition has intensified but the pace with which this segment has been growing due to the novelty and uniqueness of designs/patterns. The economic scenario in Europe/US is showing signs of revival and resultant, the demand for fabric in these regions will go up. Due to recent pick up in the export demand and the offering of variety, the turnover is expected to increase in the coming years. To strengthen the market, the company introduced various new products in residential and contract business segments.

The unit has been able to create a niche at market place by way of new product offerings in different fiber blends, which are unique from other players. The unit has launched new product range in decorative curtain fabrics which includes Fire Resistant Coated Fabric, which has been very well accepted in the international market. New products like Embroidery, Laminated, Cotton Dyed & Peached in bigger widths have also been introduced. There is a continuous effort on product innovation as well as cost optimization in operations. Under the Automotive Fabric Segment range, the unit is catering to the demands of various fabrics for OEM and Non OEM consumers. For OEM fabric supply to international car makers, company has made arrangements for Technical & Marketing tie-ups with some of the leading companies to cater to the OEM reputed consumers. It will boost the turnover in the coming years significantly. For Non OEM Fabric, the focus is mainly on “after sale market” for Car and Bus segment. The unit is exploring the opportunities in overseas market for Car, Bus, Railway Projects & Automotive Seating Fabrics Segment with Japanese technology which requires high performance fabrics with good level of aesthetics. Due to the best quality management, the division has, in a short span of over three years, secured the business from highly quality oriented OEM consumers. Beside these OEM consumers, the other products contribute “after markets” of various other reputed car makers. The unit is targeting to enter some more OEMs and international market to increase the volumes.

The unit is also focusing on technically special PU coated fabric and TPU membrane lamination, which provides excellent water proof and moisture vapor transmission. These fabrics having high technicality involved to fulfill the demands of Indian Defence and also useful for high altitude temperature.

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

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

In the mean time, State Bank of India, the operating Agency, has filed the Draft Rehabilitation Scheme (DRS) for the rehabilitation of the company with Hon'ble BIFR on 07.07.2011, as recommended by the majority of lenders in their Joint Lenders Meet (JLM) held on 15th June' 2011 and by the Statutory Agencies in their meet held on 5th July' 2011 from whom company sought some reliefs and concessions in the DRS. On the directions of Hon'ble BIFR, company has filed the latest amended Draft Rehabilitation Proposal in the month of Jan.' 2014 and at present the rehabilitation scheme of the company is under formulation with Hon'ble BIFR under the provisions of SICA.

Recently EXIM Bank, State Bank of India and State Bank of Mysore have communicated to the Company that they have assigned their rights, titles & interests in the financial assistance provided to the company in favour of an Assets Reconstruction Company, M/s. Edelweiss Assets Reconstruction Company Ltd., except an amount of Rs. 100 lacs, the amount of invoked bank guarantee, which is retained by State Bank of India. The name of ARC is yet to be substituted before the Hon'ble BIFR in the rehabilitation proceedings pending under the provisions of SICA. The same however does not have any affect on the Balance Sheet or Profit and Loss account of the company for the year. However, the company is exploring the possibility of settlement of the dues of lenders as an alternative to the restructuring, and negotiation for the same are also in progress.

CREDENTIALS/CERTIFICATIONS

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

- Certificate for ISO/TS 16949:2009 for manufacturing seat fabrics for the automotive application.
- Certificate for Oeko-Tex for Hohenstein Textile Testing Institute, Germany
- Certificate for ISO 9001:2008 and ISO 14001:2004 for the management system implemented, renewed by Afnor Certification for the period 2013 to 2015 covering the manufacturing activities i.e. Spinning, Weaving and Processing of Yarn, Fabric and Home Furnishing and Coating, fire retardant curtain fabric, upholstery and stain proof fire retardant upholstery cloth for the company's units situated at Haridwar and Meerut.
- Certificate of Compliance of standards issued by the CU Inspections & Certifications Private Limited.
- Certification to use the Trademarks from Cotton Egypt Association (CEA).
- Certification of membership of Indian Green Building Council (IGBC) issued by the CII.
- Achievement award for the workplace conditions issued by the Workplace Conditions Assessment (WCA).

MEASURES TO REDUCE/CONTROL COST

To meet out the market competitiveness and improve the financial performance, the company is committed to reduce the cost, upgrade the efficiency and ensure optimum utilization of the current as well as fixed assets of the company. On technical front, your company is trying to achieve the reduction in raw material cost by making different composition of mixing/purchase of cotton through commodity exchange, increase in machine productivity, better yarn yield with optimum use of raw material, control waste generation to bare minimum and best use of work force, best utilization of capacity with lowest Raw Material Cost and good quality of end product to fetch best yarn price. The major units located at Meerut and Haridwar have taken various important steps which includes buying of raw material in bulk quantity, directly from suppliers, after proper negotiation and studying market prices, reducing the fixed overheads, increase the utilization and efficiency of machineries to reduce the cost, standardize the production process flow chart to avoid the rejection, maintain the inventory level as per the requirement, constant check on power consumption, controlling/reducing rejections & re-processing, reusing / recycling all possible items, strict follow-up on regular maintenance schedule to avoid major break downs, increasing overall efficiency to reduce production cost, using low consumption LED lights. In order to reduce the substantial logistic cost, the company is opting for land ports nearest to the units. The spinning units located at Uttarakhand have also reduced the power cost by making arrangement with the Indian Energy Exchange / Power Exchange India Limited by availing the best market rates for supply of power. The efforts are there to implement the system at other units also as and when it is allowed by the state government. It is apart from the other energy conservation steps taken by the units. The unit located at Meerut has also optimized its cost structure by way of strong emphasis on consumption control, waste reduction and rationalization, inventory control & Manpower optimization.

In continuation of its efforts, your company has taken drastic decisions to control overall cost, improve production & marketing efficiencies by consolidating/ transferring/merging the operations of CMT /FAD & Vista Division of the company and closing down the operations of yarn manufacturing units located at Kashipur & Jaspur, which will considerably improve

the efficiency which will be reflected in the coming years of operations.

STATUS OF HOLDINGS OF SUBSIDIARY COMPANIES

During the year under review, there is no change in the status of subsidiary companies. However, due to implication of Section 2(87) of the Companies Act, 2013, after considering the indirect holding through its another subsidiary (Alps USA Inc.), the percentage of shareholding has been increased from 69.75% to 78.22% in Alps Energy Pvt. Ltd. and from 73.94 % to 81.65 % in Snowflakes Meditech Pvt. Ltd.

FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES

The company had three subsidiaries at the end of the financial year. The Ministry of Corporate Affairs, Government of India, vide General Circular No: 2/2011:51/12/ 2007-CL-III dated February 8, 2011 has granted general exemption from the requirement to attach various documents in respect of subsidiary companies, as set out in Sub-Section (1) of Section 212 of the Companies Act, 1956. Accordingly, the Balance Sheet and Profit & Loss Account and other documents of subsidiary companies are not being attached with the Balance Sheet of the company. However, the summarized financial information of the subsidiary companies, as required by the said Circular is disclosed in the Annual Report. The company will make available the Annual Accounts and related details upon request by any member of the company. These documents will also be available for inspection at the Registered Office of the company during business hours. The Consolidated Financial Statements presented by the company includes financial results of its subsidiary companies.

GOVERNMENT INITIATIVES- TEXTILE SECTOR

The textile ministry has made a comprehensive plan to increase export growth rate from present level of 6-10% to 15-20% in next five years, in the 12th plan period. Towards this, the Planning Commission has already allocated Rs 2,5931 Crore to the ministry for overall schemes and the textile upgradation fund which is proposed to continue. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017. In continuation of the efforts of Government of India to boost the textile industry, various steps have been taken from time to time. It includes Restoration of Zero Central Excise Duty Route which existed prior to 01.03.2011, and is being continued on Branded Ready Made Garments & Made-Ups. The Zero Duty EPCG benefits are still available to all sectors, though in the past it was available under certain restrictions to some sectors. The quantum of specific Export Obligation (EO) in case of domestic sourcing of capital goods under EPCG authorizations reduced by 10% still continued. The 2% Interest Subvention widened to include items covered under Chapter 63 of ITC (HS) (other made-up textile articles, sets, rags) still continued. The government has further widened the Scope of Utilization of Duty Credit Scrip under Focus Market Schemes, Focus Product Scheme and Vishesh Krishi Gramin Udyog Yojana (VKGUY). All duty credit scrips issued under Chapter 3 utilized for payment of application fee to DGFT for obtaining any authorization under Foreign Trade Policy, still continued. The Government had announced Incremental Export Incentivisation Scheme on 26.12.12 for the exports made during January'2013 to March'2013. This scheme is available for exports made to USA, EU and Asia. This scheme was also extended for the year 2013-14. Integrated Skill Development Scheme (ISDS), launched by the Government of India, that currently provides training and skill development programmes in the textile and apparel sectors, will be further strengthened at a cost of Rs. 1900 Crores to provide training to 15lakh persons for jobs in the textile and apparel sectors, including Jute & Handicrafts during 2012-17, leveraging the existing training infrastructure within the textile ministry, on one hand and private sector participation through a PPP Model on the other. The Government is also trying to implement the GST Laws and the Direct Tax Code in 2014-15 to further streamline the tax regime for the industry in coming years. SIDBI has also come out with some niche areas like financing for energy savings schemes and cleaner production norms. SIDBI has been given additional window by RBI to lend to small and medium scale industry through the External Commercial Borrowings (ECB) route. RBI has allowed SIDBI to raise upto USD 500 million through this route.

DIVIDEND

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

SHARE CAPITAL

In pursuant to the approval of the shareholders at the Annual General Meeting held on 11th December, 2009 and further on 30th September' 2011 and approval from the Stock Exchanges, vide letter reference no. DCS/PREF/AK/PRE/357/2012-13 dated 17/08/2012 from Bombay Stock Exchange Limited & Ref. no. NSE/LIST/174591-4 dated 11/07/2012 and NSE/LIST/178703-W dated 21/08/2012 from National Stock Exchange of India Limited and under the CDR scheme, the

Company had allotted 26,934,146, 6% OCCPS under Category 'B', on August 22, 2012 at an issue price and face value of Rs. 10/-. As none of the allottees had exercised the option to convert the OCCPS into Equity shares within 18 months from the date of allotment i.e. latest by February 21, 2014, it has been reclassified into 6% Cumulative Redeemable Preference Shares, under Category 'B' instruments at an issue price and face value of Rs.10/- each, w.e.f. February 22, 2014. The necessary circular has been notified by National Securities Depository Limited vide their letter Ref.: II/CA/COM/APR00021/2014 dated 25.04.2014.

The reclassification of authorized share capital which was approved at the AGM held on September 29, 2012 to accommodate the conversion of OCCPS into equity shares could not be utilized, as none of the OCCPS got converted into equity shares during the period under review.

RELATIONSHIP WITH INVESTORS

To have the participation by all the valued investors in the voting pattern for any proposal and in terms of the compliance of the Companies Act, 2013 and relevant rules, the company has commenced e-voting facility through which any investor can participate in the AGMs through e-voting and need not struggle to attend the meetings in person.

Your company is fully committed and accountable to the valued investors, who have reposed the confidence in the company by investing their hard earned money in the company and supported the management in such a crucial time.

The relationship with the investors continues to be cordial. Your company's management is fully aware and dedicated for survival of the company and committed to take all efforts to resolve the investors' grievances received during the year to the satisfaction of the investors within a reasonable time. Alankit Assignments Limited, the R&T Agent of the company, continued to extend their positive contribution to resolve the Investors' grievances efficiently and effectively, whenever they arose. By contribution from all concerned, the investor grievances have been resolved to the fullest satisfaction of investors. We sincerely place on record, the appreciation for our valued investors, who have contributed and reposed the confidence in the company at this difficult time. The management not only believes in legal compliance related to the investors, but also morally protects their interest, and treats them as part of Alps Group. In its endeavor to improve investor services, your Company has created an investor section, and designated exclusive E-Mail ID for the purpose of registering complaints by investors and necessary follow up action by the company / compliance officer in compliance with Clause 47(f) of the Listing Agreement. The e-mail ID is: investorsgrievances@alpsindustries.com

MANPOWER – VALUABLE ASSETS

Our basic objective is to ensure that a robust talent pipeline and a high-performance culture, centered on accountability, is in place. We feel this is critical to enable us retain our competitive edge. Your company is continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent.

The company has been treating its human resources as its valuable assets and accordingly the HR strategies were formulated to build the professional HR management systems so as to make continuous efforts to build a system based organization instead of person based one. Consistent efforts are being made to improve the organization structure, optimize the utilization of available human resources, clearly defining the job responsibilities so as to avoid over-lapping and also key results areas and key performance indices for better focus and assessment of the contributions, formulating/continuously reviewing HR policies for effective and fair implementation of the same and improving hygiene factors for facilitating to conclusive working environment. Efforts made to improve the female workers/employees ratio, particularly at the shop floor, in-line with the national policy of gender equality, policy to restrict the sexual harassment was formulated/implemented in line with the government directions. The company's commitment for treating its employees with human dignity and fairness were visible in its efforts made for the same throughout the year. The company's concerns for welfare of its workforce continued during the year and accordingly Group pension/Accident Insurance policy/ESI/WC policies were continued further as in the past. The company has been consistently maintaining harmonious & cordial relations with the employees at all the locations. The Company continues to lay emphasis on building and sustaining an excellent organizational climate based on human performance. Performance management is the keyword for the company. During the year, the Company employed around 2600 employees (3800 employees during previous year 2012-13). Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of the various plants.

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

the limits prescribed specified under the said Rules during the financial year 2013-14.

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

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

REAPPOINTMENT OF EXECUTIVE DIRECTOR

The Board of Directors at their meeting held on May 30, 2014 based on the recommendations of Nomination & Remuneration Committee, has recommended the reappointment of Mr. P.K. Rajput as Executive Director again for another term of 3 years w.e.f. July 28, 2015. The necessary resolution for the approval by the members of the Company has been included in the Notice of the Annual General Meeting subject to the approval of the Central Government and Rehabilitation Scheme under BIFR of the company, if required. A brief note in terms of the requirement of the Corporate Governance on the aforesaid reappointment of Whole Time Director has been included in Part-I of Annexure-3.

REAPPOINTMENT OF DIRECTORS

In terms of the provisions of Article No. 106, 107 & 108 of the Articles of Association of the Company and Section 152 of the Companies Act, 2013 and Sections 255 and 256 of the erstwhile Companies Act, 1956, Mr. Pradyuman Kumar Lamba, Independent Director (DIN No.02843166) retires at the ensuing Annual General Meeting, and being eligible, offer himself for reappointment.

CHANGE IN THE NOMINEE DIRECTOR

The State Bank of India has withdrawn the Nomination of Mr. Sonalal Dutta (DIN No.03011996) as its nominee director from the Board of Directors of the company and accordingly, he has submitted the Resignation letter dated May 11 2014, which has been approved by the Board of Directors, with a sincere thanks to him for his expert advises given to the company during his tenure, at their meeting held on May 30, 2014.

STATEMENT OF DIRECTORS' RESPONSIBILITY

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

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

COMPLIANCE REPORT/COST AUDIT

In compliance with the Notification dated June 3, 2011 issued by MCA, Company has appointed M/s. Neeraj Sharma & Co., Cost Accountants, Ghaziabad, to submit the Compliance Report under the Companies (Cost Accounting Records), Rules 2011, duly approved by the Board of Directors, to the Central Government, for the financial year ended on March 31, 2014 for the products which are not specified for the Cost Audit. The compliance report will be filed by the company within the due date i.e. on or before September 27, 2014, being 180 days from the close of the financial year or as may be extended by the department from time to time.

Further, in compliance of Notification Reference No. F. No 52/26/CAB-2010 dated January 24, 2012 issued by the Cost Audit Branch under MCA, the aforesaid firm of Cost Accountants has also been appointed as the Cost Auditors of the company under Section 148 of the Companies Act, 2013 and Section 233 B of the erstwhile Companies Act 1956, for the next financial

year ended on March 31, 2015, at the meeting of Audit Committee and Board of Directors of the company held on May 30, 2014. As required under Section 148 of the Companies Act, 2013, the ratification for their appointment & remuneration has been recommended at the forthcoming Annual General Meeting of the company. However it is strictly applicable in terms of any Notifications/Circulars related to Cost Records and Cost Audit Rules, as may be specified at any time by the MCA or any regulatory Authorities. If due to any reasons the mandatory requirements abolish, then continuation of the appointment of Cost Auditors, will be at the discretions of the Board of Directors as per the requirements of the company.

FIXED DEPOSITS

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

CORPORATE GOVERNANCE

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

STATUTORY AUDITORS

M/s. P. Jain & Co., Chartered Accountants, the Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting of the Company and have confirmed their eligibility and willingness to accept office, if re-appointed. The company has received certificates from the said auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. Your Directors recommend their reappointment under Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 for a further period of 4 years i.e. till the conclusion of 46th AGM.

AUDITORS' OBSERVATIONS

Observations in the Auditors' Report are dealt within Notes to Accounts at appropriate places and being self-explanatory, need no further explanations. As required under amended Clause 31(a) of the listing agreement and SEBI Circular No.CIR/CFD/DIL/7/2012 dated August 13, 2012, the necessary disclosures/details in the prescribed Form 'B' have been appended with the Annual Report.

ACKNOWLEDGMENT

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

For and on behalf of the Board of
Alps Industries Limited

Place : Ghaziabad
Date : May 30, 2014

P.K. Rajput
Executive Director

Sandeep Agarwal
Managing Director

ANNEXURE-1
ANNEXURE TO THE DIRECTORS' REPORT
(I) Statement of particulars pursuant to Companies (Disclosure of Particulars in the Report of Directors) Rules 1988.

1. a.	Conservation of Energy Energy conservation measures taken	: Energy conservation continues to be an area of major emphasis in your Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. All the units have taken various measures in conservation of energy. The thrust is to measure the existing system parameters and then implement improvements. The Company also focus to optimize the operation of various equipments which also lead to energy conservation. The following are some of the major measures which have been taken during the period under review for bringing down the energy cost: • Installed AC drives at Comber main stream fan. • Installation of LED Lights in place of Tube light of suitable powers at the various major consumption centers. • Installed Analyzer & Air pre heater at Boiler. • Installed After cooler system at Air compressor line. • Reduced Electricity charges by purchasing power from open market through Energy exchange. • Reduced major consumption of power units by optimizing the utilization & setting the Nozzles of looms & regular monitoring the leakages of machines. • Reduced air consumption on looms by installing the software. • Reduced considerable power units' consumption by installing the VFD at Heat Recovery Plant and SM Pump. • Installed latest automization equipments for fully automization of Pump House which results in saving of significant manpowers. • Re-design of Furnance & modification of Thermopac carried out which has reduced the breakdowns and also saved fuel consumption.
b.	Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	: Rs. NIL
c.	Impact of measures at (a) & (b) above for reduction of Energy consumption and consequent impact on the cost of production of goods.	As a result of various energy conservation measures taken by the company, the expected outcomes are : • Increase in productivity. • Reduction in energy consumption. • Optimum loading of captive water sources. • Increase in Efficiency. • Saving in consumption of fuel. • Saving in maintenance cost of machineries. • Reduction in manpower cost.

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

A. POWER AND FUEL CONSUMPTION

S. No.	PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
1	Electricity		
	a Purchased		
	Units (Nos.)	99,581,532	105291169
	Total Amount (Rs.)	523601698	520016892
	Rate/Unit (Rs.)	5.26	4.94
	b Own Generation		
	i Through Diesel/FO		
	Quantity (Ltrs)	172,593	339650
	Total Amount (Rs.)	9,514,066	13287129
	Average Rate (Rs.)	55.12	39.12
	Generation (Units) (Nos.)	518,886	1118903
	Units per Litre of Diesel oil (Nos.)	3.01	3.29
	Cost/Unit (Rs.)	18.34	11.88
	ii Through Steam Turbine		
	Generator Units	N.A.	N.A.
	Unit/LTR or Fuel	N.A.	N.A.
	Oil/Gas Cost unit	N.A.	N.A.
2	Coal		
	Quantity(Tones)	N.A.	N.A.
	Total Cost	N.A.	N.A.
	Average Rate	N.A.	N.A.
	Total Unit Generated	518886	1,118,903
	Total Cost	9514066	13,287,129
	Cost/Unit	18.34	11.88
3	Furnace Oil (Excluding use on Generation of Electricity)		
	Quantity (Ltrs)	0.00	0.00
	Total amount (Rs.)	0.00	0.00
	Average Rate (Rs.)	0.00	0.00
4	Others/Internal generation		
	Wood		
	Quantity	N.A	N.A.
	Total Cost	N.A	N.A.
	Rate/Unit	N.A	N.A.

B. CONSUMPTION PER UNIT OF PRODUCTION

S. No.	Particulars	Yarn Per Mt		Made-ups Per 1000 Sqm		Architectural Products Per 1000 Sqm	
		Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2014	Year Ended 31.03.2013
1	ELECTRICITY (KWH)	3053.20	3051.10	36.37	35.49	795.19	841.21
2	COAL	N.A.	N.A.	0.00	0.00	N.A.	N.A.
3	OTHERS	N.A.	N.A.	0.00	0.00	N.A.	N.A.

