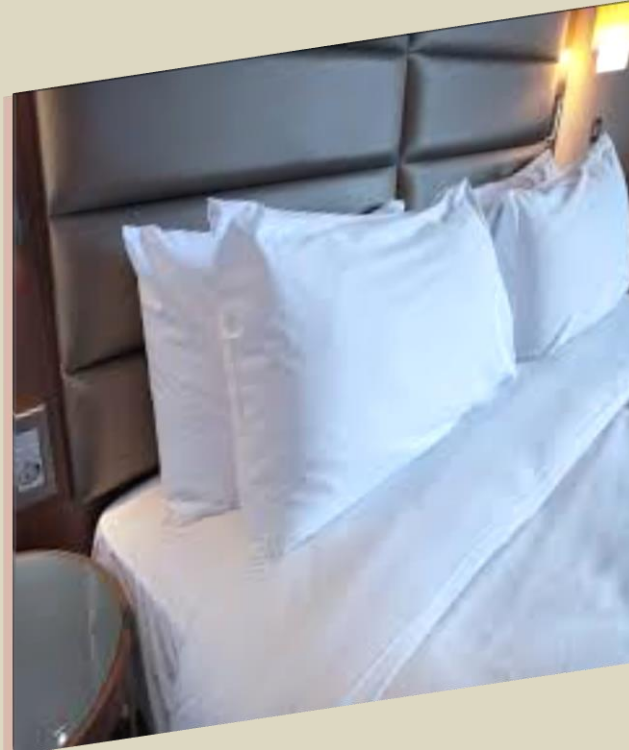


# ALPS INDUSTRIES LIMITED



**48<sup>TH</sup> Annual Report 2019-20**

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**CORPORATE DIRECTORY****Manufacturing Facilities / Offices****UNIT-I****High Quality Compact Yarn**

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

Ph : 01334-

239169/8191848848/8191848886

**Email –**

**admharidwar@alpsindustries.com**

**R&T Agency**

Alankit Assignments Ltd.

Alankit Heights, 1E/13, Jhandewalan

Extn., New Delhi – 110 055 (INDIA)

Ph : 91-11-42541234

Fax : 91-11-4254 1201

**Email: alankit@alankit.com**

**COST AUDITORS**

M/s. Gaurav Gupta & Associates, Cost  
Accountants

**STATUTORY AUDITORS**

M/s. R.K. Govil & Co., Chartered  
Accountants

**UNIT-II****Home Furnishing Made ups**

57/2, Site-IV Industrial Area,  
Sahibabad,

Ghaziabad – 201010 (U.P.)

Ph : 0120-4161700

Fax : 0120-2896041

**Email –info@alpsindustries.com**

**Marketing office**

57/2 Site-IV Industrial Area,

Sahibabad,

Ghaziabad – 201010 (U.P.)

Ph : 0120-4161700

**Email – yarns@alpsindustries.com**

**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 (B):0120-  
416700

Fax : 0120-2896041

**Email ID :**

**ajaygupta@alpsindustries.com**

**investorsgrievance@alpsindustries**  
**.com**

**UNIT-III****Automotive, Technical &  
Decorative Fabric Village –**

Aminagar, Bhoor

Baral, Meerut Delhi Road,

Meerut – 250103 (U.P.)

Ph : 0121-7180001

**Email –info@alpsindustries.com**

**Registered And Corporate Office &  
Share Deptt.**

57/2, Site-IV Industrial Area,

Sahibabad,

Ghaziabad – 201010 (U.P.)

Ph : 0120-4161700

Fax : 0120-2896041

**Email – info@alpsindustries.com**

**CORPORATE IDENTIFICATION  
NUMBER (CIN)**

L51109UP1972PLC003544

**SECRETARIAL AUDITORS**

M/s. D.K. Chawla & Co., Company  
Secretaries

**Mr. Sandeep Agarwal, Promoter & Managing Director (DIN:00139439)**

He is in the textile industry since last 31 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 acumen, leadership and strong patience, the company has been able to sail smoothly even in testing times.

**Mr. Pramod Kumar Rajput, Executive Director (DIN:00597342)**

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

**Mr. Prabhat Krishna, Independent Director (DIN:02569624)**

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

**Mr. Tilak Raj Khosla, Independent Director (DIN:02724242)**

He is an Arts Graduate with Subordinate Accounts Services (S.A.S). He retired from the post of Dy. Controller of Defence Accounts under the Controller General of Defence Accounts in the Ministry of Defence. He has 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. Pradyumn Kumar Lamba, Independent Director (DIN:02843166)**

He is an Arts Graduate with qualified Subordinate Accounts Services (S.A.S.). He retired from the post of Dy. Controller of Defence Accounts under the Controller General of Defence Accounts in the Ministry of 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.