II. TECHNOLOGY ABSORPTION: Efforts made in technology absorption as per Form-B of the Annexure to the Rules.
A. RESEARCH & DEVELOPMENT (R & D)

1.	Specific areas in which R&D carried out by the Company.	:	Research & Development is carried out for development of new products and for improvement in the production process and quality of products. The Company has been able to pioneer the launch of new products that have been successful in the market due to its R&D efforts. There is progress on building enabling capabilities in the areas of facilities and infrastructure, technology organization staffing & development, and the engagement of external knowledge networks to complement internal capabilities. The recruitment of professional staff and leadership is ongoing and programmed, staff managing processes have been defined and are being instituted. The R & D Department is well equipped with most modern sophisticated state of the art testing equipments.
2.	Benefits derived as a result of the above R&D	:	• Quality testing of raw material, stores & consumables. • Monitoring/Control of production process. • Improved quality & higher production of cotton yarn. • Development of new market segment. • Water conservation. • Increase in productivity. • Cost reduction.
3.	Future Plan of Action	:	Management is committed to strengthen R & D activities further to improve its competitiveness in times to come.
4.	Expenditure on R&D	:	
	a. Capital	:	NIL
	b. Recurring	:	NIL
	c. Total	:	NIL
	d. Total R&D Expenditure as a Percentage of total turnover	:	NIL

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts, in brief made towards technology absorption, adaptation and innovation.	:	The Company is continuously making efforts for adaptation of latest technology in all its units. The Company has also created specific cells for studying and analyzing the existing processes for further improvement, upgrading machines with technologically advanced accessories and spares. The company constantly gets feedback from customers and makes efforts for improving the quality of products by conducting the trails, special studies in manufacturing process etc.
2.	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	:	Higher output and improved quality of product with reduction in the cost of production and other overheads. The company will project its image in the global market as a manufacturer of world class yarn and achieve an excellent share out of it.
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished	:	Nil
4.	a. Technology imported	:	N. A.
	b. Year of import	:	N. A.
	c. Has technology been fully absorbed?	:	N. A.
	d. If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action.	:	N. A.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

1.	Activities relating to export initiatives taken to increase exports; development of new export markets for products and services and exports plan.	:	Your company is targeting for a leading name in field of Home Textiles, by networking for direct supply to leading international customers, implementation of SAP and introducing the new segment e-business on domestic and exports. To continue the maximum reach to valued consumers, the company used to participates in exhibitions, magazine etc. apart from other promotional efforts towards domestic market, promoting through various promotional materials and hopeful to have better profitability in coming years. In the Fabric export segment, the next fiscal year will be a significant period in terms of consolidation in various markets for fabric by roll exports. US market has been developing well both on the residential fabric and contract business. Middle East has shown significant jump on the volumes. Your company has spread its wings in most of the markets now like US, UK, South East Asia, Australia, NZ and Middle East.
2.	Total Foreign Exchange used and earned	:	Used Rs. 52.05 Mn. For the financial year ended March 31, 2014 (Rs. 42.26 Mn for the financial ended as on March 31, 2013) Earned Rs. 2742.98 Mn for the financial year ended March 31, 2014 (Rs. 1764.78 Mn for the financial year ended as on March 31, 2013)

IV. INFORMATION AS REQUIRED UNDER THE MISCELLANEOUS NON-BANKING COMPANIES (RESERVE BANK) DIRECTION, 1972.

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

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

Indian textile industry has shown a strong growth, sustained by strong domestic consumption. Availability of raw materials such as cotton, wool, silk and jute in huge quantity and skilled workforce has made India an important player in the textile industry. During FY'14, power loom is expected to be almost flat as compared to FY13. But in FY15, it is expected to grow by 11.5%. Major growth in FY'15 will be seen in the Mill segment (17.5%), followed by power loom and handloom. Textile exports are expected to grow by more than 15% during FY'15. The Indian textiles and clothing industry is one of the largest contributors to the country's exports. Exports of textiles have increased steadily over the last few years, particularly after 2004, when textiles exports quota stood discontinued. India has the potential to increase its textile and apparel share in world trade. The Indian textiles industry produces a wide variety of fibers, from cotton to manmade, wool, silk, jute, and multiple blends catering to different demands and needs of companies. India has become a popular destination for many big global retailers due to its strength of vertical and horizontal integration. The quality of the country's products is seen in the repeat orders from these global companies and the significant growth in their outsourcing from India. During FY'14, exports are estimated to increase to US\$ 29,596.46 mn – registering a growth of 12.27%. Further, in FY'15, the exports are expected to grow by 15.75%. Given the growth in textile exports due to the investment inflows to this sector to expand the capacity in the entire value chain, the working group constituted by the Planning Commission has estimated the overall growth for exports at 15% with an export target of US \$ 65 bn by end of Twelfth Five Year Plan (FY17). 1.5 mn trainees are expected to be benefitted from the ISDS scheme during Twelfth Five Year Plan as the sector is one of the largest employment provider, the major concern that would hamper the growth of the industry is the non-availability of the quality and skilled labour and also inadequate training facilities in the country. Thus, Central Government has started various institutes such as NIFT, SASMIRA, etc for textile specific courses. Further, Government has launched Integrated Skill Development Scheme (ISDS) with the objective to build the capabilities of those institutions that currently provide training and skill development programmes in the textile and apparel sectors. The scheme was introduced as a pilot in the last two financial years of the Eleventh Five year Plan with an outlay of Rs 2.72 bn including Rs 2.3 bn as central government's contribution with a physical target of 256,000 persons. According to Annual Report of FY13 of Ministry of Textiles, 1.5 mn trainees are estimated to be benefitted under this scheme during Twelfth Five Year Plan.

COTTON

The first half of the October-September cotton season is over. A majority of the demand and supply data is already factored into the prices. Production is expected to be 37.5 million bales (of 170 kg each) or slightly more. Total exports so far, at 9.4 million bales, have already exceeded the Cotton Advisory Board's estimate of nine million bales. Euphoria in cotton consumption has reduced slightly due to Chinese economic slowdown. Even with a moderate consumption growth of about six per cent at 29 million bales, Indian exports would be considerably less by one million bales in the next six months. Quarterly demand and supply numbers indicate that April-June contract has the highest stock to use ratio due to higher arrivals and lower export demand. However, if the exports continue, even if in small quantities, and reach close to 10 million bales (for the full cotton season), the ending stock will become very tight and India will be left with stocks equivalent to less than two months consumption. There are three factors, not connected to cotton, that will guide the prices from here - Chinese policy, weather and currency. China holds 60 per cent of the world stocks and has a stock to use ratio of 163 per cent. To put it in perspective, China consumes 7.7 million tonnes (mt) of cotton annually and has stock of 12.6 mt. China now wants to get rid of reserve stocks, some of which are more than three years old. China reduced its price for reserve stocks from 18,000 Yuan a tonne to 17,250 Yuan. If the demand for domestic cotton does not revive, China could cut the prices further and thus cap the demand for imported cotton. There are also rumors that China could impose import duty on cheap cotton yarn. Chinese risk to global prices is on the downside.

YARN – A SIGNIFICANT SEGMENT

Cotton yarn exports in 2013-14 are expected to be more than 10 per cent higher than the previous year. While it was 1,110 million kg in 2012-13, the exports are expected to be about 1,200 million kg or a little more in 2013-14. The yarn exports were good during the last financial year (2013-14) till December. For a couple of months earlier it went up to even 140 million kg. However, the demand reduced in February, especially for lower count yarn. The actual exports

might be lower than the registrations. One of the main buyers of Indian yarn is China and the Chinese demand had reduced during the last few months. Though the demand is yet to pick up, the situation could change in the coming months. The demand continues to be good for higher count yarn. The industry has appealed to the Union Government to release the pending duty drawback amount for yarn exports. For some units, 50 per cent to 75 per cent of turnover is from exports and delay in getting the drawback claims is affecting them. The industry source says that normally the drawback claims are settled in a month. The delay for the more than six months is affecting the competitiveness of the mills.

II. OPPORTUNITIES AND THREATS

Inflation in textiles matters just as much as food inflation, especially for the poor. At the same time, it is necessary to understand the nature of inflation in textiles. Given the impact on poor consumers in our country, it is obvious that we need to keep the inflation numbers of synthetic and manmade textiles under close watch. It is clear that the bad part of textile inflation has mainly to do with the large wedge between domestic and global synthetic fiber prices. Indian cotton crop remains heavily monsoon dependent due to lack of irrigation in most cotton growing region. The weather risk to prices are on upside. A lower-than-normal monsoon may trigger a shift in cropping pattern this year, mainly in the South where farmers could plant more “dry crops”, such as maize and cotton which require less water. Another important issue is the availability, quality and price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to input cost pressure in the industry. The non-availability of skilled manpower along with high labour cost prevailing in the country is growing concern area for textile industry.

A. Government policies-Textile Sector

The Textile Ministry has made a comprehensive plan to increase export growth rate from present level of 6-10% to 15-20% in next five years, in the 12th plan period. In continuation of the efforts of government of India to boost the textile industry, various steps have been taken from time to time. It includes Restoration of Zero Central Excise Duty Route on Branded Ready Made Garments & Made-Ups. The Zero Duty EPCG benefits are still available to all sectors. The quantum of specific Export Obligation (EO) in the case of domestic sourcing of capital goods under EPCG authorizations reduced by 10% still continued. The 2% Interest Subvention widened to include items covered under Chapter 63 of ITC (HS) (other made-up textile articles, sets, rags) still continued. The government has further widening the Scope of Utilization of Duty Credit Scrip under Focus Market Schemes, Focus Product Scheme and Vishesh Krishi Gramin Udyog Yojana (VKGUY). This scheme was also extended for the year 2013-14. Integrated Skill Development Scheme (ISDS), launched by the Government of India, that currently provide training and skill development programmes in the textile and apparel sectors, will be further strengthened at a cost of Rs 1900 crores to provide training to 15.00 lakh persons for jobs in the textile and apparel sectors, including Jute & Handicrafts during 2012-17, leveraging the existing training infrastructure within the textile ministry, on the one hand and private sector participation through a PPP Model on the other. The Government is also trying to implement the GST Laws and the Direct Tax Code in 2014-15 to further streamline the tax regime for the industry in coming years. SIDBI have also come out with some niche areas like financing for energy savings schemes and cleaner production norms. SIDBI has been given additional window by RBI to lend to small and medium scale industry through the External Commercial Borrowings (ECB) route. RBI has allowed SIDBI to raise up to USD 500 million through this route.

B. EXPORT – AN INSIGHT

Textile exports are expected to grow by more than 15% during FY'15. The Indian textiles and clothing industry is one of the largest contributors to the country's exports. Exports of textiles have increased steadily over the last few years, particularly after 2004, when textiles exports quota stood discontinued. India has become a popular destination for many big global retailers due to its strength of vertical and horizontal integration. Indian online retailer for home products, including home textiles, Fab Furnish has announced plans to introduce innovative products at affordable prices. The recently announced Chinese cotton policy has made cotton yarn exports to the dragon country unattractive thus denting Indian yarn exports by 25% in the month of April. Though the demand of cotton yarn in domestic market is showing some recovery but the robust growth is yet to be felt thus raising concern for the industry which has just come out from the financial hardship of 2009-10.

III. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

There are three major business segments viz. Home Furnishing & Fashion Accessories, Yarn, and Architectural Products

as per the Accounting Standards 17 issued by the Institute of Chartered Accountants of India. All these segments performed reasonably well. The share of each segment in the overall turnover of the company is 20.88 % for Home Furnishing & Fashion Accessories, 74.08 % for Yarn and 5.04 % for Architectural products. The detailed performance has already been discussed in the Directors' Report.

IV. OUTLOOK

We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements, diversification of products, rationalization of costs, training the workforce on the continued basis, improving efficiencies and creating a strong customer oriented approach. Our textile unit has a competitive edge in terms of quality, designs and innovative products. We expect much better performance in the coming years on the back of revival in the world economy including India. Your directors believe that sales volumes are reasonably expected to increase and consequently margins are also expected to be strengthened. However with the greater customer satisfaction, increase in existing customer loyalty, constant offering by the Company of its value added products, constantly improving its product mix with an increase in awareness of Alps products, and with the increased realization against USD on exports, better recovery is not only expected but is likely to be strengthened in due course.

V. RISKS AND CONCERNS

With the devaluation of Indian Rupee, as compared to U.S dollar and other European currencies, have offered an opportunity on short term basis to Textile industry to optimize its sales values and margins respectively on its exports to such European countries. However, with the increased differentials in the currencies some of its margins are likely to be set off against the increased cost of Exports, competition among the Asian countries in offering discounts, and due to hard bargain by the customer of such countries. The cotton industry is also presently facing challenges like increase in labour cost, increasing power tariff & fuel charges, increase in transportation and inventory carrying charges, which are further likely to impact its margins. Cotton prices which have almost stabilized now may tend to increase due to various extraneous factors and lead to uncertainty. To bring growth and sustainability to the export markets and promote export, there is need to consistently seek new markets and tailor make products to suit the trends.

The risks are inherent in all businesses. The challenge for the Company is to effectively and responsibly manage and control the risks on a sustained basis to enhance returns. All the current and fixed assets of the company also suffer from the risk of natural calamity. However, it has been insured from the reputed insurance companies.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

VII. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Despite the surge in cotton yarn exports, the fluctuation in raw material prices and the economic slowdown have hurt the textile and garment sector, as the profitability of listed companies tumbled 33% in the first three quarters of the last fiscal from a year before. In the Fabric export segment, the next fiscal year will be a significant period in terms of consolidation in various markets for fabric by roll exports. US market has been developing well both on the residential fabric and contract business viz. hotel and hospitality industry. Middle East has shown significant jump on the volumes. Your company has spread its wings in most of the markets now like US, UK, South East Asia, Australia, NZ and Middle East. It

was planned to avoid Europe and Latin America for sometime till the worst is over there. Your company have emerged in last few years as a serious supplier of blackouts cotton and natural upholstery fabrics. We expect the upward trend in export business. Company has also introduced some of the new product in export segment like Multi-head embroidered fabrics which has higher value proposition, outdoor fabrics etc. This range is expected to have lesser competition, is highly technical and with a higher value.

To maintain the market share in domestic Market in Made ups Segments Company have introduced various new products/range in its CMT divisions and Fabric. Your company is catering to almost all big retailers related to above segment by introducing various range in the product line like Curtains, Cushion, pillows, bed Linen and Table Cloth. In Fabric by roll focus is always on Quantity as well as quality to serve the customers in best possible way. The last year performance was better than in comparison to past years in terms of Values, Quality etc. It is our endeavor to increase the business by timely meeting the demands of the market. Your company is targeting for a leading name in field of home textiles for which by networking for direct supply to leading international customers, implementation of SAP and introducing the new segment e-business on domestic and exports. During the period under review your company struggled to maintain the EBITA at the near about same level to Rs.421.66 millions in comparison to Rs 425.14 million in previous year. Company has incurred a net loss of Rs 1176.56 millions in comparison to Rs. (1036.37) millions in the previous year showing the same level of performance in spite of meeting the various operational challenges in the production and marketing front like decrease in the margin of yarn, up trend in cotton prices and consolidation/merging and closing of some of its units on economical viability grounds during the year. The impact of measures for improvement in the performance will be reflected in the current year's financial parameters.

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

The Company believes that the strength of an organization is its employees as a dedicated, enlightened and contented work force is the life-line for any business to achieve its goals. A sense of belonging enhances responsibility and results in better delivery. The Company's HR measures revolve around this philosophy. Industrial relations remained cordial in all the Company's operations during the year. Your company is continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. The company has been treating its human resources as the valuable assets. Consistent efforts being made to improve the organization structure, optimize the utilization of available human resources, clearly defining the job responsibilities so as to avoid over-lapping and also key results areas and key performance indices for better focus and assessment of the contributions, formulating/continuously reviewing HR policies for effective and fair implementation of the same and improving hygiene factors for facilitating to conclusive working environment. Efforts made to improve the female workers/employees ratio, formulating the policy to restrict the sexual harassment in line with the government directions. The company's commitment for treating its employees with human dignity and fairness were visible in its efforts made for the same throughout the year. The company's concerns for welfare of its workforce continued during the year. The company has been consistently maintaining harmonious & cordial relations with the employees at all the locations. The Company continues to lay emphasis on building and sustaining an excellent organizational climate based on human performance. During the year, the Company employed around 2600 employees (3800 employees during previous year). Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of the various plants.

CAUTIONARY STATEMENT

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

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

Annexure-3

- (i) Statement on company's philosophy on code of governance. : This report on corporate governance forms part of the Annual Report. Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to the community, customers, employees, Government another segments of society. Your Company is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders 'value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities is hallmark of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory Listing Agreement(s), gives an insight into the functioning of the Company.
- (ii) Board of Directors and procedures : The Board of the Company is well structured, in compliance with the listing agreement, with adequate blend of professional Executives and Independent Directors. The Board consist sufficient participation of independent directors. The Board's actions and decisions are aligned with the Company's best interest. The Company has defined guidelines and established framework of the meetings of the Board and Committees. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board committees in an informed and efficient manner.

The Board is headed by Non - Executive Chairman along with the Managing Director, who is also the Chief Executive Officer of the company and controls the day-to-day affairs of the company. The Company Secretary in consultation with the Board of Directors, finalize the agenda of the Board and Committee meetings, which is distributed to the Board/Committee members well in advance. In terms of the latest SEBI Circular dated April 8, 2008, it is to be mentioned that the relationship between Mr. K.K. Agarwal, Non Executive Chairman & Promoter Director and Mr. Sandeep Agarwal, Managing Director & Promoter Director is of father and son and there is no inter-se relationship amongst other directors, except above.

- (a) Composition and category of Directors under Corporate Governance

Nature of Directorship	Nos.	% to the total strength
Promoter and Non Executive	1	14.28%
Promoter & Executive	1	14.28%
Executive (Non-Independent)	1	14.28%
Non-Executive (Independent)	3	42.87%
Nominee (Special) – BIFR (Independent)	1	14.29%
Total	7	100.00%

#The State bank of India has withdrawn the Nominee director from the Board of the company and he has submitted the resignation letter dated May 11, 2014.

- b) There were four meetings Board of Directors were held during the year and attendance of each Director at the BoD meetings and the last AGM/EGM are as under:

Name of the Directors	Nature of Directorship	Relationship with other Director	Sitting fees paid during the year	No. of Board Meetings		Attended by
			(Rs. in 000')	Held	Attended	AGM 30.09.2013
Mr. K.K. Agarwal	Non-Executive Chairman & promoter	Father of Mr. Sandeep Agarwal	40.00	4	4	Yes
Mr. Sandeep Agarwal	Executive & promoter	Son of Mr. K.K. Agarwal	Nil	4	4	No
Mr. P.K. Rajput	Executive Director & non independent	-	Nil	4	3	Yes
Mr. Prabhat Krishna	Independent	-	50.00	4	3	Yes
Mr. Tilak Raj Khosla	Independent	-	60.00	4	4	Yes
Mr. P.K. Lamba	Independent	-	60.00	4	4	Yes
Mr. Sonalal Datta	Nominee Director by SBI	-	45.00	4	4	No
Mr. M.L. Sharma	Special Director by BIFR	-	45.00	4	4	No

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

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

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

* The State bank of India has withdrawn the Nominee director from the Board of the company on May 11, 2014.

- (d) Number of BoD meetings held, dates on : No. of Board Meetings held: 4 : Dates - 30/05/2013, 09/08/2013, 11/11/2013 and 12/02/2014.

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

1. Details of Mr. Pradyuman Kumar Lamba, : He is an Arts Graduate with qualified Subordinate Accounts Independent Director (DIN No. 02843166) proposed to be reappointed. Services (S.A.S.). He retired from the post of Dy. Controller of Defense Accounts under the Controller General of Defense Accounts in the Ministry of Finance (Defence). He has wide experience of about four decades in accounts and auditing of Defence Accounts at various positions like Auditor, Section Officer, Accounts Officer, Asst. Accounts Officer, Asstt. C.D.A. and Dy. C.D.A. He is an independent and non executive director. He does not hold any shares of company since his association with the company. He is not related / associated / interested directly/indirectly/ through relative) with any existing directors of the company. He does not hold directorship in any other company as on March 31, 2014.
2. Details of Mr. Pramod Kumar Rajput, : He is the Executive Director of the company and has been Executive Director (DIN No. 00597342) associated with it since a long time. He has experience in handling Commercial and Administrative affairs with prominent groups related to Textile Industry. He is holding 1,55,000 equity shares constituting 0.40% of equity shares capital in the company. He does not hold directorship in any other company proposed to be reappointed as Whole time Director designated as Executive Director. as on March 31, 2014.

(iii) Code of Conduct

: The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standards of transparency. Accordingly the Company has laid down a Code of conduct for all its Board members and Senior Managerial/Personnel so that conflict of interest could be avoided. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. The code of conduct is also available on Company's website i.e. www.alpsindustries.com. All Directors and senior management personnel have affirmed compliance with the Code for F.Y. 2013-14. A declaration to this effect signed by the Managing Director is given in this Annual Report.

(iv) AUDIT COMMITTEE

(a) Brief description of terms of reference

- : The composition of Audit Committee meets with the requirements of Section of 292A of the Companies Act 1956 and clause 49 of the listing agreement.
- (a) As specified under Clause 49 of the Listing Agreement;
 - (b) Review the unaudited quarterly result.
 - (c) Any matter related with Annual Report.
 - (d) Review of Un-audited Financial Results.
 - (e) Review of Internal Audit System.
 - (f) Approve and recommend the Compliance Report under the Companies (Cost Accounting Records), Rules 2011.
 - (g) Approve and recommend the appointment of Cost Auditor.
 - (h) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - (i) Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal

- of the statutory auditor and the fixation of audit fees.
- (j) Reviewing the company's risk management policies.
- (k) Reviewing any changes in accounting policies and practices as compared to the last financial year and commenting on any deviation from the Accounting Standards.
- (l) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (m) Any other specific matters referred by the Board of Directors from time to time.

- (b) Composition, name of members and Chairperson.
- | | | | |
|----|----------------------|---|----------|
| 1. | Mr. Prabhat Krishna | - | Chairman |
| 2. | Mr. Sandeep Agarwal | - | Member |
| 3. | Mr. Tilak Raj Khosla | - | Member |
| 4. | Mr. P.K. Lamba | - | Member |

- (c) Meetings and attendance during the year
- | | | | |
|-----------------------|----------------------|------------------|--------------|
| : Meetings held: Four | | | |
| Present Members : | | Meeting Attended | |
| 1. | Mr. Prabhat Krishna | - | Chairman - 3 |
| 2. | Mr. Sandeep Agarwal | - | Member - 4 |
| 3. | Mr. Tilak Raj Khosla | - | Member - 4 |
| 4. | Mr. P.K. Lamba | - | Member - 4 |

(v) NOMINATION AND REMUNERATION COMMITTEE

- (a) Brief description of terms of reference
- : (a) As specified under Clause 49 of the Listing Agreement.
 - (b) To decide the company's policy and specific remuneration package for the Whole time Directors.
 - (c) To decide any revision/ amendment/ addition/deletion/ recomposition in the remuneration package of the Whole Time Directors.
 - (d) Any matter related with the retirement benefits of the Executive and Whole Time Directors.
 - (e) Any other matter, as may be assigned by the Board with respect to financial commitment for whole time directors.
 - (f) To implement the Remuneration policy for directors, KMPs & senior level employees as required under section 178 of the Companies Act, 2013.

- (b) Composition, name of members and Chairperson.
- | | | | |
|----|---------------------|---|---------------------------------|
| 1. | Mr. Prabhat Krishna | - | Independent Director & Chairman |
| 2. | Mr. Sandeep Agarwal | - | Whole time director & Member |
| 3. | Mr. P.K Lamba | - | Independent director & member |
| 4. | Mr. Sonalal Datta* | - | Nominee-SBI |
| 5. | Mr. M.L. Sharma | - | Special Director- BIFR & member |

- (C) Meetings and attendance during the year
- | | | | |
|---------------------|---------------------|---|------------------------|
| : Meeting held: One | | | |
| Present Members | | | |
| 1. | Mr. Prabhat Krishna | - | Chairman |
| 2. | Mr. Sandeep Agarwal | - | Member |
| 3. | Mr. Sonalal Datta* | - | Nominee-SBI |
| 4. | Mr. M.L. Sharma | - | Special Director- BIFR |
- *Ceased to be Nominee Director w.e.f. 11.5. 2014.

- (d) Remuneration policy
- : As per Company rule & as specified under section 178 of the Companies Act, 2013.

- (e) Details of remuneration and pecuniary benefits to all the Directors, during the financial year ended on March 31, 2014 are as per details given below :-

(Rs. in 000' s)

Name of the Directors	Salary	Perquisites [#]	Sitting fees	Others*	Total
Mr. K.K. Agarwal	0.00	0.00	40.00	4.00	44.00
Mr. Sandeep Agarwal	1500.00	0.00	0.00	0.00	1500.00
Mr. P.K. Rajput	1161.29	24.36	0.00	0.00	1185.65
Mr. Prabhat Krishna	0.00	0.00	50.00	3.00	53.00
Mr. Tilak Raj Khosla	0.00	0.00	60.00	4.00	64.00
Mr. P.K. Lamba	0.00	0.00	60.00	4.00	64.00
Mr. Sonalal Datta	0.00	0.00	45.00	4.00	49.00
Mr. M.L. Sharma	0.00	0.00	45.00	4.00	49.00
TOTAL	2661.29	24.36	300.00	23.00	3008.65

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

It includes reimbursement of Medical Expenses & Provident Fund.

NOTES:

- In terms of Clause 49 (E) of the Listing Agreement, it is confirmed that there are no pecuniary relationships or transactions of the non-executive directors vis-à-vis company, except as mentioned above.
- The shareholding of directors as on 31st March, 2014 is as under:

(f) Details of Shareholding of Directors:

Sl. No.	Name	Shareholding	Percentage of paid up Equity Share Capital
1	Mr. K.K. Agarwal, Non Executive Chairman	1,147,460	2.93
2	Mr. Sandeep Agarwal, Managing Director	651,510	1.67
3	Mr. P.K. Rajput, Executive Director	1,55,000	0.40
4	Mr. Prabhat Krishna, Independent and Non Executive Director	NIL	NIL
5	Mr. Tilak Raj Khosla, Independent and Non Executive Director	NIL	NIL
6	Mr. P.K. Lamba, Independent and Non Executive Director	NIL	NIL
7	Mr. Sonalal Datta, Independent and Nominee Director by SBI	NIL	NIL
8	Mr. M.L. Sharma, Independent and Special Director by BIFR	NIL	NIL
	Total	1,953,970	5.00

(vi) STAKEHOLDERS RELATIONSHIP COMMITTEE

- (a) Brief description of terms of reference :
- As specified under Clause 49 of the Listing Agreement;
 - To review the status of Investors' Grievances and Secretarial Audit Report of each Quarter,
 - To review the statement of transfer of shares.
 - To review of split, consolidation & demat/remat of shares.
 - Any matter related with the Investors' Grievances.
 - Redressing the grievances related to non receipt of annual report/dividend.
 - The committee also looks after redressal of investors' grievances and performance of the Registrar and Transfer Agent of the company.
 - Monitoring the violations of the code of conduct for prevention of insider trading, if any.
 - Any other matter as may be assigned by the Board of Directors from time to time.

- (b) Composition, name of members and Chairperson.
- | | | | |
|----|----------------------|---|----------|
| 1. | Mr. Prabhat Krishna | - | Chairman |
| 2. | Mr. Sandeep Agarwal | - | Member |
| 3. | Mr. Tilak Raj Khosla | - | Member |
| 4. | Mr. P.K. Lamba | - | Member |

- (c) Meetings and attendance during the year : Meeting held: NIL

- (d) Name and designation of compliance officer and contact details : Mr. Ajay Gupta,
Company Secretary & General Manager - Legal.
Ph (D) : 0120-4161716 Fax : 0120-2896041, 2895299
Email ID : ajaygupta@alpsindustries.com
investorsgrievance@alpsindustries.com

- (e) Number of shareholders' complaints received so far. : Details of complaints received and redressed during the period 2013-2014:

Sr. No	Particulars	Received	Redressed	Pending as on 31.03.14
1.	Non-receipt of refund order	Nil	Nil	Nil
2.	Non-receipt of Dividend Warrants	4	4	Nil
3.	Non-Receipt of Share Certificates	Nil	Nil	Nil
4.	Others	9	9	Nil
	TOTAL	13	13	Nil

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

- (g) Number of pending share transfers. : **1. Share Transfer Details:**

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

2. Demat/Remat of Shares:

Sr. No	Particulars	Equity Share
a.	Number of Demat Transfers approved	1
b.	Number of shares Dematerialized	100
c.	Percentage of shares Dematerialized	0.0025
d.	Number of Rematerialization Requests approved	NIL
e.	Number of shares rematerialized	NIL

(vii) General Meeting

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

S. No.	Location	Date	Time	AGM/ EGM
1.	57/2, Site IV Industrial Area, Sahibabad, Ghaziabad, U.P.	30.09.2011	10:00 A.M	AGM
2.	--Do--	29.09.2012	10:00 A.M	AGM
3.	--Do--	30.09.2013	10:00 A.M.	AGM

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

: Yes, as per following details:

At the AGM held on 30.09.2011

1. Re-appointment of M/s P. Jain & Co., Chartered Accountants as Statutory Auditors of the company under Section 224A of Companies Act, 1956.
2. Preferential Allotment of OCCPS/CRPS in terms of CDR Scheme.
3. Amendment in CDR Scheme.
4. Powers to mortgaged fixed assets.
5. Reappointment of Executive Director.

At the AGM held on 29.09.2012

1. Re-appointment of M/s P. Jain & Co., Chartered Accountants as Statutory Auditors of the company under Section 224A of Companies Act, 1956.
2. Recomposition and Reclassification of Authorized Share Capital.
3. Amendment in MAP for issuance of OCCPS in terms of CDR Scheme.
4. Preferential Allotment of CRPS in terms of CDR Scheme.

At the AGM held on 30.09.2013

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

(c) Special Resolutions were put through postal ballot last year, details of voting pattern. : No, such Resolution was passed.

(d) Person who conducted the postal ballot exercise. : N.A

(e) Any Special Resolution is proposed to be conducted through postal ballot. : No

(f) Procedure for postal ballot. : As per Section 110 of the Companies Act, 2013 and Rules made there under will be followed, if applicable.

(viii) Disclosures

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

- (b) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years. : None
- (c) Compliance of Mandatory requirement under the Corporate Governance. : As per the details mentioned in part III of the compliance report.
- (d) Compliance of Non- Mandatory requirement under the Corporate Governance. : As per the details mentioned in part IV of the compliance report.
- (e) Whistle Blower & Vigil Policy : The company has implemented the Vigil policy/Whistle Blower Policy as specified under section 177 of the Companies Act, 2013. It is also affirmed that none of the personnel has been denied access to the Audit Committee. As required it has also been displayed on the company website i.e. www.alpsindustries.com

(ix) Means of Communication

- (a) Quarterly results. : Published in the News Paper and sent to the Stock Exchanges where Shares of the Company are listed and also displayed on the company website.
- (b) Shareholding pattern and any other material information on the business/joint venture/agreements entered into by the Company : On company website alongwith information to the stock exchanges separately.
- (c) Which newspapers normally published in. : Money Makers and Dainik Mahalaxmi Bhagyodaya
- (d) Reminder to Investors : As per the requirement of Clause 5A of the Listing Agreement, three reminders for unclaimed shares held in physical mode had been sent to the eligible shareholders during the financial year 2011-12.
- (e) NSE Electronic Application Processing System (NEAPS) and BSE Listing centre for electronic filing. : The NSE and BSE developed web based application for corporate. The shareholding Pattern, Intimation of Board meetings and Corporate Governance Report are also filed electronically on NEAPS and Listing centre of BSE by the company on quarterly basis.
- (f) SEBI Complaints Redress System (SCORES) : The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- (g) Any website, where displayed. : www.alpsindustries.com
In compliance of the General Circular No. 17/2011 dated 21.04.2011 & 18/2011 dated 29.04.2011, the company is sending the Annual Report by email to all the members by adopting the

Green Initiative as directed by the Government. The full text of the documents will be available on the Company's Website.

- (h) Whether it also display official news : Yes
release
- (i) The presentations made to institutional investors or to the analysts. : The Financial Results are sent to the major investors including Institutional Investors, banks & various other government/statutory agencies and analysts.
- (j) Whether MD&A is a part of Annual Report or not. : Yes. Company also display on the official website.
- (k) Voting by electronic means : In terms of the requirement of section 108 and Companies (Management and Administration) Rules, 2014, clause 35B of the listing agreement and in terms of the better corporate governance, the company will make necessary arrangements to facilitate the e-voting by all the members of the company from the forthcoming AGM.

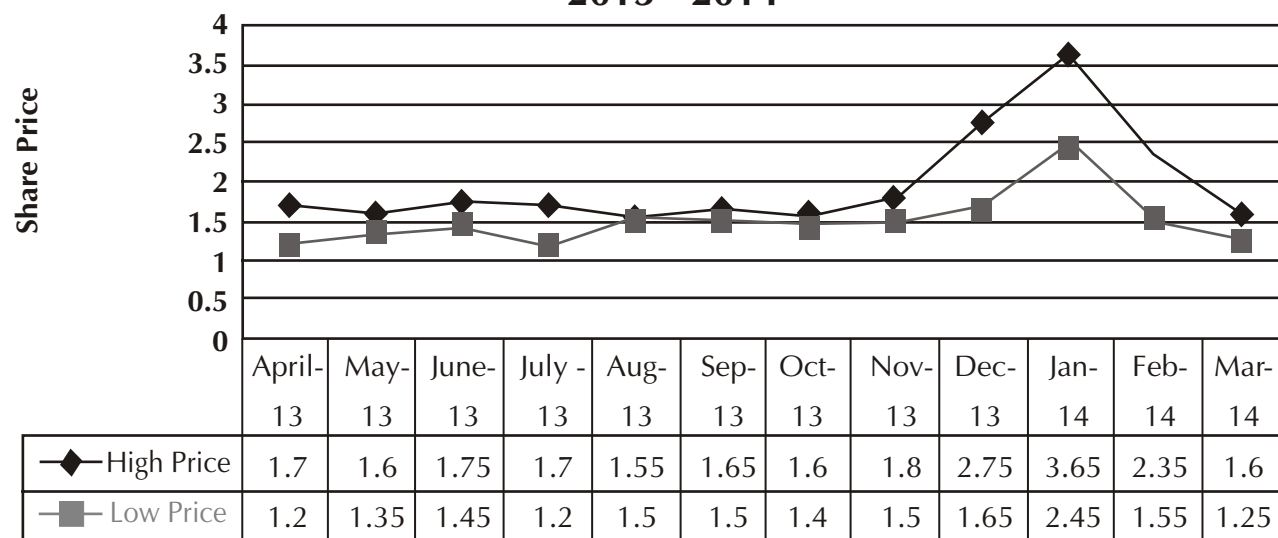
(X) General Shareholder information

- (a) AGM: Date, time and venue (Tentative) : Date : September 30 , 2014
Day : Tuesday
Time : 10:00 A.M
Venue: 57/2, Site IV, Industrial Area, Sahibabad,
Ghaziabad, (U.P.) Pin- 201010
- (b) Financial Calendar (Tentative) : 2014-15
Financial Year : April 1, 2014 to March 31, 2015
Annual General Meeting : September 30, 2014
Result for quarter ending June 30 , 2014 : Second Week of August, 2014.
Result for quarter ending Sept 30, 2014. : Second Week of November, 2014
Result for quarter ending Dec 31, 2014. : Second Week of February, 2015
Result for quarter ending March 31, 2015. : Last Week of May, 2015
Audited Accounts for the financial year ending on March 31, 2015 : Last Week of May, 2015
- (c) Date of Book Closure : Wednesday, September 24, 2014 to Thursday, September 25 2014 (Both days inclusive)
- (d) Cut-off date for Voting Rights for AGM under Section 108 of the Companies Act 2013. : Wednesday, August 6, 2014
- (e) Schedule for e-voting : From 25.09.2014, 10:00 AM to 26.09.2014, 10:00 AM
- (f) Dividend Payment Date : The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2014.
- (g) Listing on Stock Exchanges : Equity Shares of the company are listed at the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd., Mumbai.
- (h) Stock Code : NSE : ALPSINDUS-EQ
BSE : 530715/ALPSIND

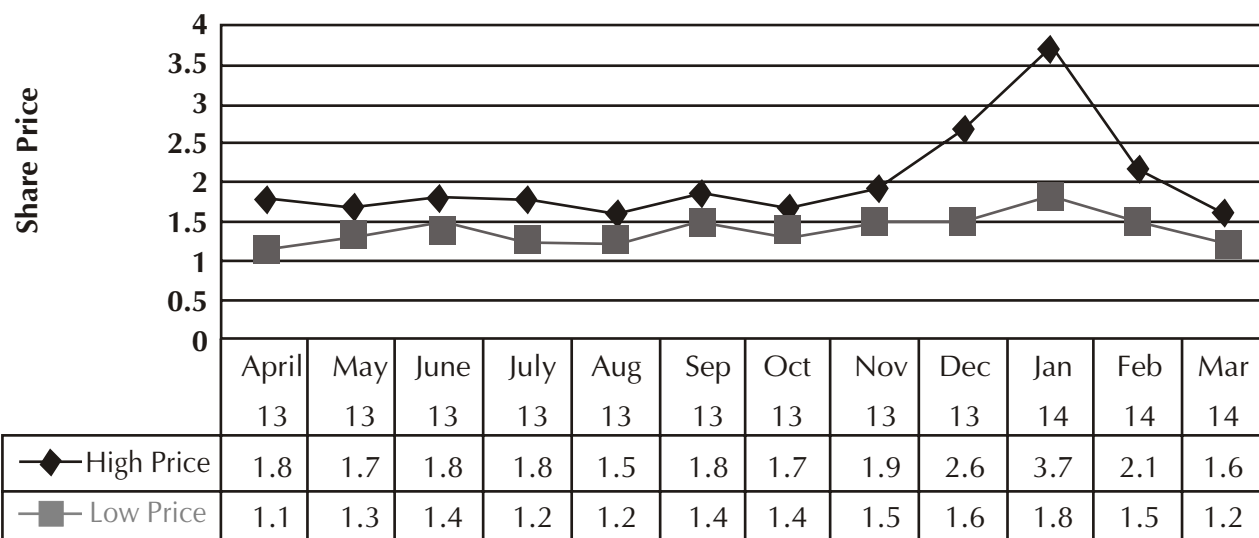
- (i) Issue & reclassification of Quasi Equity shares under Corporate Debt Restructuring Scheme : To meet out the requirement of the terms of issue of the securities and conditions of CDR as approved by CDR-EG vide LOA dated September 11, 2009 and rework of CDR vide LOA dated 4 May 2011, the company has made Reclassification of 26,934,146 6% OCCPS under category B into 6% CRPS under the same category on February 22, 2014.
- (j) Market Price Date: High, Low during each month in last financial year in National Stock Exchange of India Limited & Bombay Stock Exchange Ltd. :

SL. No.	Month	National Stock Exchange of India Limited (NSE)				Bombay Stock Exchange Ltd. (BSE)			
		(In Rs. per share)				(In Rs. per share)			
		Month's High Price		Month's Low Price		Month's High Price		Month's Low Price	
		Rate	Date	Rate	Date	Rate	Date	Rate	Date
1	April – 13	1.70	03.04.2013	1.20	01.04.2013	1.80	03.04.2013	1.16	08.04.2013
2	May – 13	1.60	02.05.2013	1.35	17.05.2013	1.70	28.05.2013	1.36	02.05.2013
3	June – 13	1.75	17.06.2013	1.45	03.06.2013	1.85	13.06.2013	1.44	03.06.2013
4	July – 13	1.70	01.07.2013	1.20	12.07.2013	1.80	08.07.2013	1.29	31.07.2013
5	Aug – 13	1.55	08.08.2013	1.50	05.08.2013	1.57	19.08.2013	1.29	02.08.2013
6	Sept – 13	1.65	26.09.2013	1.50	02.09.2013	1.89	16.09.2013	1.47	27.09.2013
7	Oct – 13	1.60	01.10.2013	1.40	15.10.2013	1.71	29.10.2013	1.40	15.10.2013
8	Nov – 13	1.80	26.11.2013	1.50	05.11.2013	1.92	26.11.2013	1.52	08.11.2013
9	Dec – 13	2.75	31.12.2013	1.65	03.12.2013	2.67	31.12.2013	1.60	09.12.2013
10	Jan – 14	3.65	09.01.2014	2.45	31.01.2014	3.70	09.01.2014	1.84	31.01.2014
11	Feb – 14	2.35	03.02.2014	1.55	28.02.2014	2.17	07.02.2014	1.53	28.02.2014
12	Mar – 14	1.60	03.03.2014	1.25	21.03.2014	1.62	03.03.2014	1.25	26.03.2014

**Alps Industries Limited-Share Price on NSE
2013 - 2014**



Alps Industries Limited-Share Price on BSE 2013 - 2014

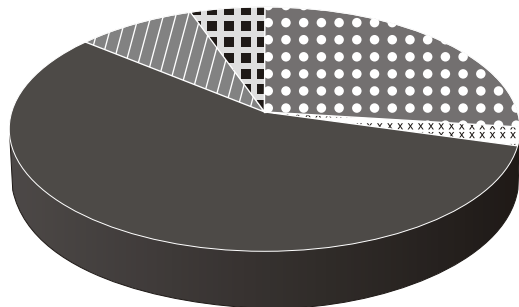


- (k) Shareholding Pattern as on 31.03.2014
 Scrip Code: NSE –ALPSINDUS & BSE -530715/ALPSIND
 Name of the Scrip: Alps Industries Limited
 Class of the Security: Equity Shares

Category Code	Category of Shareholder	Number of Share holders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group¹			
	Indian	19	10,586,018	27.06
	Total Shareholding Pattern of Promoter and Promoter Group	19	10,586,018	27.06
(B)	Public Shareholding²			
(1)	Institutions	7	19,94,338	5.10
(2)	Non Institutions	24,360	26,533,744	67.84
	Total Public Shareholding	24,367	28,528,082	72.94
(C)	Shares held by Custodian and against which Depository Receipts have been issued			
(1)	Promoter and Promoter Group	-	-	-
(2)	Public	-	-	-
	TOTAL (A+B+C)	24,386	39,114,100	100.00

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

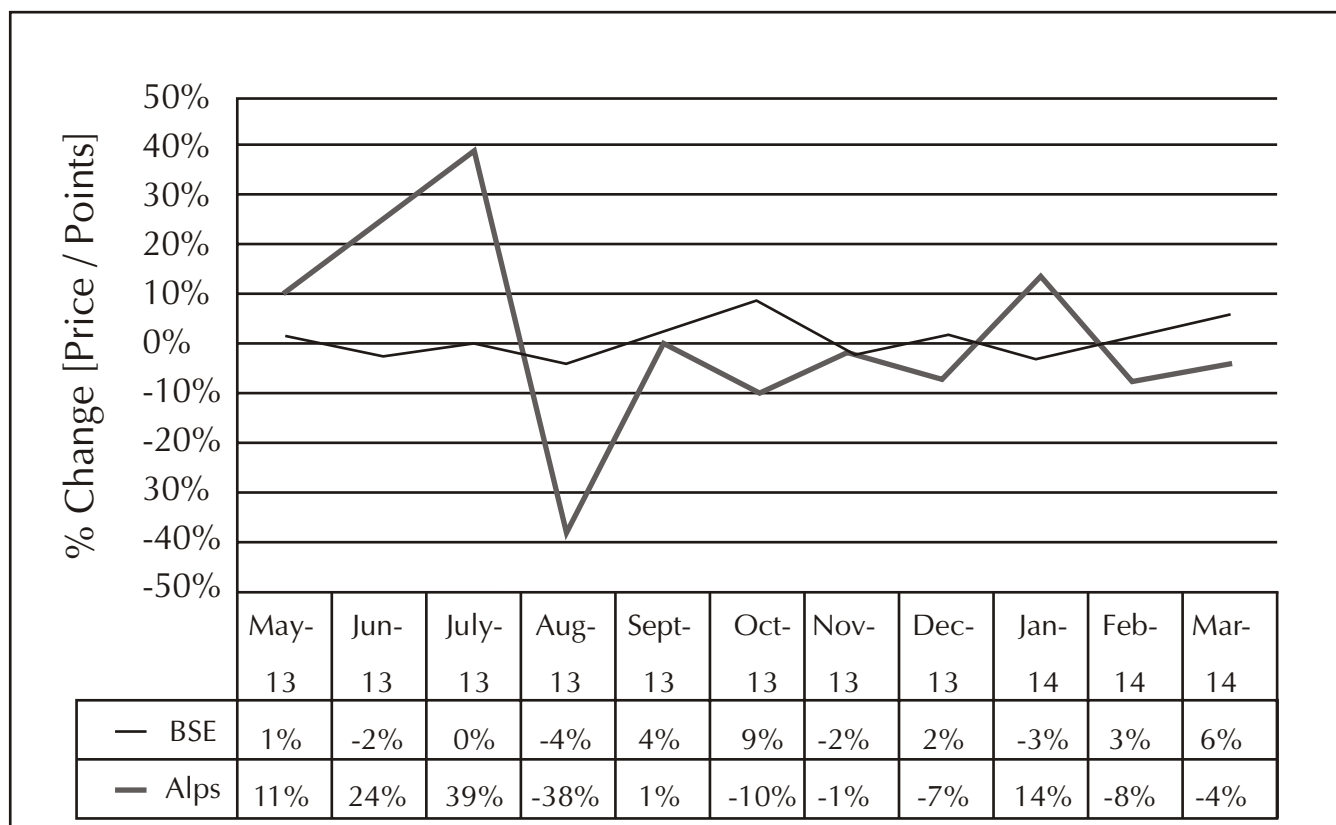
SHAREHOLDING PATTERN AS ON MARCH 31, 2014



SHAREHOLDER	SHAREHOLDING (%)
Promoter	27
Others (NRI/OCB, Clearing members & DRs)	2
Indian Public	58
Private corporate bodies	8
Mutual funds/UTI, Financial Institution/Bank, Insurance companies, (Central & State Gov. Institutions/non government institutions).	5
TOTAL	100

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

NSE CHART FOR THE YEAR 2013-14 OF ALPS INDUSTRIES LTD. Vs. BSE SENSEX



- (m) Registrar and Transfer Agents for Demat & Physical Shares : Alankit Assignments Limited,
Corporate Office, Alankit House,
2E/21, Jhandewalan Extension
New Delhi-110 055 India.
- (n) Share Transfer System and Investors Grievances : In terms of the SEBI Circular for appointment of common agency as R&T Agent for Demat and Physical Shares, company has appointed the above R&T Agent. The share transfer and Investor Grievances system is in compliance with the requirement of the Stock Exchanges and as specified under the Depository Act, 1996. Company has Stakeholder relationship Committee to review the status of various matters related with the shareholders. The company has also provided the updated information for processing of details for allotment of User ID and Password for login into SEBI Compliant of Redress System (SCORES) in terms of the SEBI Circular Ref No. CIR/OIAE/2011 dated June 3, 2011.
- (o) Uniform procedure for dealing with unclaimed shares. : In terms of Clause 5A(I) & (II) of the Listing Agreement the company report the following details in respect of the unclaimed equity shares lying in the suspense account which were issued in demat. The physical shares pursuant to the public issue, subsequent bonus issue and the transfer cases have been credited to Alps Industries Limited- Unclaimed Share Demat Suspense Account and Alps Industries Limited Unclaimed Suspense Account - Physical Account opened with Alankit Assignment Limited. The details of shareholding of individual allottee have been properly maintained and the shares have been credited to the allottee accounts as and when he/she approaches to the Company/R&T Agent.