**Ms. Deepika Shergill, Independent Woman Director (DIN:07093795)**

She possesses over 39 years of exposure in the area of Human Resources, Learning & Development and Training with reputed companies. She also is a Visiting Faculty with various business colleges, and has professional interests in Art, Photography and writing.

**DIRECTORS' REPORT**

To,  
The Members,  
Alps Industries Limited.

Your Directors have pleasure in presenting the 48<sup>th</sup> Annual Report, together with the Audited Statements of Account of the Company for the financial year ended on 31<sup>st</sup> March, 2020 in terms of the Companies Act' 2013 and rules & regulation made there under & Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Financial Statements have been prepared according to the relevant provisions of Companies (Indian Accounting Standards) Rules, 2015.

The Financial 'Performance of the Company, for the year ended March 31, 2020 is summarized below:

| Particulars   | (Rs. in Lacs)                |                              |
|---|------------------------------|------------------------------|
|   | Year Ended<br>March 31, 2020 | Year Ended March 31,<br>2019 |
| Total Income  | <b>32194.03</b>              | 37745.77                     |
| Operating Earnings/Losses before Financial Expenses,<br>Depreciation & Amortization and Tax | <b>(604.40)</b>              | 599.01                       |
| Finance Cost  | <b>5753.17</b>               | 5784.20                      |
| Depreciation  | <b>1481.82</b>               | 3378.93                      |
| Impairment of Assets  | <b>4665.81</b>               | -                            |
| Profit/(Loss) Before Tax  | <b>(12505.19)</b>            | (8564.12)                    |
| Provision for Tax   | -                            | -                            |
| Profit/(Loss) After Tax   | <b>(12505.19)</b>            | (8564.12)                    |
| Exceptional Items   | <b>995.61</b>                | 2239.07                      |
| Surplus /(Deficit) of last year <b>Add:</b>   | <b>(11509.58)</b>            | (6325.05)                    |
| <b>Surplus available for appropriation</b>  | <b>(59281.07)</b>            | (47771.49)                   |
| Appropriations  | -                            | -                            |
| Surplus/(Deficit) carried to Balance Sheet  | <b>(59281.07)</b>            | (47771.49)                   |
| Surplus available for appropriation   | -                            | -                            |

## OPERATING SCENARIO

### GLOBAL OVERVIEW – DOMESTIC & EXPORTS

The Cotton Association of India (CAI) in its January 20' estimate has retained its cotton crop estimate for 2019-20 at 354.50 lakh bales i.e. at the same level as in the previous estimate. The total cotton supply estimated by the CAI during the months of October 2019 to January 2020 is 234.89 lakh bales, which consists of the arrivals of 192.89 lakh bales upto January 2020. Further, the CAI, has estimated cotton consumption during the months of October 2019 to January 2020 at 106 lakh bales while the export shipment of cotton estimated by the CAI upto January 2020 is 20 lakh bales. Domestic consumption estimated by the CAI for the entire crop year i.e. upto 30th September 2020 is 331 lakh bales i.e. at the same level as estimated by the Cotton Advisory Board. The textile industry has experienced a slowdown in the recent past and lower demand for sure, not only in India but globally. There is a silver lining on the horizon for India. There are subtle indicators for the slowdown is behind us and the recovery phase of business cycle is already in motion, particularly due to Lockdown and recession in overall economy. The future growth will come from the weak links in the value chain like weaving, warp knitting, processing and garmenting where most investments are likely to happen. A growing Indian domestic market which will require investment in capacity building, with an ever-increasing focus on expansion and diversification. The industry has to collaborate and support one another in order to achieve success, can see now or in the next few months. But what is more important are the few facts which tell us that India will for sure grow if the right policy on one side and the right capital along with the financial support on the other side are deployed. Central and State Government support is essential for the industry at the moment. We need some policy and the role of associations. The upcoming Textile Policy will surely boost the industry. In the long run though, the Indian population which is at 1.3 billion, with a demographic advantage of younger people with an ever increasing purchasing power is India's biggest asset. The domestic textile and apparel markets have grown at 10% CAGR from USD 28 billion in 2005-2006 to USD 90 billion in 2017-2018 and it is expected to grow to USD 220 billion in 2025-26. The one of the notable aspect is China, which is now shifting its focus away from the textile industry. This is an opportunity that India is well poised to capitalize on. The next aspect is on the fibre front. The world consumption is moving towards polyester with 54% while cotton is just 28% and balance other fabrics like wool, nylon, acrylic and etc. Even though cotton is one of the cornerstones of the Indian textile industry, in the future it will not be sufficient and the only way to satisfy the demand is moving to man-made fibre.