Particulars	Number of share holders	Number of equity shares	Number of share holders	Number of equity shares
	Demat		Physical	
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2013	23	2364	76	12002
Number of shareholders who approached the company for transfer of shares from suspense account during the year	--	--	--	--
Number of shareholders to whom shares were transferred from the suspense account during the year	--	--	--	--
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2014	23	2364	76	12002
No of request received for claiming of shares with no of shares	--	-	--	--
No of request accepted for claiming of shares with no of shares	--	-	--	--
No of request rejected for claiming of shares with no of shares	--	--	--	--

(p) Distribution of shareholding : As on 31st March, 2014

Share holding of nominal value	Shareholders		Share Amount	
	Number	%	Rs. In 000's	%
In Rs.				
Upto- 5000	23663	97.035	114789.37	29.347
5001- 10000	409	1.677	30318.15	7.751
10001- 20000	181	0.742	26094.46	6.671
20001- 30000	38	0.156	9048.90	2.313
30001- 40000	16	0.066	5454.57	1.395
40001- 50000	17	0.07	7649.15	1.956
50001- 100000	22	0.09	16981.98	4.342
100001 and above	40	0.164	180804.42	46.225
TOTAL	24386	100.000	391141.00	100

(q) Dematerialization of shares and liquidity : 99.75 % of Issued Capital is in Dematerialized form as on 31st March 2014. The shares are listed at the two stock exchanges.

(r) Outstanding GDRs/ADRs /Warrants or any Convertible instrument, conversion date and likely impact on equity :

- (i) No GDRs is outstanding as on 31st March 2014.
- (ii) The company has not issued any ADRs.
- (iii) The company had issued 26,934,146 6% Optionally Convertible Cumulative Preference shares (OCCPS) under category B, on August 22, 2012 in favour of the bankers of the company. In terms of the CDR Scheme approved on August 31, 2009. These instruments were convertible into equity at a conversion price of Rs. 10.82/- per equity shares. As none of the shareholder have opted to convert the OCCPS into equity shares on or before the completion of 18 months from the date of allotment i.e. February 21, 2014, the shares have been converted into 6% CRPS under the same category. Hence, there is no outstanding convertible security as on March 31, 2014.

(s) Plant Locations :

1. Plot No. 1-A, Sector 10 Integrated Industrial Estate, SIDCUL Haridwar-249403, Uttarakhand
2. Plot No. 1-B, Sector 10 Integrated Industrial Estate, SIDCUL, Haridwar-249403, Uttarakhand
3. Village- Aminagar, Bhoor Baral, Meerut Delhi Road, Distt- Meerut -250103 (Uttar Pradesh)
4. A-2 Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (Uttar Pradesh)
5. A-3 Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (Uttar Pradesh) [Merged with A-2 to expand the operations of A-2 unit]
6. A-16/2, Site IV Industrial Area, Sahibabad, Ghaziabad 201010 (U.P.) [Operations shifted and lease hold unit surrendered during the year.]

7. Kashipur Spinning Mills, Near Govt. Degree College, Kashipur Bazpur Road, Kashipur, Udham Singh Nagar, Uttarakhand – 244713 [Leasehold unit surrendered and closed during the year.]
8. Jaspur Spinning Mills, Afzal Garh Road, Jaspur, Udham Singh Nagar, Uttarakhand – 244712 [Leasehold unit surrendered and closed during the year.]
9. B-160-161, Industrial Estate , Mettupalayam, Puducherry – 605 009
10. 57/2 & 58/1, Site IV Industrial Area, Sahibabad, Ghaziabad 201010 (U.P.)

- | | | |
|---|---|--|
| (t) Address for correspondence | : | Corp. Office: 57/2, Site - IV, Sahibabad Industrial Area, Ghaziabad-201 010 (U.P.) |
| (u) CEO/CFO Certification | : | As required under Clause 49 of the Listing Agreement, a Certificate duly signed by the CEO/CFO was placed at the meeting of Board of Directors held on May 30, 2014. |
| (v) Secretarial Audit for Reconciliation of Capital | : | In terms of the SEBI Circular the company has submitted the required certification duly certified by the Practicing Company Secretary, to the Stock Exchanges where the securities of the company are listed within the prescribed time in each quarter. |
| (w) Company CIN No. and ROC | : | Company CIN No. is L51109UP1972PLC003544 and Registered with Registrar of Companies, Kanpur, Uttar Pradesh (State Code 20). |

GREEN INITIATIVE

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated April 21 2011 and 18/2011 and 29th April, 2011 has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Director's Report, Auditors' Report and explanatory statement etc., through electronic mode to the registered email address of the members. Keeping in view the underlying theme and the circular issued by MCA, we are sending all the communications in electronic mode to the email address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to provide their details (name, folio no, e-mail id) on the company's email address viz. ajaygupta@alpsindustries.com, investorgrievance@alpsindustries.com or the R&T i.e. M/s. Alankit Assignments Ltd. e-mail id jksingla@alankit.com. Members who hold shares in electronic form are requested to get their details updated with the respective depositories.

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

ANNEXURE-3

1. The Board
 - (i) Non-Executive Chairman's office : The company has an office for the Non-Executive Chairman.
 - (ii) Tenure of Independent Directors. : The company will make necessary compliance as and when required

2. Remuneration Committee
 - (i) Terms of Reference and remuneration policy. : Company is having a Nomination & Remuneration Committee in terms of the requirements of Schedule V in Part II in Section II of the Companies Act, 2013, It is authorized to approve and recommend the company's policies on specific remuneration packages for executive directors including pension rights and any compensation payment. As required it has also been displayed on the company website i.e. www.alpsindustries.com.

 - (ii) Constitution of the committee

1. Mr. Prabhat Krishna	-	Independent Director & Chairman
2. Mr. Sandeep Agarwal	-	Whole time Director & Member
3. Mr. P. K Lamba	-	Independent Director & member
4. Mr. Sonalal Datta*	-	Nominee Director-SBI
5. Mr. M.L. Sharma	-	Special Director- BIFR & member.

 - (iii) Presence at the meeting.

: Meeting held: one Present Members		
1. Mr. Prabhat Krishna	-	Chairman
2. Mr. Sandeep Agarwal	-	Member
3. Mr. Sonalal Datta*	-	Nominee-SBI
4. Mr. M.L. Sharma	-	Special Director- BIFR

*Ceased to be Nominee Director w.e.f. May 11, 2014.

 - (iv) Presence of the Chairman of the committee at the Annual General Meeting. : The Chairman of the meeting was present at the Annual General Meetings.

3. Shareholders rights

Half Yearly Financial Results and summary of significant events during the last six months may be sent to each household of shareholders

: The Financial Results and summary of significant events during the last six months were sent to the members as and when demanded by them members, during the financial year.

4. Audit Qualifications

: There is qualification / reservation in the Audit Report of the Statutory Auditors, for the financial year ended on March 31, 2014 and the same has been explained in the Notes to Accounts at appropriate place and being self explanatory needs no further explanation. As required under amended clause 31(a) and SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012, the

necessary disclosures/details in the prescribed Form 'B' have been appended with the Annual Report. appended with the Annual Report. The Company has received a letter Ref. No CFD/D IL/HB/MT/114118/2014 dated April 21, 2014 from Securities and Exchange Board of India (SEBI) in relation to audit qualification given in Annual Report of previous Financial Year i.e. 2012-13. In response to their letter, the company has filed the suitable reply vide letter dated May 8, 2014 to Financial Reporting Review Board (FRRB) of ICAI as per the requirement of SEBI.

5. Training of Board Members : Company will assist to expand the expertise of the members of the Board as and when required.
6. Mechanism for evaluating Non-Executive Board Members : Performance evolution of non executive directors used to be carried out by the Board of Directors from time to time.
7. Whistle Blower Policy : The company has implemented the Vigil policy/Whistle Blower Policy as specified under section 177 of the Companies Act, 2013 and all the concerned officials have been advised suitably.
8. Postal Ballot : It has been conducted wherever required.
9. E-voting : In terms of section 108 of the Companies Act, 2013 and relevant rules and in terms of clause 35B of the listing agreement, the necessary facility will be provided .
10. Code of Conduct : In terms of the requirement of the Corporate Governance, the Board of Directors at their meeting held on October 26, 2005 has approved the code of conduct of the company and the Model Code of Conduct and Code for Corporate Disclosure Practices for prevention of insider trading as specified under the SEBI (Prohibition of Insider Trading) Regulations, 1992, at the Board of Directors meeting held on October 15, 2005. It has been reviewed and updated from time to time according to the requirement of the company. It has also been displayed on the company's website www.alpsindustries.com. The necessary disclosure for compliance has been made at the meeting of Board of Directors held on May 30, 2014
11. Disclosure for Non-Mandatory requirements : All the major and effective Non-Mandatory requirements have been complied with.

The Members of
Alps Industries Limited
Ghaziabad.

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

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

Place: Ghaziabad
Date : May 30, 2014

For Alps Industries Ltd

(Sandeep Agarwal)
Managing Director & CEO

***The Code of Conduct and Model Code of Conduct and Code for Corporate Disclosure Practices for prevention of insider trading as specified under the SEBI (Prohibition of Insider Trading) Regulations, 1992, can be viewed on the Company's website www.alpsindustries.com.**

CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Alps Industries Limited
Ghaziabad

We have examined the compliance of conditions of Corporate Governance by Alps Industries Limited, for the financial year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For P. Jain & Co.
Chartered Accountants

Place : Ghaziabad
Date : May 30, 2014

(Munish Kr. Jain)
Partner
Membership No. : 70335

To,

Board of Directors,
Alps Industries Limited,
B-2 Loni Road Indl. Area,
Opp. Mohan Nagar,
Ghaziabad (Uttar Pradesh).

Dear Sirs,

**CEO AND PRESIDENT CORP. (FINANCE & ACCOUNTS) CERTIFICATION ON THE FINANCIAL STATEMENTS
FOR F.Y. 2013-14**

We in our official capacity do hereby confirm and certify that:

- (a) We have reviewed financial statements and the cash flows statement for the year ended on 31.03.2014 and that to the best of our knowledge and belief.
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to be taken to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee
 - (i) Significant changes in internal control over financial reporting during the financial year ended on March 31, 2014;
 - (ii) Significant changes in the accounting policies during the financial year ended on March 31, 2014 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

FOR ALPS INDUSTRIES LIMITED

**SANDEEP AGARWAL
(MANAGING DIRECTOR)
(CHIEF EXECUTIVE OFFICER)**

Place: Ghaziabad
Date: May 30, 2014

FOR ALPS INDUSTRIES LIMITED

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

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

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

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

2. The Company has paid listing fees for the year 2014-2015 to both the Stock Exchanges.
3. Annual Custodian/Issuer Fees for the year 2014-15 have been paid by the company to NSDL & CDSL.
4.

Sl. No.	Particulars	Amount
(i)	Loans and advances in the nature of loans to subsidiaries (by name and amount).	NIL
(ii)	Loans and advances in the nature of loans to associates by name and amount.	NIL
(iii)	Loans and advances in the nature of loans where there is : a) No repayment schedule or repayment beyond seven years or b) no interest or interest below section 372A of the Companies Act , 1956/186 of the Companies Act 2013 by name and amount	NIL
(iv)	Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount.	NIL
(v)	Investments by the loanee in the shares of parent company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.	NIL

SUBSIDIARY COMPANIES AS ON MARCH 31, 2014.
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES.

1.	Name of the Subsidiary Company	ALPS USA INC.	Alps Energy Private Limited	Snowflakes Meditech Pvt. Ltd.
2.	Financial Year of the Subsidiary Company ended on	March 31, 2014	March 31, 2014	March 31, 2014
3.	No. of shares in the Subsidiary	15 shares of no par value	22,60,000 of Rs. 10/- each	22,60,000 of Rs. 10/- each
4.	Percentage of Holding (Equity)	100%	78.22 %*	81.65 %*
5.	Percentage of Holding (Preference)	Nil	Nil	Nil
6.	The net aggregate of profits/ (losses) of the Subsidiary Company for its financial years so far as they concern the members of the Company:			
a)	Dealt with in the account for the period ended 31st March 2014	(USD 193)	Rs. 7.30 Lacs	Rs. (90.71) Lacs
b)	Not dealt with in the accounts for the period ended 31st March 2014 (Profit/Loss)	Nil	NIL	NIL
7.	The net aggregate of profits/ (losses) of the Subsidiary Company for its Previous financial years since it became so far as they concern the members of the Company:			
a)	Dealt with in accounts for the period ended 31st March 2013	((USD 193)	Rs 7.30 Lacs	Rs. (90.71) Lacs
b)	Not dealt within accounts for the period ended 31st March 2013 (Profit/Loss)	Nil	NIL	NIL
8.	Change in the Holding Company's interest in the subsidiary between the end of the Financial Year of the subsidiary and the end of the holding company's financial year.	No Materia Change	No Material Change	No Material Change
9.	Details of any material changes which have occurred between the end of the financial year in respect of :			
a)	The Subsidiary's fixed assets Its Investment	No Change	No Change	No Change
b)	The moneys lent by it	No Change	No Change	No Change
c)	The moneys borrowed by it for any purpose other then that of meeting current liabilities	No Change	No Change	No Change

*Due to implication of section 2(87) of the Companies Act, 2013, the percentage of holding have been increased because of consideration of holding of preference shares by another subsidiary i.e. Alps USA INC.

Undertaking

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

For and on behalf of the Board

Place: Ghaziabad
 Dated: May 30, 2014

Sandeep Agarwal
 Managing Director

P.K. Rajput
 Executive Director

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

Ajay Gupta
 Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of
ALPS INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ALPS INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards Notified under the companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the ministry of corporate affairs in respect of section 133 of the companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the 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 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 internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 audit opinion.

Basis for Qualified Opinion

The company has not made any provision towards losses amounting to Rs. 38979 Lacs on derivative contracts crystallized (refer to note nos. 36 (A) (d) I, II and III to the notes to account) and towards claim amounting to Rs. 6009 Lacs against the corporate guarantee provided by the company on behalf of one of its subsidiary company (Refer to note no. 36 (A) (d) IV to the notes to account), hence to these extent the loss as shown in the statement of profit and Loss, accumulated losses and current liabilities are understated.

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 matters described above in the Basis for Qualified Opinion paragraph, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) Except for the effects of the matters described above in the basis for Qualified opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards Notified under the act read with the General Circular 15/2013 dated 13th September, 2013 of the ministry of corporate affairs in respect of section 133 of the companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Munish Kr. Jain
Partner
Membership No. : 70335

Place : Ghaziabad
Date : May 30, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirement" of our report of even date In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- I. (a) The Company has maintained records showing full particulars including quantitative details and situation of its fixed assets, however, these records are in process of completion.
(b) As explained to us, the management has during the year physically verified all the fixed assets in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company. We have been informed that no material discrepancies were noticed on such physical verification during the year.
(c) During the year the Company has not disposed off substantial part of its fixed assets.
- II. (a) The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(b) The Company has maintained proper records of inventories. As explained to us, the discrepancies noticed on physical verification as compared to book records were not material, however, the same have been properly dealt with in the books of account.
- III. There are no Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted any loans, secured or unsecured, as per information and explanation given to us. Consequently paras 4 (III) (b), (III)(c) and (III) (d) of the order are not applicable to the Company.

The company has not taken any loan secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 as per information and explanation given to us. Consequently paras 4 (III) (e), (III)(f) and (III) (g) of the order are not applicable to the Company.

- IV. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for purchases of inventory and fixed assets and for the sale of goods and services. In our opinion, there is no continuing failure to correct major weaknesses in internal control procedures.
- V. (a) According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register as required to be maintained under that section, wherever applicable.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at the prices, which appear reasonable as per information available with the Company.
- VI. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public with in the meaning of section 58A and 58-AA or any other relevant provisions of the Companies Act, 1956, and the Rules framed there under.
- VII. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- VIII. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the companies Act, 1956 and 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.
- IX. a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor

Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and any other statutory dues applicable to it with the appropriate authorities.

- b) According to the information and explanations given to us, no amounts payable in respect of Income-tax, Wealth tax, Service Tax, Sales-tax, Custom duty, Excise duty, Cess and other aforesaid statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
- c) The disputed statutory dues aggregating to Rs. 429.27 Lacs have not been deposited on account of matters pending before appropriate authorities as on 31st March, 2014, are as under:

Sr. No.	Name of the Statute	Nature of Dues	Amount	From where Dispute is Pending
1	U.P. Tax on entry of Goods	Entry Tax	Rs. 3.56 Lacs	Tribunal Ghaziabad
2	Nagar Nigam Act, 1959	Sewerage Tax	Rs. 4.72 Lac	Hon'ble Allahabad High Court
3	Uttarakhand Agriculture Produce Marketing (Development & Regulation) (Amended) Act 2012	Mandi Samitee Cess	Rs. 420.99 Lacs	Hon'ble Uttarakhand High Court at Nainital

- X. (a) The accumulated losses of the company as at 31st March, 2014 are more than fifty percent of its net worth.
- (b) The Company has incurred cash losses during the current year ended 31st March, 2014 and in the immediately preceding financial year.
- XI. Based on our audit procedure and the information and explanations given to us, the Company has defaulted in repayment to the Bank as given below.

Nature of Dues

Rs. in Lacs

Principal	Interest	Default w.e.f
1500.00	1072.15	February 2009
1000.00	698.70	March 2009

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

- XII. Based on our examination of records and explanations given to us during the year, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. As per the information and explanations given to us, the provisions of special statute applicable to chit fund do not apply to the company. The company is also not a Nidhi/Mutual Benefit Fund/ Society.
- XIV. In our opinion, and according to the information and explanations given to us, the Company is not dealing or trading in Shares, Securities, debentures and other investments.
- XV. Based on our examination of records and information and explanations given to us, the company has not given corporate guarantees on behalf of other body corporate to the banks during the year.
- XVI. Based on information and explanations given to us by the management, the term loans have been applied for the purpose for which they were obtained.
- XVII. According to the information and explanation given to us and on an overall examination of the Balance sheet of the company, we are of the opinion that funds raised on short-term basis have not been used for long-term investment.
- XVIII. As explained to us, the company has not made any preferential allotment of shares to companies or parties covered in the register maintained under section 301 of the Act during the year.
- XIX. According to information and explanations given to us, the company has not issued debentures during the year.

- XX. The company has not raised any money by way of public issue during the year.
- XXI. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor have we have been informed of such case by the management.

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

Munish Kr. Jain
Partner
Membership No. : 70335

Place : Ghaziabad
Date : May 30, 2014

ALPS INDUSTRIES LTD.



BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2014

		AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
EQUITY AND LIABILITIES	Notes		
Shareholders Funds			
Share Capital	1	30,704.31	30,704.31
Reserves and Surplus	2	(67,649.54)	(55,913.93)
		<u>(36,945.23)</u>	<u>(25,209.62)</u>
Non-Current Liabilities			
Long-Term Borrowings	3	69,373.96	68,629.17
Other Long Term Liabilities	4	23,056.16	13,666.72
Long-Term Provisions	5	290.26	292.00
		<u>92,720.38</u>	<u>82,587.89</u>
Current Liabilities			
Short-Term Borrowings	6	40,151.57	39,351.28
Trade Payables	7	6,476.44	6,117.40
Other Current Liabilities	8	6,845.18	6,324.32
Short-Term Provisions	9	34.25	23.01
		<u>53,507.44</u>	<u>51,816.01</u>
Total		<u>109,282.59</u>	<u>109,194.28</u>
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		49,894.37	53,730.21
Intangible Assets		37.36	49.95
Capital Work in Progress		105.01	200.84
Intangible Assets Under Development		102.08	-
Non-current Investments	11	958.56	958.56
Long-term loans and advances	12	1,160.88	1,327.90
Other non-current assets	13	1,209.69	1,210.90
		<u>53,467.95</u>	<u>57,478.36</u>
Current Assets, Loans & Advances			
Current Investments	14	22.61	25.00
Inventories	15	37,755.50	35,558.37
Trade Receivables	16	11,557.66	11,054.01
Cash & Bank Balances	17	4,775.04	3,558.21
Short-Term Loans & Advances	18	752.77	904.56
Other current assets	19	951.06	615.77
		<u>55,814.64</u>	<u>51,715.92</u>
Total		<u>109,282.59</u>	<u>109,194.28</u>

Significant Accounting Policies and other
Notes on Financial Statements

1-51

Notes referred to above form an integral part of Financial Statements

As per our report of even date

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. : 000711C)

Munish Kr. Jain

Partner

Membership No. : 70335

Place : Ghaziabad

Date : May 30, 2014

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

For and on behalf of the Board

ALPS INDUSTRIES LTD.



STATEMENT OF PROFIT & LOSS

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

	Notes	Year Ended 31.03.14 Rs.(in Lacs)	Year Ended 31.03.13 Rs.(in Lacs)
Revenue from operations			
Sale of Products	20	76,535.05	68,136.23
Other Operating Revenues		4,306.61	2,233.23
Less :Excise Duty		259.27	296.75
Net Revenue		<u>80,582.39</u>	<u>70,072.71</u>
Other Income	21	<u>1,069.14</u>	618.86
Total Revenue		<u>81,651.53</u>	<u>70,691.57</u>
Expenses			
Cost of Materials Consumed	22	54,061.99	48,028.67
Purchase of Stock-in-Trade	23	1,324.94	523.89
Change in Inventories of Finished Goods and Work-in-Progress	24	12.90	(2,780.78)
Employee Benefit Expenses	25	7,290.53	6,385.98
Finance Cost	26	11,485.15	10,120.02
Depreciation/Amortization of Expenses	10	4,497.04	4,495.17
Other Expenses	27	14,744.59	14,282.32
Total Expenses		<u>93,417.14</u>	<u>81,055.27</u>
Profit/(Loss) Before Exceptional and Extraordinary Items and Tax		<u>(11,765.61)</u>	<u>(10,363.70)</u>
Exceptional Items	50	-	1,166.14
Profit/(Loss) after Exceptional Items and Before Tax		<u>(11,765.61)</u>	<u>(11,529.84)</u>
Tax Expense		-	-
Profit/(Loss) after Tax		<u>(11,765.61)</u>	<u>(11,529.84)</u>
Basic & Diluted Earning Per Share(Rs.)	28	(33.23)	(32.39)
Significant Accounting Policies and other Notes on Financial Statements	1-51		
Notes referred to above form an integral part of Financial Statements			

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

Munish Kr. Jain
Partner
Membership No. : 70335
Place : Ghaziabad
Date : May 30, 2014

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED

Rs. in Lacs

	31.03.2014	31.03.2013
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax and Extraordinary items	(11,765.61)	(11,529.84)
Adjustment for :		
Depreciation	4,497.04	4,495.17
Interest Received	(348.10)	(225.23)
Finance Cost	11,485.15	10,120.03
Loss on Sale of Assets	7.12	0.17
Loss on Investment	2.39	-
Exceptional Items	-	1,166.14
Operating Profit/Loss Before Working Capital Changes	3,877.99	4,026.44
Adjustment for Working Capital Changes		
Inventories	(2,197.13)	(5,285.38)
Trade & other Receivable	(480.30)	3,234.49
Trade Payable & other Liabilities	10,278.84	9,644.79
Direct taxes received/(paid)	(38.63)	(23.88)
Net Cash from/ (used in) Operating Activities	11,440.77	11,596.46
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(678.54)	(325.94)
Proceeds from Fixed Assets	16.56	190.80
Interest Received	348.10	225.23
(Increase)/Decrease in Fixed Deposits	(1,735.26)	(1,073.14)
Net Cash from/ (used in) Investment Activities	(2,049.14)	(983.05)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	(11,485.15)	(10,120.03)
Receipt of Government Grant	30.00	-
Proceeds of Long Term Borrowing (Net)	744.79	1,144.03
Proceeds/(Repayment) of Short Term Borrowing (Net)	800.29	(642.13)
Net Cash from/ (used in) Financing Activities	(9,910.07)	(9,618.13)
Net Increase(Decrease) in Cash & Cash Equivalents	(518.44)	995.28
Opening Balance of Cash and Cash Equivalents	-	161.73
Closing Balance of Cash and Cash Equivalents (refer note 17(ii))	<u>638.57</u>	<u>1,157.01</u>

Notes:

- Figure in brackets are for decrease.
- 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 P. Jain & Co.
Chartered Accountants
(Firm Registration No. : 000711C)

Munish Kr. Jain
Partner
Membership No. : 70335
Place : Ghaziabad
Date : May 30, 2014

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

SIGNIFICANT ACCOUNTING POLICIES**A. USE OF ESTIMATES:**

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

B. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:

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

C. REVENUE RECOGNITION:

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

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

D. FIXED ASSETS:

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

E. DEPRECIATION:

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

F. INVESTMENTS:

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

G. INVENTORIES:

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

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

H. BORROWING COST:

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

I. RETIREMENT AND OTHER EMPLOYEE BENEFITS :

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

J. RESEARCH AND DEVELOPMENT COSTS:

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

K. DEFERRED REVENUE EXPENDITURE:

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

L. FOREIGN CURRENCY TRANSACTIONS:

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

M. IMPAIRMENT OF ASSETS :

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

N. TAXATION:

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

O. GOVERNMENT GRANTS:

Capital grants are accounted for and deducted from the respective assets in the year of receipt. Non specific Capital Subsidy in the nature of promoters' contribution is credited to Capital Reserve.

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

P. OPERATING LEASE:

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

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
1. SHARE CAPITAL		
(A) Authorised Capital		
40000000(40000000) Equity Shares of Rs.10/-each	4,000.00	4,000.00
305000000(305000000) Preference Shares of Rs.10/-each	30,500.00	30,500.00
	34,500.00	34,500.00
(B) Issued , Subscribed & Paid up		
39114100(39114100) Equity Share of Rs.10/-each fully paid up	3,911.41	3,911.41
	3,911.41	3,911.41
111094047(111094047) 1% Cumulative Redeemable Preference Shares (1%CRPS) of Rs. 10/- each fully paid-up.	11,109.40	11,109.40
156835012(129900866) 6% Cumulative Redeemable Preference Shares (6%CRPS) of Rs. 10/- each fully paid-up.	15,683.50	12,990.09
0(26934146) 6% Optionally Cumulative Convertible Preference Shares (6%OCCPS) of Rs. 10/- each allotted.	-	2,693.41
	26,792.90	26,792.90
	30,704.31	30,704.31

1.1 Reconciliation of Shares outstanding is Set out Below:

	No. of Shares			
Particulars	Beginning of the year	Issue during the year	Reclasification during the year	At the end year
Equity Shares	39114100	NIL	Nil	39114100
6% CRPS	129900866	NIL	26934146	156835012
1% CRPS	111094047	NIL	NIL	111094047
6% OCCPS	26934146	NIL	-26934146	NIL

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

EQUITY SHARES:- The Company has one class of Equity shares having a par value of RS 10 each.

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

6 % CRPS:- Such shares have right of 6 % dividend with no voting right and preference of Repayment over 1 % CRPS .

6% Optionally Convertible Cumulative Redeemable Preference Share

Such Shares have right of 6 % Cumulative dividend with no voting right and preference of repayment over CRPS other than

6 % CRPS which is at par in Repayment and Dividend with OCCPS.

1 % Cumulative redeemable preference share:

1 % Cumulative redeemable preference share of Category 'C' which have preference of repayment over Category 'D' 1% CRPS.

REPAYMENT TERMS OF CRPS:

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

Detail of Shares reserved under option and Contracts/Commitment:

In Terms of sanction letter from banks, the Company is required to issue –

1629.61 Lacs (P.Y. 1516.13 lacs) Equity shares of Rs. 10 each at par aggregating to Rs. 16296.06 Lacs (P.Y. Rs.15161.28 lacs)

- 0 - 1% CRPS are issued in settlement of claims for consideration other than cash in last 5 financial years. (P/Y 11661448)
- Bonus Shares in last 5 financial years. - Nil (P/Y Nil)
- Shares bought back in last 5 financial years.- Nil (P/Y Nil)

NOTES FORMING PART OF ACCOUNTS

AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
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Details of Share holders holding more than 5 % Share Capital

PARTICULARS	As at 31 Mar'2014	Percentage (%)	As at 31 Mar'2013	Percentage (%)
Equity Shares:				
Pacific Texmark Pvt. Ltd.	2835872	7.25	2835872	7.25
Billsworth Inestment Pvt. Ltd	-	-	2000000	5.11
6% OCCPS				
State Bank of Mysore	-	-	6601506	24.51
State Bank of Hyderabad	-	-	3960904	14.71
Punjab National Bank	-	-	13203013	49.02
HDFC BANK	-	-	1056241	3.92
ICICI Bank Ltd.	-	-	2112482	7.84
6% CRPS				
State Bank Of Bikaner & Jaipur	4891690	3.12	4891690	3.76
The Jammu & Kashmir Bank	6194500	3.95	6194500	4.77
Export Import Bank Of India	3534800	2.25	3534800	2.72
IDBI Bank Ltd.	1413076	0.90	1413076	1.09
State Bank of India	40376560	25.74	40376560	31.08
State Bank of Patiala	23081900	14.72	23081900	17.77
State Bank of Mysore	18756986	11.96	12155480	9.36
State Bank of Hyderabad	13626294	8.69	9665390	7.44
Punjab National Bank	27560343	17.57	14357330	11.05
Syndicate Bank	-	-	7416190	5.71
UCO Bank	-	-	6813950	5.25
HDFC BANK	1056241	0.67	-	-
ICICI Bank Ltd.	2112482	1.35	-	-
1% CRPS				
Development Credit Bank Ltd.	11661448	10.50	11661448	10.50
State Bank of India	38384749	34.55	38384749	34.55
ICICI Bank Limited	9816345	8.84	9816345	8.84
HDFC Bank	15482087	13.94	15482087	13.94
Standard chartered	35749418	32.18	35749418	32.18

2. RESERVES AND SURPLUS

A Capital Reserve

At the Beginning of the year
Add : Capital Subsidy
At the end of the Year

260.00	260.00
30.00	-
<u>290.00</u>	<u>260.00</u>

B Securities Premium

At the Beginning and at the end of the Year

<u>16,668.93</u>	<u>16,668.93</u>
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C General Reserves

At the Beginning and at the end of the Year

<u>7,999.30</u>	<u>7,999.30</u>
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NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
D Statement of Profit and Loss Account		
Loss at the Beginning of the Year	(80,842.16)	(69,312.32)
Add: Loss for the Year	(11,765.61)	(11,529.84)
Loss at the end of the Year	<u>(92,607.77)</u>	<u>(80,842.16)</u>
Total :	<u>(67,649.54)</u>	<u>(55,913.93)</u>
3. LONG TERM BORROWINGS		
Secured Loans		
(a) Term Loans		
(i) Banks & Financial Institutions (See Note Below i, ii & iii)	67,293.96	66,159.17
(i) Term loans Rs. 55510.78 Lacs from Banks & Financial Institutions are Secured by First Pari - Passu charge created on Fixed Assets and second pari-passu charge on current assets of the Company, alongwith Personal Guarantees of promotor Directors.		
(ii) WCTL Rs. 8885.54 Lacs and FITL Rs. 2897.64 Lacs from bank & Financial Institutions are secured by first pari- passu charge on fixed assets of the company, alongwith Personal Guarantees of promotor Directors.		
(iii) Company has defaulted in repayment of term loan to the banks as under		
Term Loan w.e.f.		
Rs. 1500 Lacs Feb. 2009		
Rs. 1000 Lacs Mar. 2009		
Unsecured Loans		
Loans And Advances From Related Parties (Refer Note No. 3.2)	2,080.00	2,470.00
TOTAL	<u>69,373.96</u>	<u>68,629.17</u>
3.1 Maturity Profile of Term Loans From Banks & Financial Institutions		
By order dated 02.09.2011 of Hon'ble BIFR and order dt. 12.03.2012 of hon'ble AAIFR, the amount of Bank and Financial Institutions becoming due after May 2011 are deferred till the date of sanction of the scheme by Hon' ble BIFR, such amount has been considered as long term borrowing and will be dealt with in terms of draft rehabilitation scheme on sanction by hon'ble BIFR.		
3.2 Maturity Profile of Unsecured Loans		
Particular Amount Period		
Principal 2080.00 2015-16		
4. OTHER LONG TERM LIABILITIES		
Interest accrued but not due on borrowing (Refer Note No. 3.1 above)	23,056.16	13,666.72
Total	<u>23,056.16</u>	<u>13,666.72</u>
5. LONG TERM PROVISION		
Provision for Employee benefits (Refer Note No 45)	290.26	292.00
Total	<u>290.26</u>	<u>292.00</u>

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
6. SHORT TERM BORROWINGS		
SECURED LOANS		
Loan repayable on Demand		
From Banks (Working Capital)	40,151.57	39,351.28
Total	40,151.57	39,351.28
1) Working capital Rs. 40151.57 Lacs from banks are secured by first pari - passu charge on current assets and second pari - passu charge on fixed assets of the company, alongwith Personal Guarantees of Promotor Directors.		
7. TRADE PAYABLES		
(a) Micro, Small & Medium Enterprises	26.23	57.92
(b) Others	6,450.21	6,059.48
Total	6,476.44	6,117.40
7.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act,2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March,2014 as per the terms of Contract relied upon by auditors.		
8. OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	0.97	7.16
(b) Unpaid dividend	6.03	8.54
(c) Interest accrued and due on borrowing (Refer Note No. 8.1)	935.36	875.52
(d) Interest accrued but not due on borrowing (Refer Note No. 8.1)	1,095.43	671.48
(e) Other payable		
(1) Expenses payable (Refer Note No. 8.2)	4,245.16	4,065.49
(2) Creditors for Fixed Assets	179.62	173.72
(3) Book overdraft	83.70	94.72
(4) Advance from Customers	298.91	427.69
Total	6,845.18	6,324.32
8.1 Company has defaulted in payment of interest to bank amounting to Rs.1770.85 lacs (P/y Rs. 1346.91 lacs from Feb. 2009 onwards).		
8.2 Expenses Payable include the liabilities to employees, Sales Tax/Vat, other taxes, Rebate & Discount etc.		
9. SHORT TERM PROVISIONS		
Provision for Employee benefits (Refer Note No 45)	34.25	23.01
Total	34.25	23.01

NOTES FORMING PART OF ACCOUNTS

10. FIXED ASSETS

Rs. in Lacs										
Particulars	Gross Block				Depreciation				Net Block	
	Opening Balance	Addition for the year	Deduction/ Sale	Total Upto 31.03.2014	Opening Balance	For The Year	Written Back	Total Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
TANGIBLE ASSETS										
Leasehold Land	1301.37			1301.37	136.04	13.84		149.88	1151.49	1165.33
Free Hold Land	724.01			724.01					724.01	724.01
Building	14524.82	59.73		14584.55	2940.50	484.24		3424.74	11159.81	11584.32
Plant & Machinery	61515.35	527.96		62043.31	21905.28	3871.47		25776.75	36266.56	39610.07
Furniture Fixture	383.96	22.00	1.35	404.61	180.68	28.68	0.63	208.73	195.88	203.28
Vehicles	522.26	3.01	63.78	461.49	289.79	46.45	43.01	293.23	168.26	232.47
Office Equipment	242.06	24.46	2.68	263.84	82.01	13.04	0.90	94.15	169.69	160.05
Computers	687.48	27.47	0.48	714.47	636.80	19.08	0.08	655.80	58.67	50.68
Total	79901.31	664.63	68.29	80497.65	26171.10	4476.80	44.62	30603.28	49894.37	53730.21
INTANGIBLE ASSETS										
Computer (software)	68.44	7.65		76.09	47.17	5.42		52.59	23.50	21.27
Brand & Trade Mark	646.05			646.05	617.37	14.82		632.19	13.86	28.68
Total	714.49	7.65		722.14	664.54	20.24		684.78	37.36	49.95
Previous Year	80617.82	195.10	197.11	80615.81	22346.58	4495.17	6.13	26835.62	53780.19	
Capital Work in Progress									105.01	200.84
Intangible Assets Under									102.08	-

11. NON - CURRENT INVESTMENTS (AT COST)

Long Term (Fully Paid Unless Otherwise Stated)

Other Investment

Investment in Equity Instruments

(A) Quoted Shares

13400(13400)Equity Shares of Rs. 10/- each of Kay Power and Paper Ltd. Market Value - Rs. 221100 (199258)	1.34	1.34
720(720)Equity Shares of Rs. 10/- each of Parasram Puria Synthetics Ltd. (Market Value - Not Available)	0.22	0.22
2000(2000)Equity Shares of Rs. 10/- each of Global Syntex (Bhilwara)Ltd.(Partly of Rs. 5/- each Paidup) (Market Value- Not Available)	0.10	0.10

(B) Unquoted Shares

2450(2450)Shares of Colombine Cody Corp. N.P.V	4.12	4.12
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Other Non - Current Investments (At Cost)

Subsidiary Companies

15 (15) Equity Shares At N.P.V of Alps Usa Inc	500.78	500.78
2259990 (2259990) Equity Shares of Rs. 10/- each of Snowflakes Meditech Pvt. Ltd.	226.00	226.00
2259990 (2259990) Equity Shares of Rs. 10/- each of Alps Energy Pvt. Ltd.	226.00	226.00
Total	958.56	958.56

12. LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Capital Advance	594.95	631.14
Security Deposits	565.93	696.76
Total	1,160.88	1,327.90

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
13. OTHER NON CURRENT ASSETS		
(Secured)		
Considered Good		
Receivable from Banks	656.64	656.64
(Unsecured)		
Considered Good	230.24	231.45
Minimum Alternate Tax Adjustable	322.81	322.81
Considered Doubtful	16.19	16.19
Less : Provision as Doubtful for realisation	(16.19)	(16.19)
Total	1,209.69	1,210.90
14. CURRENT INVESTMENT		
Investment in Mutual Funds		
20000 (20000) UNIT OF Rs. 10/- EACH OF SBI MAGNUM EQUITY FUND (Formerly Known as SBI ONE INDIA FUND) Market Value-Rs. -635030 (546370/-)	2.00	2.00
19560(19560) Unit of Franklin India High Growth Co. Market Value - Rs. - 336221 (269525/-)	2.00	2.00
100000(100000) Unit of Rs. 10/- each of SBI Infrastructure Fund Market Value - Rs. - 760840 (727750/-)	7.61	10.00
2930 (2930) Unit of Reliance Growth Fund Market Value- Rs. - 1496362 (1291407/-)	10.00	10.00
10000(10000) of Rs. 10/- each of UTI Infrastructure Advantage Fund-Series-I Market Value- Rs. - 299497 (264411/-)	1.00	1.00
Total	22.61	25.00
15. INVENTORIES		
(Valued and certified by the Management)		
Raw Materials	24,109.17	21,932.03
Work-in-Progress (Refer Note No. 49)	4,554.21	4,389.01
Finished Goods (Refer Note No. 49)	8,589.12	8,767.22
Stores & Spares Parts	503.00	470.11
Total	37,755.50	35,558.37
16. TRADE RECEIVABLES		
Outstanding for a Period Exceeding Six Months from the date they are due for payment		
Unsecured Considered,		
Good	1,326.13	1,438.06
Doubtful	193.55	101.15
Less: Provision for Doubtful Receivables	(193.55)	(101.15)
	1,326.13	1,438.06
Other Trade Receivables		
Unsecured Considered Good	10,231.53	9,615.95
Total	11,557.66	11,054.01

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
17. CASH & BANK BALANCES		
i) Cash and Cash Equivalents		
In Current Accounts	260.42	1,013.76
In Unpaid Dividends A/c	6.03	8.54
Cheques and Draft on Hand	93.65	2.97
Cash on Hand	278.47	131.74
	<u>638.57</u>	<u>1,157.01</u>
ii) Other Bank Balances		
in Fixed Deposit (Rs.1814.46 P/Y Rs. 1663.32 Lacs		
Pledged against Margin and other Commitments)	4,136.47	2,401.20
Total	<u>4,775.04</u>	<u>3,558.21</u>
18. SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
(A) Loans & Advances to Related Parties	6.61	6.61
(With Subsidiaries Company)		
(B) Others		
Balances With Revenue Authorities	127.23	176.11
Advance Income Tax /Tds Recoverable	83.85	45.22
Other Receivables #	535.08	676.62
Total	<u>752.77</u>	<u>904.56</u>
# Includes Advance to suppliers, Staff, Prepaid Expenses etc.		
19. OTHER CURRENT ASSETS		
Export Incentive Receivable	717.21	512.54
Insurance and other Claim Receivable	153.42	28.31
Interest Accrued but not due	80.43	74.92
Total	<u>951.06</u>	<u>615.77</u>
	YEAR ENDED 31.03.14	YEAR ENDED 31.03.13
20. REVENUE FROM OPERATIONS		
(A) Sale of Products		
(Including Traded Goods)		
Export	28,463.29	19,146.09
Domestic	48,071.76	48,990.14
Sub Total (A)	<u>76,535.05</u>	<u>68,136.23</u>
(B) Other Operating Revenues		
Scrap / Waste Sale	2,667.28	1,223.65
D.E.P.B / Duty Drawback / Export Incentives	1,531.65	932.37
Job Work Receipt	107.68	77.21
Sub Total (B)	<u>4,306.61</u>	<u>2,233.23</u>
Total (A+B)	<u>80,841.66</u>	<u>70,369.46</u>
	(Rs. in Lacs)	
Details of Product Sold	2013-14	2012-13
Yarn	56236.75	50957.96
Fabric/Made up/Fashion	16081.30	13625.92
Architectural Products	2437.78	1961.65
Others	1779.22	1590.70
Total	<u>76535.05</u>	<u>68136.23</u>

NOTES FORMING PART OF ACCOUNTS

	YEAR ENDED 31.03.14 Rs.(in Lacs)	YEAR ENDED 31.03.13 Rs.(in Lacs)
21. OTHER INCOME		
(a) Income from Interest	348.10	225.23
(b) Other Non Operating Income	223.89	44.26
(c) Net Gain/(Loss) on Foreign Currency exchange fluctuation	497.15	349.37
Total	1,069.14	618.86
22. COST OF MATERIAL CONSUMED (Refer Note No. 47)		
Opening Stock	21,932.03	19,514.49
Add: Purchases	56,239.12	50,446.21
Total	78,171.15	69,960.70
Less: Closing Stock	24,109.16	21,932.03
Total	54,061.99	48,028.67
23. PURCHASE OF STOCK-IN-TRADE (Refer Note No. 48)	1,324.94	523.89
24. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventories (at commencement)		
Finished Goods	8,767.22	6,477.10
Work-in-Progress	4,389.01	3,898.35
Sub Total (A)	13,156.23	10,375.45
Inventories (at end)		
Finished Goods	8,589.12	8,767.22
Work-in-Progress	4,554.21	4,389.01
Sub Total (B)	13,143.33	13,156.23
Total (A-B)	12.90	(2,780.78)
25. EMPLOYEE BENEFIT EXPENSES		
Salaries Including other Benefits	3,266.70	2,819.72
Wages Including other Benefits	3,634.54	3,215.17
Contribution to Provident & other Funds-Wages	154.57	128.21
Contribution to Provident & other Funds-Salary	44.57	35.55
Gratuity	57.14	51.42
Staff Welfare	106.15	106.25
Managerial Remuneration (Refer Note No. 46)	26.86	29.66
Total	7,290.53	6,385.98
26. FINANCE COST		
Interest to Banks & Fin. Institutions	10,948.34	9,707.03
Interest to Others	384.06	354.12
Other Borrowing Cost	152.75	58.87
Total	11,485.15	10,120.02

NOTES FORMING PART OF ACCOUNTS

	YEAR ENDED 31.03.14 Rs.(in Lacs)	YEAR ENDED 31.03.13 Rs.(in Lacs)
27. OTHER EXPENSES		
Manufacturing Expenses		
Production Expenses	824.20	666.52
Security & Vigilance	52.58	47.76
Consumption Of Stores & Spares	1,187.19	1,322.57
Power & Fuel	5,979.07	6,027.12
Carriage & Cartage	51.61	31.93
Administrative Expenses		
Rent	240.13	384.31
Insurance	164.88	158.88
Rates & Taxes	33.52	42.85
Postage & Telegram	22.93	17.01
Printing, Stationery & Computer Expenses	61.22	68.14
Legal & Professional Expenses	394.42	207.84
Travelling & Conveyance - Others	471.27	467.96
Travelling & Conveyance - Directors	21.84	17.03
Telephone & Fax	73.22	62.78
Books & Periodicals	1.33	1.07
Fees & Subscription	28.37	17.83
General Expenses	37.26	62.95
Bank Charges	76.97	53.85
Payment to Auditors (Refer Note 32)	16.85	16.90
Vehicle Running Expenses	141.28	110.26
Donation	1.00	0.16
Hank Yarn Obligation	45.10	50.46
Loss on Investment	2.39	-
Loss on Insurance Claim	-	84.75
Loss on Disposal of Assets	7.12	0.17
Repairs & Maintenance		
Building	54.00	18.72
Machinery	75.21	97.00
Others	69.54	71.54
Selling & Distribution Expenses		
Packing & Forwarding	2,124.83	1,896.57
Sales Promotion & Incentives	1,097.04	800.17
Cash Discount	103.20	80.73
Bad Debts W/OFF	35.42	121.56
Prov. For doubtful Debts	95.68	98.51
Advertisement & Publicity	101.49	92.66
Vat / Sales Tax Paid	33.29	8.69
Freight on Exports	998.24	779.12
Sub Total	14,723.69	13,986.37
Prior Period Expenses (Net)	20.90	295.95
Total	14,744.59	14,282.32

NOTES FORMING PART OF ACCOUNTS

28. Basic & Diluted Earning Per Share

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Profit (Loss) for the Year before Preference Dividend and attributable tax thereon (Rs. in Lacs)	(11765.61)	(11529.84)
Less:- Preference Dividend and attributable tax (Rs. in Lacs)	(1230.90)	(1140.51)
Profit/(Loss) attributable to the Equity shareholders after Preference Dividend and attributable tax thereon (Rs.in Lacs) - (A)	(12996.51)	(12670.35)
Weighted average number of equity shares outstanding during the year - (B)	39114100	39114100
Nominal value of equity shares (Rs.)	10.00	10.00
Basic & Diluted Earnings per share (Rs.)	(33.23)	(32.39)

Note : Since the diluted negative EPS is less than basic EPS hence the basic and diluted EPS is considered same.