#### ***Micro level- overall performance***

Your company is very much optimistic on growth in sale of new product range. In the Auto and Technical Textiles segment, your company has reasonably done well. Your company started production on Transfer Printing machine and company has successfully launched the product. In processing division company has taken up the process optimization targets that will reduce process cost as well as process time without impacting product quality. Your company had made a new fabric with the use of Linen yarn development which have been commercialize. Your company is focusing more on to the heavy vehicles segments, Technical Textiles and Defence sector since your company expecting change in the policy for procurement of indigenous products. Your company also looking forward to expand the business in other segments during the current financial year. Further company has ventured into fire retardant fabrics suitable for hotel industry and Defence sector for technical textiles. Your company have also reinvented commodity products to have good response from exports as well as

domestic buyers. The company has started new products during the period under review in Yarn segment. Under the Made-up & Fabric Products, your company offers a range of furnishing products for house and office use. Several initiatives were taken for update the quality and changing the product mix.

This are value added items with good demand in domestic and exports markets. The efforts to change the Product Mix at our Yarn Spinning Mill at Haridwar, adding value added Mélange Yarn, affected the production, temporarily thus adversely affecting the Productivity In the Auto & Technical Textiles segment. It is expected that the possibility of re-engineering the product constructions and raw materials utilization mix will give positive results. Under the Made-ups Division, company is growing and progressing very well in this segment in both Global and Domestic Markets. With changing global demands & stiff competition, your company has taken many steps towards its constant improvements, in creating new benchmarks in the industry, like constant improvements in design & development w.r.t advanced & versatile equipments, competent team which helps in reducing turnaround time from CADs to actual physical sample, ability to offer specific developments along with coordinated product across categories. Further relentless dedication of each and every employee who leave no stone unturned to take company to glorious height. Your company has formulated its strategies and has well identified key areas to improve performance in the current market scenario / environment. Your company is aggressively increasing share of business with existing customers & focusing on getting new strategic customers, focusing on increasing share of product categories, opening up for outsourcing products & services to meet the market demands. Under the Made-up & Fabric Products, your company offers a range of furnishing products for house and office use and Under the Yarn products it offers a gray yarn for industrial use. Further company has also undertaken various learning & development initiatives during the year for strengthening & upgrading its human capital. Constant efforts are being made to increase the throughput & reduce the OE. While we continue to strive and deliver through performance, we maintain our endeavour to be a socially responsible corporate. Several initiatives were taken for update the quality and changing the product mix.

However due to nationwide Lock down by competent authorities the performance of the company in coming year will be impacted adversely.

During the period under review your company has incurred a negative EBITDA, which comes to Rs.604.40 Lacs in comparison to positive of Rs. 599.01 Lacs in previous year. The PAT for the period is also negative at Rs. 11509.58 Lacs in comparison to the previous year of Rs. 6325.05 Lacs, which is partly due to impairment on assets in current year and due to low volume of turnover as there was economic slowdown and continuation of fixed expenses and further better in previous year due to exceptional profit for the reason of write back of debt payable to lenders because of settlement with them.

## **FUTURE OUTLOOK – TECHNICAL FRONT**

At this unit your company is focusing on improving plant performance in general and to produce quality oriented yarns for higher segment. The company is finding out the possibility of re-engineering the product constructions and raw materials utilization mix. In processing of products your company has taken up the process optimization project that will reduce process cost as well as process time without impacting our product quality. In Meerut Unit, Company is exploring the possibility of re-engineering the product constructions and raw materials utilization mix. To upgrade the technological front various efforts are being taken. This will add new value added product range. Your company is optimistic for the market response of newly introduced product range by technological development. Your company is continually up-grading machines through technical

improvements for productivity resulting in production enhancement. Your company is adding new customers & enhancing share of more profitable products to improve profitability. Company is hopeful for growth in marketing of new product range. In other units also, we have been able to maintain the balanced technical performance in terms of utilization and productivity during the financial year under consideration.