29. Earnings in Foreign Exchange

Rs in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
F.O.B. Value of Exports	27429.81	17647.79

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

Rs in Lacs

Particulars	For the Year ended 31 st March 14	% of consumption	For the Year ended 31 st March 13	% of consumption
Raw Material				
Imported	2447.10	4.53%	1525.10	3.18%
Indigenous	51614.89	95.47%	46503.57	96.82%
Total	54061.99	100.00	48028.67	100.00
Stores				
Imported	311.77	26.26%	292.42	22.11%
Indigenous	875.42	73.74%	1030.15	77.89%
Total	1187.19	100.00	1322.57	100.00

31. C.I.F. Value of Imports

Rs in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Raw Materials	2399.78	1321.06
Capital Goods	228.21	31.18
Components & Spare Parts	296.69	265.51

NOTES FORMING PART OF ACCOUNTS

32. Payment to Auditors

Particulars	Rs in Lacs	
	For the year ended 31 st March 14	For the year ended 31 st March 13
a. Audit Fee	13.48	13.52
b. Other Services	3.37	3.38

33. Expenditure in Foreign Currency

Particulars	Rs in Lacs	
	For the year ended 31 st March 14	For the year ended 31 st March 13
Foreign Travels	80.11	27.39
Interest	-	2.53
Others	440.47	392.71

34. Related Party Transactions

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

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

Subsidiary Companies:

- : Alps Energy Pvt. Ltd.,
- : Snowflakes Meditech private Ltd (Formerly known as Alps Retail Pvt Ltd),

Wholly owned Subsidiary:

Entities controlled by subsidiaries, key managerial personnel and their relatives

- : Alps USA INC.
- : Alps Processers Pvt. Ltd., Careen Fintec (P.) Ltd., Coronation Spinning India (P) Ltd., Pacific Texmark Pvt. Ltd. (Formerly known as Alps Infin Pvt. Ltd.), Padam Precision Dies & Component Pvt. Ltd., Peek Finvest (P) Ltd., Perfect Finmen Services (P) Ltd., Roseate Finvest Pvt. Ltd., Saurabh Floriculture (P) Ltd., Supreme Finvest Pvt. Ltd., Aspen Enterprises.,

Key managerial personnel and their relatives

- : 1. Mr. K.K Agarwal
- 2. Mr. Sandeep Agarwal
- 3. Mrs. Nidhi Agarwal
- 4. Mr. P.K. Rajput

NOTES FORMING PART OF ACCOUNTS

Rs. in Lacs

Nature of Transaction	Transactions with Subsidiary Companies	Transactions with Key Managerial Personnel	Transactions with relatives of Key Managerial Personnel	Transactions with Entities controlled by Key Managerial Personnel, their relatives & subsidiaries
	For the year ended 31 st March 14	For the year ended 31 st March 14	For the year ended 31 st March 14	For the year ended 31 st March 14
1. Sale of Goods	0.42 (3.65)	NIL (NIL)	NIL (NIL)	1108.08 (823.14)
2. Purchase of Goods (including job work)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (1.78)
3. Allotment of equity shares along with premium	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4. Interest Paid	98.80 (172.90)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5. Interest Received	9.01 (30.27)	NIL (NIL)	NIL (NIL)	NIL (NIL)
6. Advances/Loans taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
7. Remuneration & Sitting Fee	NIL (NIL)	27.26 (29.96)	9.60 (9.60)	NIL (NIL)
8. Repayment of Loan/advance Given	NIL (443.06)	NIL (NIL)	NIL (NIL)	NIL (NIL)
9. Balance at year end (Cr.)	2080.00 (2470.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)
10. Balance at year end (Dr.)	6.61 (6.61)	NIL (NIL)	NIL (NIL)	58.22 (183.14)

NOTES FORMING PART OF ACCOUNTS

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

Primary Segments							Rs. in Lacs	
	SEGMENTS							
Particulars	Home Furnishing & Fashion Accessories		Yarn		Architectural Products		Total	
Year	For the year ended 31 st March 2014	For the year ended 31 st March 2013	For the year ended 31 st March 2014	For the year ended 31 st March 2013	For the year ended 31 st March 2014	For the year ended 31 st March 2013	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Segment Revenues	17293.54	14,126.85	61,362.39	53,931.66	4,172.13	3,102.09	82,828.06	71,160.60
Less Inter Segment Revenue	312.21	422.40	1,933.46	665.50	-	-	2,245.67	1,087.90
Net Segment Revenue	16,981.33	13,704.45	59,428.93	53,266.16	4,172.13	3,102.09	80,582.39	70,072.70
Segment Results	(1,092.98)	(3,002.70)	(285.36)	2,628.08	28.74	(487.94)	(1,349.60)	(862.56)
Less Financial Expenses							(11,485.15)	(10,120.02)
Less Un-allocable expenses							-	(1,166.14)
Add Other Income							1,069.14	618.86
Profit before tax							(11,765.61)	(11,529.86)
Other Information's								
Segment Assets	36,397.92	36,549.09	64,161.86	65,313.90	2,751.16	2,502.23	103,310.94	104,365.22
Unallocated Assets							5,971.65	4,829.07
Total Assets							109,282.59	109,194.29
Segment Liability	20,437.40	20,455.93	28,546.61	27,171.70	2,081.55	1,885.18	51,065.56	49,512.81
Unallocated liability							95,162.26	84,891.11
Share Capital, Reserve & Surplus and Profit & Loss							(36,945.23)	(25,209.63)
Total Liability							109,282.59	109,194.29
Capital Expenditure	238.00	(71.70)	332.00	60.63	101.04	11.45		-
Depreciation	1997.78	1553.84	2418.61	2860.67	59.09	58.16		
Non Cash Expenses		-----		-----		-----		

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

Secondary Segments

Secondary Segments					Rs. in Lacs	
Particulars	SEGMENTS				Total	
	Domestic		Export			
	For the Year ended 31 st March 14	For the Year ended 31 st March 13	For the Year ended 31 st March 14	For the Year ended 31 st March 13	For the Year ended 31 st March 14	For the Year ended 31 st March 13
Segment Revenue	50587.45	49994.25	29994.94	20078.46	80582.39	70072.71

NOTES FORMING PART OF ACCOUNTS

36. Contingent Liabilities and Commitments

A) Contingent liability exists in respect of:

	As at 31.03.2014	As at 31.03.2013
Particulars		
a) Guarantees issued by banks on behalf of company.	236.35	327.71
b) Letters of Credit outstanding (trade)	NIL	35.31
c) Claims against the company not acknowledged as debts	997.49	319.01
d) Other Claims against the company not acknowledged as debt :		
I. The Company had certain exotic derivative transactions with ABN Amro Bank, which the Company has disputed in an earlier year. During the tenure of transaction ABN Amro Bank had communicated an estimated liability of the Company against these outstanding transactions as Rs. 12530 Lac. Though the bank has not further communicated any liability of the company but as per assessment made by an independent agency on the request of the company, the value of this deal on the day of its expiry i.e. June 2010 is Rs 30800 Lac (negative to the Company) (P.Y. Rs. 30800 Lac) excluding any fee or any amount received/ paid or payable on settlement. On the basis of legal opinion, the Company has not admitted the claim of bank against these transactions and filed a suit in the competent civil court who had issued an interim order for maintenance of status quo with regard to recovery towards these transactions. The Hon'ble High Court while admitting the appeal of the bank against this status quo order and suit has directed the continuation of the Status Quo order granted by the Hon'ble Civil Court and also stayed the proceedings before Hon'ble Civil Court till further order. The said appeal is still under consideration of Hon'ble High Court. In view of above facts, no provision against these transactions is considered necessary.		
II. Kotak Mahindra Bank Limited (KMBL) filed an Original Application (OA) before Hon'ble Debt Recovery Tribunal, Mumbai (DRT) for recovery of its claim amounting to Rs. 601.11 lacs (P.Y. Rs. 601.11 Lacs) in respect of certain foreign currency derivative transactions against which vide an interim order Hon'ble DRT has restrained the company from selling its certain Fixed Assets. Hon'ble Debt Recovery Appellate Tribunal (DRAT) Mumbai, on appeal of the company, has directed to return the said OA and set aside the said restrain order passed by the Hon'ble DRT. The Hon'ble Bombay High Court vide an interim order in the writ filed by KMBL against the order of Hon'ble DRAT has stayed the order of Hon'ble DRAT and restored the restrain order passed by Hon'ble DRT and also stayed the proceedings before Hon'ble DRT till further order. The said writ is still under consideration of Hon'ble Bombay High Court. Besides this, subsequently, on expiration of the tenure of these transactions, Kotak Mahindra Bank has also raised a claim of Rs. 1435 Lacs (P.Y. Rs. 1435 Lacs) in respect of these foreign currency derivative transactions. On the basis of legal opinion, the Company has not admitted the claims of bank against these transactions and filed a suit in the competent civil court of law where the same are still pending adjudication. An appeal filed by the company against the order passed by Hon'ble Civil Court in the matter of withdrawing its earlier order directing to maintain the status quo as regards the recovery proceedings is also pending adjudication before Hon'ble High Court. In view of above facts, no provision against these transactions is considered necessary.		
III. DBS Bank Ltd. have raised claims amounting to US\$ 91.09957 Lac & Rs. 667.39 lac, totaling to Rs. 6142.46 lac approx (previous year totaling to Rs. 5622.23 lac approx) against the Company in respect of certain foreign currency derivative transactions. On the basis of legal opinion, the Company has not admitted the claims of bank against these transactions and filed a suit in the competent civil court of law, which has issued an interim order for maintenance of status quo with regards to recovery towards these transactions. The interim order is still continuing and the matter is still pending adjudication. An appeal filed by Bank against the status quo order passed by Hon'ble Civil Court is also pending adjudication before Hon'ble Allahabad High Court. In view of above facts, no provision against these transactions is considered necessary.		
IV. Merrill Lynch Capital Services Inc. raised a claim of US\$ 195.80 Lacs, Rs.11767.54 Lac approx, (P.Y. US\$ 195.80 Lacs, Rs 10649.42 Lac approx.) against the company in respect of an alleged corporate guarantee of \$ 100 Lacs (Rs. 6009.98 Lac approx) ((previous year \$100 Lacs(Rs. 5438.93 Lac approx.)) alleged to be given by the company for one of its subsidiary company M/s Alps USA Inc. Based on legal advice, the company has not admitted the said claim and filed a suit in the competent civil court. An appeal filed by the company against the order passed by Hon'ble Civil		

NOTES FORMING PART OF ACCOUNTS

Court in the matter of withdrawing its jurisdiction and earlier order directing to maintain the status quo as regards the recovery proceedings is also pending adjudication before Hon'ble Allahabad High Court. In view of above facts, no provision against this claim is considered necessary.

- V. Workers of Kashipur and Jaspur units have filed cases before the Industrial Tribunal/Labour Court, Haldwani, Uttarakhand U/s 33C(2) of the Industrial Dispute Act 1947 claiming total amount of Rs. 15064.97 Lac, in respect of their alleged dues towards wages, retirement benefit etc. as per Hon'ble Court's Notice dated 4th May 2013 received by the company, which is being contested. The Liability, if any, will be accounted for as and when the matter is finally decided.

B) Commitments:-

	Rs. in Lacs	
	31.03.2014	31.03.2013
i) Estimated amount of contracts remaining to be executed On capital account and not provided for:	52.58	183.05
ii) Arrears of preferential dividend as on 31.03.2014 amounting to Rs 2943.18 Lac (Previous year amounting to Rs. 1891.07).		
37. On Assessment with regard to Impairment of Assets it is ascertained that no potential loss is present. Accordingly no impairment loss has been provided in the books of account.		
38. Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.14 and the same results into the Deferred Tax Assets (net), which has not been recognized due to uncertainty of sufficient taxable income in future within reasonable period.		
39. The unclaimed dividend amounting to Rs. 2.50 Lac for the Financial Year 2005-06 (Rs. 2.17 Lac for the Financial Year 2004-05) & unclaimed application money received for allotment of equity share amounting to Rs. Nil (P.Y. Rs. 3.24 Lac) has been transferred to the Investor Education and Protection Fund, as per the provisions of Section 205C of the Companies Act, 1956.		
40. The balances of sundry debtors, loans and advances and sundry creditors are subject to confirmation and reconciliation.		
41. Sales are net of Rebate & Discounts amounting to Rs.774.10 Lac (Previous Year Rs. 593.08 Lac).		
42. With Respect to the reference filed by the company as a sick industrial company before Hon'ble Board for Industrial and Financial Reconstruction (BIFR), proceedings U/s 17(3) of Sick Industrial Companies (Special provisions) Act, 1985 (SICA) for formulation of a Scheme for revival of the company are in progress.		
43. CDR EG had sanctioned a rework scheme on 31st March 2011 w.e.f. 1 st January 2011 against its earlier restructured scheme dated 11 th September 2009, intimated vide LOA dated 4 th May 2011, which has been withdrawn vide CDR EG letter dated November 16, 2012. However the individual sanctions of the lender banks are continuing and binding. However the company is exploring the possibility of settlement of the dues of lenders as an alternative to the restructuring and negotiation for the same are also in progress.		
44. The Company has received communications from State Bank of India, State Bank of Mysore and EXIM Bank stating that they have assigned their dues recoverable from company (except an amount of Rs. 100 lac retained by State Bank of India) to an assets reconstruction company (ARC). The effect to the same shall be given after receipt of necessary documents including assignment deeds executed by the said banks. The same will however not have any effect on the Balance Sheet or Profit and Loss account of the company for the year as the same requires only substitution of the name of the ARC for the transferor banks.		

NOTES FORMING PART OF ACCOUNTS

45. Employee Benefits

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

1. Defined Contribution plans:

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

Rs in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Employers contribution to Provident Fund and Employee's State Insurance Corporation	199.14	163.76

2. Defined Benefit plans

I. Gratuity

II. Earned leave

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

Particulars	Gratuity (Unfunded)		Earned Leave (Unfunded)	
	For the Year ended 31 st March 14	For the Year ended 31 st March 13	For the Year ended 31 st March 14	For the Year ended 31 st March 13
Discount Rate (per annum)	8.75%	8.00%	8.75%	8.00%
Future Salary Increase	6.25%	6.00%	6.25%	6.00%
In Service Mortality	Std of LIC (2006-08)	Std of LIC (1994-96)	Std of LIC (2006-08)	Std of LIC (1994-96)
Retiring Age	58 years	58 years	58 years	58 years
Withdrawal Rates:				
Up to 30 years	3%	3%	3%	3%
Up to 44 years	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%
I. Expenses recognized in Statement Profit & Loss				
Current Service Cost	47.53	59.65	25.27	30.79
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Interest Cost	18.68	17.06	6.52	6.02
Net Actuarial (Gain)/ Loss recognized in the year	(9.07)	(25.71)	3.48	(14.57)
Total Expenses	57.14	51.00	35.26	22.24
II. Net Assets /(Liability) recognized in the Balance Sheet				
Present value of the Defined Benefit obligation	235.26	233.54	89.24	81.47
Fund Status (Deficit)	(235.26)	(233.54)	(89.24)	(81.47)
Net assets/ (Liability)	(235.26)	(233.54)	(89.24)	(81.47)
III. Change in present value of obligation				
Present Value of obligation as at the beginning of the period	233.54	213.23	81.47	75.30
Interest Cost	18.68	17.06	6.52	6.02
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Current Service Cost	47.53	59.65	25.26	30.79
Benefits Paid	(55.41)	(30.69)	(27.49)	(16.08)
Actuarial (gains)/ Loss on obligation	(9.07)	(25.71)	3.48	(14.57)
Present Value of obligation as at the end of the period	235.26	233.54	89.24	81.47

NOTES FORMING PART OF ACCOUNTS

46. Managerial Remuneration

Rs in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Salary	26.61	28.41
Perquisites	00.25	1.25
Total	26.86	29.66

47. Particulars of Raw Material Consumption

Rs in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Cotton	42569.63	35581.49
Yarn	3619.21	3099.44
Fabric	2614.09	5130.22
Architectural Products	2055.82	1888.49
Others	3203.24	2329.03
Total	54061.99	48028.67

48. Details of Purchases of Stock-in-Trade

Rs in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Yarn	1015.61	438.97
Fabric	142.36	84.92
Architectural	166.97	-
Total	1324.94	523.89

49. Inventories

Rs in Lacs

Particulars	As at 31 st March 14	As at 31 st March 13
Work-in-Progress		
Cotton/Fibre	1717.54	1794.85
Yarn	2355.22	2066.11
Fabric/Made up	445.91	470.93
Others	35.54	57.13
Total	4554.21	4389.01
Finished Goods		
Yarn	6458.81	6811.01
Fabric/Made up	1931.95	1547.78
Others	198.36	408.43
Total	8589.12	8767.22

NOTES FORMING PART OF ACCOUNTS

50. Exceptional Items

Rs in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Settlement of foreign exchange forward contract claims	-	1166.14
Total	-	1166.14

50. The previous period figures have been regrouped and rearranged, wherever necessary to make them corresponded with those of current period classification and disclosure.

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

For and on behalf of the Board

Sandeep Agarwal
 Managing Director

Munish Kr. Jain
 Partner
 Membership No. : 70335
 Place : Ghaziabad
 Date : May 30, 2014

A.K. Singhal
 President (F&A)

Ajay Gupta
 Company Secretary

P.K. Rajput
 Executive Director

CONSOLIDATED

**Financial Statements for the year
ended 31st March, 2014**



INDEX

CONTENTS

PAGE NO.

Independent Auditors' Report	:	74
Balance Sheet	:	76
Statement of Profit & Loss	:	77
Cash Flow Statement	:	78
Significant Accounting Policies	:	79
Notes to Financial Statement	:	82

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
ALPS INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ALPS INDUSTRIES LIMITED** ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance and consolidated cash flows of the Group in accordance with Accounting Standards Notified under the companies Act, 1956 (the act) (which continue to be applicable in respect of section 133 of the companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the 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 consolidated financial statements are free from material misstatement.

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 auditor's 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 control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated financial statements.

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

Basis for Qualified Opinion

The company has not made any provision towards losses amounting to Rs. 38979 Lacs on derivative contracts crystallized (refer to note nos. 37 (A) (d) I, II and III to the notes to account) and towards claim amounting to Rs. 6009 Lacs against the corporate guarantee provided by the company on behalf of one of its subsidiary company (Refer to note no. 37 (A) (d) IV to the notes to account), hence to these extent the loss as shown in the statement of profit and Loss, accumulated losses and current liabilities are understated.

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 matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidate Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the Consolidated statement of Profit and Loss, of the loss of the group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statement of Alps USA Inc. whose financial statements reflect the groups total assets share of Rs. 317.93 Lacs as at 31st March, 2014 and total revenue expenses of Rs. 0.12 Lac and total cash flow of Rs Nil for the year ended 31st March, 2014 (unaudited). These financial statements have been considered as authenticated and certified by the company's management and our opinion is based solely on the information and explanation given by the Company's management. The US \$ is translated into INR @ 60.10

Our opinion is not qualified in respect of other matters.

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

Munish Kr. Jain
Partner
Membership No. : 70335

Place: Ghaziabad
Date: May 30, 2014

ALPS INDUSTRIES LTD. CONSOLIDATED



BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2014

		AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
EQUITY AND LIABILITIES	Notes		
Shareholders Funds			
Share Capital	1	30,704.31	30,704.31
Reserves and Surplus	2	(66,060.54)	(54,333.46)
		<u>(35,356.23)</u>	<u>(23,629.15)</u>
Minority Interest		914.21	910.19
Non-Current Liabilities			
Long-Term Borrowings	3	67,293.96	66,159.17
Other Long Term Liabilities	4	23,056.16	13,666.72
Long-Term Provisions	5	290.26	292.01
		<u>90,640.38</u>	<u>80,117.90</u>
Current Liabilities			
Short-Term Borrowings	6	40,192.61	39,351.28
Trade Payables	7	6,594.37	6,235.62
Other Current Liabilities	8	6,856.54	6,658.53
Short-Term Provisions	9	39.22	25.82
		<u>53,682.74</u>	<u>52,271.25</u>
Total		<u>109,881.10</u>	<u>109,670.19</u>
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		50,978.99	54,782.87
Intangible Assets		37.37	49.96
Capital Work in Progress		130.13	200.84
Intangible Assets Under Development		102.08	-
Non-Current Investments	11	5.78	5.78
Long-Term loans and Advances	12	1,174.26	1,327.90
Other Non-Current Assets	13	1,209.69	1,211.01
		<u>53,638.30</u>	<u>57,578.36</u>
Current Assets, Loans & Advances			
Current Investments	14	22.61	25.00
Inventories	15	37,774.06	35,559.28
Trade Receivables	16	11,557.66	11,055.99
Cash & Bank Balances	17	5,137.44	3,868.92
Short-Term Loans & Advances	18	776.84	918.23
Other Current Assets	19	974.19	664.41
		<u>56,242.80</u>	<u>52,091.83</u>
Total		<u>109,881.10</u>	<u>109,670.19</u>

Significant Accounting Policies and Other

Notes on Financial Statements

1-52

Notes referred to above form an integral part of Financial Statements

As per our report of even date

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. 000711C)

Munish Kr. Jain

Partner

Membership No. 70335

Place : Ghaziabad

Date : May 30, 2014

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

STATEMENT OF PROFIT & LOSS
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

	Notes	YEAR ENDED 31.03.14 Rs.(in Lacs)	YEAR ENDED 31.03.13 Rs.(in Lacs)
Revenue from operations			
Sale of Products	20	78,168.47	70,400.87
Other Operating Revenues		4,306.61	2,233.23
Less :Excise Duty		259.27	296.76
Net Revenue		82,215.81	72,337.34
Other Income	21	1,093.00	617.68
Total Revenue		83,308.81	72,955.02
Expenses			
Cost of Materials Consumed	22	54,061.99	48,032.19
Purchase of Stock-in-Trade	23	3,066.65	3,026.10
Change in inventories of finished goods and Work-in-Progress	24	(4.75)	(2,780.78)
Employee Benefit Expenses	25	7,294.08	6,388.39
Finance Cost	26	11,387.39	9,949.13
Depreciation/Amortization of Expenses	10	4,504.68	4,501.45
Other Expenses	27	14,745.99	14,285.77
Total Expenses		95,056.03	83,402.25
Profit/(Loss) Before exceptional and extraordinary items and Tax		(11,747.22)	(10,447.23)
Exceptional Items	51	-	1,166.14
Profit/(Loss) after Exceptional items and before Tax and Extraordinary Items		(11,747.22)	(11,613.37)
Tax Expense			
Excess Provision of Income Tax written back		-	(16.92)
Current Tax		4.97	2.81
Profit/(Loss) after Tax		(11,752.19)	(11,599.26)
Less: Minority Interest		4.02	(17.36)
Profit/(Loss) for the Year		(11,756.21)	(11,581.90)
Basic & Diluted Earning Per Share(Rs.)	28	(33.20)	(32.53)

Significant Accounting Policies and other

Notes on Financial Statements

1-52

Notes referred to above form an integral part of financial statements.

As per our report of even date

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. : 000711C)

Munish Kr. Jain

Partner

Membership No. : 70335

Place : Ghaziabad

Date : May 30, 2014

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

For and on behalf of the Board

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED

Rs. in Lacs

	31.03.2014	31.03.2013
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	(11,747.22)	(11,613.37)
Adjustment for :		
Depreciation & Amortisation	4,504.69	4,501.45
Interest Received	(371.96)	(224.05)
Finance Cost	11,387.39	9,949.14
Loss on Sale of Assets	7.12	0.17
Loss on Investment	2.39	-
Exchange Fluctuation	(0.88)	(0.49)
Exceptional Items	-	
Operating Profit Before Working Capital Changes	15,528.75	1,166.14
	3,781.53	3,778.99
Adjustment for Working Capital Changes		
Inventories	(2,214.78)	(5,285.38)
Trade & other Receivable	(466.13)	2,963.92
Trade Payable & other Liabilities	9,955.70	9,888.64
Direct Taxes Received/(Paid)	(51.79)	(55.34)
Net Cash from/(used in) Operating Activities	11,004.53	11,290.83
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(743.26)	(325.94)
Proceeds from Fixed Assets	16.56	190.81
Interest Received	371.96	224.05
(Increase)/Decrease in Fixed Deposits	(1,790.36)	(1,073.15)
Net Cash from/(used in) Investment Activities	(2,145.10)	(984.23)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	(11,387.39)	(9,949.14)
Proceeds from Long Term Borrowing(Net)	1,134.79	1,223.75
Receipt of Government Grant	30.00	-
Proceeds/(Repayment) of Short Term Borrowing (Net)	841.33	(642.13)
Net Cash from/(used in) Financing Activities	(9,381.27)	(9,367.52)
Net Increase/(Decrease) in Cash & Cash Equivalents	(521.84)	939.08
Opening Balance of Cash and Cash Equivalents	1,167.72	228.64
Closing Balance of Cash and Cash Equivalents (refer note 17(ii))	<u>645.88</u>	<u>1,167.72</u>

Notes:

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

As per our report of even date

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. : 000711C)

Munish Kr. Jain

Partner

Membership No. : 70335

Place : Ghaziabad

Date : May 30, 2014

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

For and on behalf of the Board

Sandeep Agarwal
Managing Director

P.K. Rajput
Executive Director

SIGNIFICANT ACCOUNTING POLICIES:**A. USE OF ESTIMATES:**

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

B. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:

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

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

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

C. REVENUE RECOGNITION:

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

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

D. FIXED ASSETS:

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

E. DEPRECIATION:

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

F. INVESTMENTS:

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

G. INVENTORIES :

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

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

H. BORROWING COST:

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

I. RETIREMENT AND OTHER EMPLOYEE BENEFITS :

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

J. RESEARCH AND DEVELOPMENT COSTS :

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

K. DEFERRED REVENUE EXPENDITURE :

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

L. FOREIGN CURRENCY TRANSACTIONS :

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

M. IMPAIRMENT OF ASSETS :

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

N. TAXATION:

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

O. GOVERNMENT GRANTS:

Capital grants are accounted for and deducted from the respective assets in the year of receipt. Non specific capital subsidy in the nature of promoters contribution is credited to the Capital Reserve.

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

P. OPERATING LEASE:

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

ALPS INDUSTRIES LTD. CONSOLIDATED

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
1. SHARE CAPITAL		
(A) Authorised Capital		
40000000(40000000) Equity Shares of Rs.10/-each	4,000.00	4,000.00
305000000(305000000) Preference Shares of Rs.10/-each	30,500.00	30,500.00
	34,500.00	34,500.00
(B) Issued , subscribed & paid up		
39114100(39114100) Equity Share of Rs.10/-each fully paid up	3,911.41	3,911.41
	3,911.41	3,911.41
111094047(111094047) 1% Cumulative Redeemable Preference Shares (1%CRPS) of Rs. 10/- each fully paid-up.	11,109.40	11,109.40
156835012(129900866) 6% Cumulative Redeemable Preference Shares (6%CRPS) of Rs. 10/- each fully paid-up.	15,683.50	12,990.09
0(26934146) 6% Optionally Cumulative Convertible Preference Shares (6%OCCPS) of Rs. 10/- each allotted.	-	2,693.41
	26,792.90	26,792.90
	30,704.31	30,704.31

1.1 Reconciliation of Shares outstanding is Set out Below:

	No. of Shares			
Particulars	Beginning of the year	Issue during the year	Reclasification during the year	At the end year
Equity Shares	39114100	NIL	NIL	39114100
6% CRPS	129900866	NIL	26934146	156835012
1% CRPS	111094047	NIL	NIL	111094047
6% OCCPS	26934146	NIL	-26934146	NIL

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

EQUITY SHARES:- The Company has one class of Equity shares having a par value of RS 10 each.

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

6 % CRPS:- Such shares have right of 6 % dividend with no voting right and preference of Repayment over 1 % CRPS .

6% Optionally Convertible Cumulative Redeemable Preference Share

Such Shares have right of 6 % Cumulative dividend with no voting right and preference of repayment over CRPS other than 6 % CRPS which is at par in Repayment and Dividend with OCCPS.

1 % Cumulative redeemable preference share

1 % Cumulative redeemable preference share of Category 'C' which have preference of repayment over Category 'D' 1% CRPS.

REPAYMENT TERMS OF CRPS:

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

Detail of Shares reserved under option and Contracts/Commitment:

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

1629.61 Lacs (P.Y. 1516.13 lacs) Equity shares of Rs. 10 each at par aggregating to Rs. 16296.06 Lacs (P.Y. Rs.15161.28 lacs)

- 0 - 1% CRPS are issued in settlement of claims for consideration other than cash in last 5 financial years. (P/Y 11661448)
- Bonus Shares in last 5 financial years. - Nil (P/Y Nil)
- Shares bought back in last 5 financial years.- Nil (P/Y Nil)

NOTES FORMING PART OF ACCOUNTS

AS AT **AS AT**
31.03.14 **31.03.13**
Rs.(in Lacs) **Rs.(in Lacs)**

Details of Share holders holding more than 5 % Share Capital
No. of Shares

Particulars	As at 31 Mar' 2014	%age	As at 31 Mar' 2013	%age
Pacific Texmark Pvt. Ltd.	2835872	7.25	2835872	7.25
Billsworth Investment Pvt. Ltd	-	-	2000000	5.11
6% OCCPS				
State Bank of Mysore	-	-	6601506	24.51
State Bank of Hyderabad	-	-	3960904	14.71
Punjab National Bank	-	-	13203013	49.02
HDFC BANK	-	-	1056241	3.92
ICICI Bank Ltd.	-	-	2112482	7.84
6% CRPS				
State Bank Of Bikaner & Jaipur	4891690	3.12	4891690	3.76
The Jammu & Kashmir Bank	6194500	3.95	6194500	4.77
Export Import Bank Of India	3534800	2.25	3534800	2.72
IDBI Bank Ltd.	1413076	0.90	1413076	1.09
State Bank of India	40376560	25.74	40376560	31.08
State Bank of Patiala	23081900	14.72	23081900	17.77
State Bank of Mysore	18756986	11.96	12155480	9.36
State Bank of Hyderabad	13626294	8.69	9665390	7.44
Punjab National Bank	27560343	17.57	14357330	11.05
Syndicate Bank	-	-	7416190	5.71
UCO Bank	-	-	6813950	5.25
HDFC BANK	1056241	0.67	-	-
ICICI Bank Ltd.	2112482	1.35	-	-
1% CRPS				
Development Credit Bank Ltd.	11661448	10.50	11661448	10.50
State Bank of India	38384749	34.55	38384749	34.55
ICICI Bank Limited	9816345	8.84	9816345	8.84
HDFC Bank	15482087	13.94	15482087	13.94
Standard chartered	35749418	32.18	35749418	32.18

2. RESERVES AND SURPLUS
A Capital Reserve

At the Beginning of the Year	260.00	260.00
Add : Capital Subsidy	30.00	-
At the end of the Year	290.00	260.00

B Securities Premium

At the Beginning and at the end of the year	19,156.37	19,156.37
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NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
C. General Reserves		
At the Beginning and at the end of the Year	<u>7,999.30</u>	<u>7,999.30</u>
D. Exchange Fluctuation Reserve		
At the Beginning of the Year	85.88	86.36
Less : Exchange Fluctuation	0.88	0.49
At the end of the Year	<u>85.00</u>	<u>85.87</u>
E. Statement of Profit And Loss Account		
Loss at the Beginning of the Year	(81,122.16)	(69,540.26)
Add: Loss for the Year	(11,756.21)	(11,581.90)
Loss at the end of the Year	<u>(92,878.37)</u>	<u>(81,122.16)</u>
Group Total :	(65,347.70)	(53,620.62)
Less : Minority Interest	712.84	712.84
Total :	<u>(66,060.54)</u>	<u>(54,333.46)</u>
3. Long Term Borrowings		
Secured Loans		
(a) Term Loans		
(1) Banks & Financial Institutions (See Note Below i, ii & iii)	67,293.96	66,159.17
(i) Term loans Rs. 55510.78 Lacs from Bank & Financial Institutions are Secured by First Pari - Passu charge created on Fixed Assets and second pari-passu charge on current assets of the Company, alongwith Personal Guarantees of promotor Directors.		
(ii) WCTL Rs. 8885.54 Lacs and FITL Rs. 2897.64 Lacs from bank & Financial Institutions are secured by first pari- passu charge on fixed assets of the company, alongwith Personal Guarantees of promotor Directors.		
(iii) Company has defaulted in repayment of term loan to the banks as under		
Term Loan w.e.f.		
Rs. 1500 Lacs Feb. 2009		
Rs. 1000 Lacs Mar. 2009		
TOTAL	<u>67,293.96</u>	<u>66,159.17</u>
3.1 Maturity Profile of Term Loans From Banks & Financial Institutions		
By order dated 02.09.2011 of Hon'ble BIFR and order dt. 12.03.2012 of hon'ble AAIFR, the amount of Bank and Financial Institutions becoming due after May 2011 are deferred till the date of sanction of the scheme by Hon' ble BIFR, such amount has been considered as long term borrowing and will be dealt with in terms of draft rehabilitation scheme on sanction by hon'ble BIFR.		
4. OTHER LONG TERM LIABILITIES		
Interest accrued but not due on borrowing (Refer Note No. 3.1 above)	23,056.16	13,666.72
Total	<u>23,056.16</u>	<u>13,666.72</u>
5. LONG TERM PROVISION		
Provision for Employee benefits (Refer Note No 46)	290.26	292.01
Total	<u>290.26</u>	<u>292.01</u>

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
6. SHORT TERM BORROWINGS		
SECURED LOANS		
Loan repayable on Demand		
From Banks (Working Capital)	40,151.57	39,351.28
From Bank (Others)	41.04	-
Total	40,192.61	39,351.28
1) Working capital Rs. 40151.57 Lacs from banks are secured by first pari - passu charge on current assets and second pari - passu charge on fixed assets of the company, alongwith Personal Guarantees of Promotor Directors.		
7. TRADE PAYABLES		
(a) Micro, Small & Medium Enterprises	26.23	57.92
(b) Others	6,568.14	6,177.70
Total	6,594.37	6,235.62
7.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act,2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March,2014 as per the terms of Contract relied upon by auditors.		
8. OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	0.97	7.16
(b) Unpaid dividend	6.03	8.54
(c) Interest accrued and due on borrowing (Refer Note No. 8.1)	755.61	732.89
(d) Interest accrued but not due on borrowing (Refer Note No. 8.1)	1,095.43	671.49
(e) Other payable		
(1) Expenses Payable (Refer Note No. 8.2)	4,247.92	4,070.02
(2) Creditors for Fixed Assets	183.17	173.72
(3) Book Overdraft	266.61	565.78
(4) Advance From Customers	298.91	427.85
(5) Other Liabilities	1.89	1.08
Total	6,856.54	6,658.53
8.1 Company has defaulted in payment of interest to bank amounting to Rs. 1770.85 lacs (P/y Rs. 1346.91 lacs from Feb. 2009 onwards).		
8.2 Expenses Payable include the liabilities to employees, Sales Tax/Vat, other taxes, Rebate & Discount etc.		
9. Short term provisions		
Provision for Employee benefits (Refer Note No 46)	34.25	23.01
Provision for Tax	4.97	2.81
Total	39.22	25.82

NOTES FORMING PART OF ACCOUNTS
10 FIXED ASSETS

Rs. in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	Opening Balance	Addition During The Year	Deduction/ Sale	Total Upto 31.03.2014	Opening Balance	During The Year	On Deduction	Total Upto 31.03.2014	As On 31.03.2014	As On 31.03.2013
TANGIBLE ASSETS										
Leasehold Land	2179.14	0.00	0.00	2179.14	136.05	13.84	0.00	149.89	2029.25	2043.09
Free Hold Land	724.01	0.00	0.00	724.01	0.00	0.00	0.00	0.00	724.01	724.01
Building	14711.80	59.73	0.00	14771.53	2952.99	490.49	0.00	3443.48	11328.05	11758.81
Plant & Machinery	61515.45	527.97	0.00	62043.42	21905.32	3871.61	0.00	25776.93	36266.49	39610.13
Furniture Fixture	384.06	22.00	1.35	404.71	180.66	28.68	0.63	208.71	196.00	203.40
Vehicles	522.26	42.60	63.78	501.08	289.80	47.44	43.01	294.23	206.85	232.46
Office Equipment	242.40	24.46	2.68	264.18	82.09	13.30	0.90	94.49	169.69	160.31
Computers	687.47	27.47	0.48	714.46	636.81	19.08	0.08	655.81	58.65	50.66
Sub Total A	80966.59	704.23	68.29	81602.53	26183.72	4484.44	44.62	30623.54	50978.99	54782.87
INTANGIBLE ASSETS										
Computer (Software)	68.45	7.65	0.00	76.10	47.20	5.42	0.00	52.62	23.48	21.25
Brand & Trade Mark	646.05	0.00	0.00	646.05	617.34	14.82	0.00	632.16	13.89	28.71
Sub Total B	714.50	7.65	0.00	722.15	664.54	20.24	0.00	684.78	37.37	49.96
Total	81681.09	711.88	68.29	82324.68	26848.26	4504.68	44.62	31308.32	51016.36	54832.83
Previous Year	81683.10	195.10	197.11	81681.09	22352.93	4501.45	6.13	26848.26	54832.83	0.00
Capital Work in Progress									130.13	200.84
Intangible Assets Under development									102.08	0.00

11. NON - CURRENT INVESTMENTS (AT COST)
Long Term (Fully Paid Unless Otherwise Stated)
Other Investment
Investment in Equity Instruments
(A) Quoted Shares

13400(13400)Equity Shares of Rs. 10/- each of Kay Power and Paper Ltd. Market Value - Rs. 221100 (199258)	1.34	1.34
720(720) Equity Shares of Rs. 10/- each of Parasram Puria Synthetics Ltd. (Market Value - Not Available)	0.22	0.22
2000(2000) Equity Shares of Rs. 10/- each of Global Syntex (Bhilwara)Ltd.(Partly of Rs. 5/- each Paidup) (Market Value- Not Available)	0.10	0.10

(B) Unquoted Shares

2450(2450)Shares of Colombine Cody Corp. N.P.V	4.12	4.12
Total	5.78	5.78

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

Capital Advance	608.08	631.14
Security Deposits	566.18	696.76
Total	1,174.26	1,327.90

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
13. OTHER NON CURRENT ASSETS		
(Secured)		
Considered Good		
Receivable from Banks	656.64	656.64
(Unsecured)		
Considered Good	230.24	231.45
Minimum Alternate Tax Adjustable	322.81	322.81
Preliminary and Deferred Revenue Expenditure	-	0.11
Considered Doubtful	16.19	16.19
Less : Provision as Doubtful for realisation	(16.19)	(16.19)
Total	<u>1,209.69</u>	<u>1,211.01</u>
14. CURRENT INVESTMENT		
Investment in Mutual Funds		
20000 (20000) UNIT OF Rs. 10/- EACH OF SBI MAGNUM EQUITY FUND	2.00	2.00
Market Value-Rs. -635030/- (546370/-)		
19560(19560) Unit of Franklin India High Growth Co.	2.00	2.00
Market Value - Rs. -336221/- (269525/-)		
100000(100000) Unit of Rs. 10/- each of SBI Infrastructure Fund	7.61	10.00
Market Value- Rs. -760840/- (727750/-)		
2930 (2930) Unit of Reliance Growth Fund	10.00	10.00
Market Value- Rs. - 1496362/- (1291407/-)		
10000(10000) of Rs. 10/- each of UTI Infrastructure	1.00	1.00
Advantage Fund-Series-I		
Market Value- Rs. - 299497/- (264611/-)		
Total	<u>22.61</u>	<u>25.00</u>
15. INVENTORIES		
(Valued and certified by the management)		
Raw Materials	24,110.08	21,932.94
Work-in-Progress (Refer Note No. 50)	4,554.21	4,389.01
Finished Goods (Refer Note No. 50)	8,606.77	8,767.22
Stores & Spares Parts	503.00	470.11
Total	<u>37,774.06</u>	<u>35,559.28</u>
16. TRADE RECEIVABLES		
Outstanding for a Period Exceeding Six Months from the date they are due for payment		
Unsecured Considered		
Good	1,326.13	1,440.04
Doubtful	193.55	101.15
Less: Provision for Doubtful Receivables	(193.55)	(101.15)
	<u>1,326.13</u>	<u>1,440.04</u>
Other Trade Receivable		
Unsecured Considered Good	10,231.53	9,615.95
Total	<u>11,557.66</u>	<u>11,055.99</u>

NOTES FORMING PART OF ACCOUNTS

	AS AT 31.03.14 Rs.(in Lacs)	AS AT 31.03.13 Rs.(in Lacs)
17. CASH & BANK BALANCES		
i) Cash and Cash Equivalents		
In Current Accounts	262.07	1,015.44
In Unpaid Dividends A/c	6.03	8.54
Cheques and Draft on Hand	93.65	2.97
Cash on Hand	284.13	140.77
	<u>645.88</u>	<u>1,167.72</u>
ii) Other Bank Balances		
in Fixed Deposit (Rs. 1933.41 P/Y Rs. 1663.32 Lacs Pledged against Margin and other Commitments)	4,491.56	2,701.20
Total	<u>5,137.44</u>	<u>3,868.92</u>
18. SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
Balances With Revenue Authorities	127.23	176.11
Advance Income Tax /Tds Recoverable	114.48	65.50
Other Receivables #	535.13	676.62
Total	<u>776.84</u>	<u>918.23</u>
# Includes Advance to suppliers, Staff, Prepaid Expenses, etc.		
19. OTHER CURRENT ASSETS		
Export Incentive Receivable	717.21	512.54
Insurance and other Claim Receivable	153.41	28.30
Interest Accrued but not due	80.43	74.92
Interest Accrued	11.00	36.51
Minimum Alternate Tax Adjustable	12.14	12.14
Total	<u>974.19</u>	<u>664.41</u>
	YEAR ENDED 31.03.14	YEAR ENDED 31.03.13
20. REVENUE FROM OPERATIONS		
(A) Sale of Products		
(Including Traded Goods)		
Export	28,463.29	19,146.09
Domestic	49,705.18	51,254.78
Sub Total (A)	<u>78,168.47</u>	<u>70,400.87</u>
(B) Other Operating Revenues		
Scrap / Waste Sale	2,667.28	1,223.65
D.E.P.B / Duty Drawback / Export Incentives	1,531.65	932.37
Job Work Receipt	107.68	77.21
Sub Total (B)	<u>4,306.61</u>	<u>2,233.23</u>
Total (A+B)	<u>82,475.08</u>	<u>72,634.10</u>
	(Rs. in Lacs)	
Details of Product Sold	2013-14	2012-13
Yarn	56236.75	50957.96
Fabric/Made up/Fashion	17714.72	15890.55
Architectural Products	2437.78	1961.65
Others	1779.22	1590.70
Total	<u>78168.47</u>	<u>70400.86</u>

NOTES FORMING PART OF ACCOUNTS

	YEAR ENDED 31.03.14 Rs.(in Lacs)	YEAR ENDED 31.03.13 Rs.(in Lacs)
21. OTHER INCOME		
(A) Income from Interest	371.96	224.05
(B) Other Non Operating Income	223.89	44.26
(C) Net Gain/(Loss) on Foreign Currency exchange fluctuation	497.15	349.37
Total	1,093.00	617.68
22. COST OF MATERIAL CONSUMED (Refer Note No. 48)		
Opening Stock	21,932.94	19,515.41
Add: Purchases	56,239.13	50,449.72
Total	78,172.07	69,965.13
Less: Closing Stock	24,110.08	21,932.94
Total	54,061.99	48,032.19
23. PURCHASE OF STOCK-IN-TRADE (Refer Note No. 49)	3,066.65	3,026.10
24. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventories (at commencement)		
Finished Goods	8,767.22	6,477.10
Work-in-Progress	4,389.01	3,898.35
Sub Total (A)	13,156.23	10,375.45
Inventories (at end)		
Finished Goods	8,606.77	8,767.22
Work-in-Progress	4,554.21	4,389.01
Sub Total (B)	13,160.98	13,156.23
Total (A-B)	(4.75)	(2,780.78)
25. EMPLOYEE BENEFIT EXPENSES		
Salaries Including other Benefits	3,270.25	2,822.12
Wages Including other Benefits	3,634.54	3,215.17
Contribution to Provident & other Funds-Wages	154.57	128.21
Contribution to Provident & other Funds-Salary	44.57	35.55
Gratuity	57.14	51.42
Staff Welfare	106.15	106.26
Managerial Remuneration (Refer Note No. 47)	26.86	29.66
Total	7,294.08	6,388.39
26. FINANCE COST		
Interest to Banks & Fin. Institutions	10,949.38	9,707.03
Interest to others	285.26	183.23
Other Borrowing Cost	152.75	58.87
Total	11,387.39	9,949.13

NOTES FORMING PART OF ACCOUNTS

	YEAR ENDED 31.03.14 Rs.(in Lacs)	YEAR ENDED 31.03.13 Rs.(in Lacs)
27. OTHER EXPENSES		
Manufacturing Expenses		
Production Expenses	824.20	666.52
Security & Vigilance	52.58	47.76
Consumption of Stores & Spares	1,187.18	1,322.57
Power & Fuel	5,979.07	6,027.12
Carriage & Cartage	51.61	31.93
Administrative Expenses		
Rent	240.13	384.31
Insurance	164.88	158.87
Rates & Taxes	33.52	42.85
Postage & Telegram	22.93	17.01
Printing, Stationery & Computer Expenses	61.22	68.26
Legal & Professional Expenses	394.87	209.64
Travelling & Conveyance - Others	471.27	468.56
Travelling & Conveyance - Directors	21.84	17.03
Telephone & Fax	73.22	62.90
Books & Periodicals	1.33	1.07
Fees & Subscription	28.38	17.83
General Expenses	37.28	62.96
Bank Charges	77.14	53.99
Payment to Auditors (Refer Note 32)	17.53	17.24
Vehicle Running Expenses	141.33	110.26
Donation	1.00	0.16
Hank Yarn Obligation	45.10	50.46
Misc. and Deferred Revenue Expenditure W/off	0.12	0.10
Loss on Investment	2.39	-
Loss on Insurance Claim	-	84.75
Loss on Disposal of Assets	7.12	0.17
Repairs & Maintenance		
Building	54.00	18.72
Machinery	75.21	97.00
Others	69.54	71.73
Selling & Distribution Expenses		
Packing & Forwarding	2,124.84	1,896.61
Sales Promotion & Incentives	1,097.04	800.17
Cash Discount	103.20	80.73
Bad Debts W/off	35.42	121.56
Prov. For doubtful Debts	95.68	98.51
Advertisement & Publicity	101.49	92.66
Vat/Sales Tax Paid	33.29	8.69
Freight on Exports	998.24	779.12
Sub Total	14,725.19	13,989.82
Prior Period Expenses (Net)	20.80	295.95
Total	14,745.99	14,285.77

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

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Profit (Loss) for the Year before Preference Dividend and attributable tax thereon (Rs. in Lacs)	(11756.21)	(11581.90)
Less:- Preference Dividend and attributable tax (Rs. in Lacs)	(1230.90)	(1140.51)
Profit/(Loss) attributable to the Equity shareholders after Preference Dividend and attributable tax thereon (Rs.in Lacs) - (A)	(12987.11)	(12722.41)
Weighted average number of equity shares outstanding during the year - (B)	39114100	39114100
Nominal value of equity shares (Rs.)	10.00	10.00
Basic & Diluted Earnings per share (Rs.)	(33.20)	(32.53)

Note : Since the diluted negative EPS is more than basic EPS hence the basic and diluted EPS is considered same.

29. Earnings in Foreign Exchange
Rs. in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
F.O.B. Value of Exports	27429.81	17647.79

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

Particulars	For the Year ended 31 st March 14	% of consumption	For the Year ended 31 st March 13	% of consumption
Raw Material				
Imported	2447.10	4.53%	1525.10	3.18%
Indigenous	51614.89	95.47%	46507.09	96.82%
Total	54061.99	100.00	48032.19	100.00
Store				
Imported	311.77	26.26%	292.42	22.11%
Indigenous	875.41	73.74%	1030.15	77.89%
Total	1187.18	100.00	1322.57	100.00

31. C.I.F. Value of Imports
Rs in Lacs

Particulars	For the Year ended 31 st March 14 Amount	For the Year ended 31 st March 13 Amount
Raw Materials	2399.78	1321.06
Capital Goods	228.21	31.18
Components & Spare Parts	296.69	265.51

NOTES FORMING PART OF ACCOUNTS
32. Payment to Auditors
Rs in Lacs

Particulars	For the Year ended 31 st March 14	For the Year ended 31 st March 13
a. Audit Fee	13.82	13.86
b. Other Services	3.71	3.38

33. Expenditure in Foreign Currency
Rs in Lacs

Particulars	For the Year ended 31 st March 14	For the Year ended 31 st March 13
Foreign Travels	80.11	27.39
Interest	-	2.53
Others	440.47	392.71

34. Holdings of Alps Industries Limited in its Subsidiaries:

Name of the Subsidiary	Country of Incorporation	Holding as on 31 st March 2014	Holding as on 31 st March 2013
Alps Energy Pvt. Ltd	India	69.75%	69.75%
Snowflakes Meditech Private Ltd.	India	73.94%	73.94%
Alps USA INC.	USA	100.00%	100.00%

All the companies are subsidiaries of Alps Industries Ltd.

35. Related Party Transactions

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

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

: Alps Energy Pvt. Ltd.,
Snowflakes Meditech private Ltd (Formerly known as Alps Retail Pvt Ltd),
Alps USA INC.

Wholly owned Subsidiary:
Entities controlled by subsidiaries, key managerial personnel and their relatives

Alps Processors Pvt. Ltd., Careen Fintec (P.) Ltd., Coronation Spinning India (P) Ltd., Pacific Texmark Pvt. Ltd. (Formerly known as Alps Infin Pvt. Ltd.), Padam Precision Dies & Component Pvt. Ltd., Peek Finvest (P) Ltd., Perfect Finmen Services (P) Ltd., Roseate Finvest Pvt. Ltd., Saurabh Floriculture (P) Ltd., Supreme Finvest Pvt. Ltd. and Aspen Enterprises.,

Key managerial personnel and their relatives

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

NOTES FORMING PART OF ACCOUNTS
Rs in Lacs

Nature of Transaction	Transactions with Key Managerial Personnel	Transactions with relatives of Key Managerial Personnel	Transactions with Entities controlled by Key Managerial Personnel, and their relatives
	For the Year ended 31 st March 14	For the Year ended 31 st March 14	For the Year ended 31 st March 14
1. Sale of Goods	NIL (NIL)	NIL (NIL)	1108.08 (823.14)
2. Purchase of Goods (including job work)	NIL (NIL)	NIL (NIL)	NIL (1.78)
3. Allotment of equity shares along with premium	NIL (NIL)	NIL (NIL)	NIL (NIL)
4. Interest Paid	NIL (NIL)	NIL (NIL)	NIL (NIL)
5. Advances/Loans given	NIL (NIL)	NIL (NIL)	NIL (NIL)
6. Advances/Loans taken	NIL (NIL)	NIL (NIL)	NIL (NIL)
7. Remuneration & Sitting Fee	27.26 (29.96)	9.60 (9.60)	NIL (NIL)
8. Commission Paid	NIL (NIL)	NIL (NIL)	NIL (NIL)
9. Balance at year end (Dr.)	NIL (NIL)	NIL (NIL)	58.22 (183.14)

NOTES FORMING PART OF ACCOUNTS

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

Primary Segments

Rs. in Lacs

Particulars	SEGMENTS							
	Home Furnishing & Fashion Accessories		Yarn		Architectural Products		Total	
Year	For the year ended 31 st March 2014	For the year ended 31 st March 2013	For the year ended 31 st March 2014	For the year ended 31 st March 2013	For the year ended 31 st March 2014	For the year ended 31 st March 2013	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Segment Revenues	18926.96	16,391.49	61,362.39	53,931.67	4,172.13	3,102.09	84,461.48	73,425.25
Less Inter Segment Revenue	312.21	422.40	1,933.46	665.50	-	-	2,245.67	1,087.90
Net Segment Revenue	18,614.75	15,969.09	59,428.93	53,266.17	4,172.13	3,102.09	82,215.81	72,337.35
Segment Results	(1,196.23)	(3,255.91)	(285.36)	2,628.08	28.74	(487.94)	(1,452.85)	(1,115.77)
Less Financial Expenses	-	-	-	-	-	-	(11,387.39)	(9,949.14)
Less Un-allocable expenses	-	-	-	-	-	-	-	(1,149.23)
Add Other Income	-	-	-	-	-	-	1,093.00	617.69
Profit before tax	-	-	-	-	-	-	(11,747.24)	(11,596.45)
Other Informations								
Segment Assets	36,996.43	37,025.00	64,161.86	65,313.90	2,751.16	2,502.22	103,909.45	104,841.12
Unallocated Assets	-	-	-	-	-	-	5,971.65	4,829.07
Total Assets	-	-	-	-	-	-	109,881.10	109,670.19
Segment Liability	18,527.71	20,931.80	28,546.61	27,171.70	2,081.55	1,885.18	49,155.87	49,988.68
Unallocated liability	-	-	-	-	-	-	96,081.46	83,310.69
Share Capital, Reserve & Surplus and Profit & Loss	-	-	-	-	-	-	(35,356.23)	(23,629.18)
Total Liability	-	-	-	-	-	-	109,881.10	109,670.19
Capital Expenditure	277.59	(71.70)	332.00	60.63	101.04	11.45	-	-
Depreciation	2005.42	1560.11	2418.61	2860.67	59.09	58.16	-	-
Non Cash Expenses		----	----	----	----	----		

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

NOTES FORMING PART OF ACCOUNTS

Particulars	Secondary Segments						Rs. in Lacs
	SEGMENTS						
	Domestic		Export		Total		
	For the Year ended 31 st March 14	For the Year ended 31 st March 13	For the Year ended 31 st March 14	For the Year ended 31 st March 13	For the Year ended 31 st March 14	For the Year ended 31 st March 13	
Segment Revenue	52220.87	52258.88	29994.94	20078.46	82215.81	72337.34	

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

Particulars	Rs. in Lacs	
	As at 31.03.2014	As at 31.03.2013
a) Guarantees issued by banks on behalf of company.	236.35	327.71
b) Letters of Credit outstanding (trade)	NIL	35.31
c) Claims against the company not acknowledged as debts	997.49	319.01
d) Other Claims against the company not acknowledged as debt :		
I. The Company had certain exotic derivative transactions with ABN Amro Bank, which the Company has disputed in an earlier year. During the tenure of transaction ABN Amro Bank had communicated an estimated liability of the Company against these outstanding transactions as Rs. 12530 Lac. Though the bank has not further communicated any liability of the company but as per assessment made by an independent agency on the request of the company, the value of this deal on the day of its expiry i.e. June 2010 is Rs 30800 Lac (negative to the Company) (P.Y. Rs. 30800 Lac) excluding any fee or any amount received/ paid or payable on settlement. On the basis of legal opinion, the Company has not admitted the claim of bank against these transactions and filed a suit in the competent civil court who had issued an interim order for maintenance of status quo with regard to recovery towards these transactions. The Hon'ble High Court while admitting the appeal of the bank against this status quo order and suit has directed the continuation of the Status Quo order granted by the Hon'ble Civil Court and also stayed the proceedings before Hon'ble Civil Court till further order. The said appeal is still under consideration of Hon'ble High Court. In view of above facts, no provision against these transactions is considered necessary.		
II. Kotak Mahindra Bank Limited (KMBL) filed an Original Application (OA) before Hon'ble Debt Recovery Tribunal, Mumbai (DRT) for recovery of its claim amounting to Rs. 601.11 lacs (P.Y. Rs. 601.11 Lacs) in respect of certain foreign currency derivative transactions against which vide an interim order Hon'ble DRT has restrained the company from selling its certain Fixed Assets. Hon'ble Debt Recovery Appellate Tribunal (DRAT) Mumbai, on appeal of the company, has directed to return the said OA and set aside the said restrain order passed by the Hon'ble DRT. The Hon'ble Bombay High Court vide an interim order in the writ filed by KMBL against the order of Hon'ble DRAT has stayed the order of Hon'ble DRAT and restored the restrain order passed by Hon'ble DRT and also stayed the proceedings before Hon'ble DRT till further order. The said writ is still under consideration of Hon'ble Bombay High Court. Besides this, subsequently, on expiration of the tenure of these transactions, Kotak Mahindra Bank has also raised a claim of Rs. 1435 Lacs (P.Y. Rs. 1435 Lacs) in respect of these foreign currency derivative transactions. On the basis of legal opinion, the Company has not admitted the claims of bank against these transactions and filed a suit in the competent civil court of law where the same are still pending adjudication. An appeal filed by the company against the order passed by Hon'ble Civil Court in the matter of withdrawing its earlier order directing to maintain the status quo as regards the recovery proceedings is also pending adjudication before Hon'ble High Court. In view of above facts, no provision against these transactions is considered necessary.		
III. DBS Bank Ltd. have raised claims amounting to US\$ 91.09957 Lac & Rs. 667.39 lac, totaling to Rs. 6142.46 lac approx (previous year totaling to Rs. 5622.23 lac approx) against the Company in respect of certain foreign currency derivative transactions. On the basis of legal opinion, the Company has not admitted the claims of bank against these transactions and filed a suit in the competent civil court of law, which has issued an interim order for maintenance of status quo with regards to recovery towards these transactions. The interim order is still continuing and the matter is still pending adjudication. An appeal filed by Bank against the status quo order passed by Hon'ble Civil Court is also pending adjudication before Hon'ble Allahabad High Court. In view of above facts, no provision against these transactions is considered necessary.		

NOTES FORMING PART OF ACCOUNTS

- IV. Merrill Lynch Capital Services Inc. raised a claim of US\$ 195.80 Lacs, Rs.11767.54 Lac approx, (P.Y. US\$ 195.80 Lacs, Rs 10649.42 Lac approx.) against the company in respect of an alleged corporate guarantee of \$ 100 Lacs (Rs. 6009.98 Lac approx) ((previous year \$100 Lacs(Rs. 5438.93 Lac approx.)) alleged to be given by the company for one of its subsidiary company M/s Alps USA Inc. Based on legal advice, the company has not admitted the said claim and filed a suit in the competent civil court. An appeal filed by the company against the order passed by Hon'ble Civil Court in the matter of withdrawing its jurisdiction and earlier order directing to maintain the status quo as regards the recovery proceedings is also pending adjudication before Hon'ble Allahabad High Court. In view of above facts, no provision against this claim is considered necessary.
- V. Workers of Kashipur and Jaspur units have filed cases before the Industrial Tribunal/Labour Court, Haldwani, Uttarakhand U/s 33C(2) of the Industrial Dispute Act 1947 claiming total amount of Rs. 15064.97 Lac, in respect of their alleged dues towards wages, retirement benefit etc. as per Hon'ble Court's Notice dated 4th May 2013 received by the company, which is being contested. The Liability, if any, will be accounted for as and when the matter is finally decided.

B) Commitments:-
Rs. in Lacs
31.03.2014 31.03.2013

- | | | |
|--|-------|--------|
| i) Estimated amount of contracts remaining to be executed
On capital account and not provided for: | 52.58 | 183.05 |
| ii) Arrears of preferential dividend as on 31.03.2014 amounting to Rs 2943.18 Lac
(Previous year amounting to Rs. 1891.07). | | |
38. On Assessment with regard to Impairment of Assets it is ascertained that no potential loss is present. Accordingly no impairment loss has been provided in the books of account.
39. Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.14 and the same results into the Deferred Tax Assets (net), which has not been recognized due to uncertainty of sufficient taxable income in future within reasonable period.
40. The unclaimed dividend amounting to Rs. 2.50 Lac for the Financial Year 2005-06 (Rs. 2.17 Lac for the Financial Year 2004-05) & unclaimed application money received for allotment of equity share amounting to Rs. Nil (P.Y. Rs. 3.24 Lac) has been transferred to the Investor Education and Protection Fund, as per the provisions of Section 205C of the Companies Act, 1956.
41. The balances of sundry debtors, loans and advances and sundry creditors are subject to confirmation and reconciliation.
42. Sales are net of Rebate & Discounts amounting to Rs. 774.10 Lac (Previous Year Rs. 593.08 Lac).
43. With Respect to the reference filed by the company as a sick industrial company before Hon'ble Board for Industrial and Financial Reconstruction (BIFR), proceedings U/s 17(3) of Sick Industrial Companies (Special provisions) Act, 1985 (SICA) for formulation of a Scheme for revival of the company are in progress.
44. CDR EG had sanctioned a rework scheme on 31st March 2011 w.e.f. 1st January 2011 against its earlier restructured scheme dated 11th September 2009, intimated vide LOA dated 4th May 2011, which has been withdrawn vide CDR EG letter dated November 16, 2012. However the individual sanctions of the lender banks are continuing and binding. However the company is exploring the possibility of settlement of the dues of lenders as an alternative to the restructuring and negotiation for the same are also in progress.
45. The Company has received communications from State Bank of India, State Bank of Mysore and EXIM Bank stating that they have assigned their dues recoverable from company (except an amount of Rs. 100 lac retained by State Bank of India) to an assets reconstruction company (ARC). The effect to the same shall be given after receipt of necessary documents including assignment deeds executed by the said banks. The same will however not have any effect on the Balance Sheet or Profit and Loss account of the company for the year as the same requires only substitution of the name of the ARC for the transferor banks.

NOTES FORMING PART OF ACCOUNTS
46. Employee Benefits

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

1. Defined Contribution plans:

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

Rs. in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Employers contribution to Provident Fund and Employee's State Insurance Corporation	199.14	163.76

2. Defined Benefit plans

I. Gratuity

II. Earned leave

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

Rs. in Lacs

Particulars	Gratuity (Unfunded)		Earned Leave (Unfunded)	
	For the Year ended 31 st March 14	For the Year ended 31 st March 13	For the Year ended 31 st March 14	For the Year ended 31 st March 13
Discount Rate (per annum)	8.75%	8.00%	8.75%	8.00%
Future Salary Increase	6.25%	6.00%	6.25%	6.00%
In Service Mortality	Std of LIC (2006-08)	Std of LIC (1994-96)	Std of LIC (2006-08)	Std of LIC (1994-96)
Retiring Age	58 years	58 years	58 years	58 years
Withdrawal Rates:				
Up to 30 years	3%	3%	3%	3%
Up to 44 years	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%
Expenses recognized in Statement Profit & Loss				
Current Service Cost	47.53	59.65	25.27	30.79
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Interest Cost	18.68	17.06	6.52	6.02
Net Actuarial (gain)/ Loss recognized in the year	(9.07)	(25.71)	3.48	(14.57)
Total Expenses	57.14	51.00	35.26	22.24
II. Net Assets /(Liability) recognized in the Balance Sheet				
Present value of the Defined Benefit obligation	235.26	233.54	89.24	81.47
Fund Status (Deficit)	(235.26)	(233.54)	(89.24)	(81.47)
Net assets/ (Liability)	(235.26)	(233.54)	(89.24)	(81.47)
III. Change in present value of obligation				
Present Value of obligation as at the beginning of the period	233.54	213.23	81.47	75.30
Interest Cost	18.68	17.06	6.52	6.02
Past Service Cost - Vested	Nil	Nil	Nil	Nil
Current Service Cost	47.53	59.65	25.26	30.79
Benefits Paid	(55.41)	(30.69)	(27.49)	(16.08)
Actuarial (gains)/ Loss on obligation	(9.07)	(25.71)	3.48	(14.57)
Present Value of obligation as at the end of the period	235.26	233.54	89.24	81.47

NOTES FORMING PART OF ACCOUNTS
47. Managerial Remuneration

Rs. in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Salary	26.61	28.41
Perquisites	00.24	1.25
Total	26.85	29.66

48. Particulars of Raw Material Consumption

Rs. in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Cotton	42569.63	35581.49
Yarn	3619.21	3102.96
Fabric	2614.09	5130.22
Architectural Products	2055.82	1888.49
Others	3203.24	2329.03
Total	54061.99	48032.19

49. Details of Purchases of Stock-in-Trade

Rs. in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Yarn	1015.61	438.97
Fabric	1884.07	2587.13
Architectural	166.97	-
Total	3066.65	3026.10

50. Inventories

Rs. in Lacs

Particulars	As at 31 st March 14	As at 31 st March 13
Work-in-Progress		
Cotton / Fibre	1717.54	1794.85
Yarn	2355.22	2066.11
Fabric / Made up	445.91	470.93
Others	35.54	57.13
Total	4554.21	4389.01
Finished Goods		
Yarn	6458.81	6811.01
Fabric / Made up	1949.60	1547.78
Others	198.36	408.43
Total	8606.77	8767.22

NOTES FORMING PART OF ACCOUNTS

51. Exceptional Items

Rs. in Lacs

Particulars	For the year ended 31 st March 14	For the year ended 31 st March 13
Settlement of foreign exchange forward contract claims	-	1166.14
Total	-	1166.14

52. The previous period figures have been regrouped and rearranged, wherever necessary to make them corresponded with those of current period classification and disclosure.

As per our report of even date attached

For P. Jain & Co.

Chartered Accountants

(Firm Registration No. : 000711C)

For and on behalf of the Board

Sandeep Agarwal
Managing Director

Munish Kr. Jain

Partner

Membership No. : 70335

Place : Ghaziabad

Date : May 30, 2014

A.K. Singhal
President (F&A)

Ajay Gupta
Company Secretary

P.K. Rajput
Executive Director

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

Sr. No.	Name of the Subsidiary Company	Reporting currency	Amount in	Exchange Rate	Capital	Share application money received	Reserves	Total Assets	Total Liabilities (excluding 5 & 7)	Investments (other than investments in subsidiary) 10	Turnover	Profit Before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	Country
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1	Snowflaks Meditech Pvt. Ltd.	INR	in Lacs	-	434.26	-	1,056.04	1,732.01	241.71	-	576.31	2.09	-	1.69	-	India
2	Alps Energy Pvt. Ltd.	INR	in Lacs	-	449.94	-	1,525.06	2,085.62	110.62	-	1057.11	16.39	4.57	11.82	-	India
3	Alps USA Inc.	INR	in Lacs	60.10	736.22	-	(427.61)	317.93	9.32	-	-	(0.12)	-	(0.12)	-	USA
		USD	in 000	-	1,225.00	-	(711.50)	529.00	15.50	-	-	(0.19)	-	(0.19)	-	

AUDITORS' CERTIFICATE FOR CASH FLOW STATEMENT

We have examined the Cash flow Statements (Standalone & Consolidated) of Alps Industries Limited for the financial year ended on 31st March 2014, The statement has been prepared by the Company in accordance with the requirements of clause 32 of listing agreement with the Stock exchange and is based on and in agreement with the corresponding Profit and Loss Account and the Balance sheet of the Company covered by our report of May 30, 2014 to the members of the Company.

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

Place : Ghaziabad
 Date : May 30, 2014

Munish Kr. Jain
 Partner
 Membership No. : 70335



Alps Industries Limited

(Since 1962)

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