## **FINANCIAL RESTRUCTURING & STATUS OF UNITS OF THE COMPANY**

During earlier year, the lenders having more than 83% of then secured debts of the Company revoked their consent to the DRS/settlement scheme circulated by erstwhile Hon'ble BIFR, interalia containing the restructuring of the debts of the Company, which was partly implemented. The Company objected to the said revocation of consent being unjustified and beyond terms of the scheme and further submitted an offer for settlement. M/s Edelweiss Assets Reconstruction Company Ltd., (presently holding more than 98% of the total secured debt of the Company), (EARC) in order to recover its dues from the Company has also filed an Original Application before Debts Recovery Tribunal, Lucknow Bench, which application is pending adjudication. In addition to above EARC has under the provisions of SARFAESI auctioned properties located at 58/1, Site IV Industrial Area, Sahibabad, Ghaziabad (U.P.), B-2, Loni Road, Industrial Area, Ghaziabad (UP) and All that Plant & Machineries lying at I A, Sec.-10, IIE, SIDCUL, Haridwar and Lenders having first pari passu charge over these assets have adjusted their dues with the realization made thereof. EARC has also taken over the symbolic possession of 3 properties Viz. Leasehold Land, Building and Plant & Machineries lying at Plot nos. A-2 & A-3, Loni Road, Industrial Area, Ghaziabad (UP) and IA, Sec.-10, IIE, SIDCUL, Haridwar under section 13(4) of the SARFAESI Act and issued a sale notice under Rule 8(6) and Rule 6(2) of the Security Interest (Enforcement) Rules, 2002. The adjustments as may arise on account of further action of lenders, if any, shall be made in the books of account in the year upon receipt of information from them. The Company once again submitted a revised settlement/restructuring proposal with lenders which is under active consideration with them. Your company expects to get the revised settlement/restructuring proposal approved from lenders and accordingly, the Company would be meeting its revised financial obligations.

Further Syndicate Bank has waived/extinguished their rights of redemption of their 7416190 6% Cumulative Redeemable Preference shares alongwith dividend rights vide their letter dt. 22/10/2019. The board has approved the extinguishment. Accordingly the company has extinguished the 7416190 unlisted CRPS. The Alankit Assignment Ltd, R&T Agent and National Securities Depositories Limited have approved. Now no shares exist in favour Bank w.e.f. November 27, 2019.

## **CREDENTIALS/CERTIFICATIONS**

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

- Gots certificate Organic cotton.
- Oeko-tex renewal under process for Hohenstein Textile Testing Institute, Germany.
- IATF renewal under process for manufacturing seat fabrics for the automotive application.
- Scan certificate for Security Audit renewal under process.
- Walmart certificate for Supply Chain for Export units renewal under process.
- BSCI certificate for Social Audit.



## MEASURES TO REDUCE/CONTROL COST

In Hardwar unit installation of AC Drive in Toyota Ring Frame machines for suction fan motor with feedback control system, AC Drive in link coner machines for suction fan motor and replacement of air fan motor with low power consumption has been completed during the year. On technical front, your company is continuously try to achieve the reduction in raw material cost by making different composition of mixing/purchase of cotton through commodity exchange, increase in machine productivity, better yarn yield with optimum use of raw material, control waste generation to bare minimum and best use of work force, best utilization of capacity with lowest Raw Material Cost and good quality of end product to fetch best yarn price. To active saving by optimum utilization, Air as per requirement of machine, the working pressure has been reduced and wastage of Air have been controlled in our Hardwar unit. The spinning and weaving units 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 weaving unit the company is looking forward to analysis the possibility of re-engineering the product constructions and raw materials. Further focus is on the strict monitoring of the inventory and to procure the raw material in minimum lead time. It will minimize the buffer stocks. In order to reduce marketing cost we are distributing the material through depot nearest to consumers. This will bring down the transportation and handling 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.. In order to reduce the substantial logistic cost, the company is opting for land ports nearest to the units. Transportation cost reduced by finalizing the transport & courier contracts at best possible lowest rates for the goods movement of the Units. The unit located at Meerut has also optimized its cost structure by way of strong emphasis on consumption and control of waste, reduction & rationalization, inventory control & Manpower optimization. In Made up unit your company have implemented strict monitoring of the stocks by analyzing the in minimum lead time. Energy audit observations and suggestions by competent agency were also implemented at the spinning unit during the period under review to save the Energy cost. This has resulted in significant cost savings.

## GOVERNMENT INITIATIVES- TEXTILE SECTOR

The Government has announced National Technical Textiles Mission, which is expected to give thrust to production of a wide variety of textiles used in sectors such as healthcare, infrastructure, automobiles, defence, and agriculture. The 1,480-crore Mission, to be implemented from 2020-2021 to 2023-2024, aims at positioning India as a global leader in technical textiles. The size of the technical textile industry in the country is approximately 12,000 crore, excluding the hygiene industry. The last time the sector received focus was a few years ago to set up six centers of excellence across the country. With the need to create a domestic base for raw material production, push for manufacture of high end technical textile products, boost investments, and increase per capita consumption, there is a need for a Mission. Another major announcement was abolition of anti-dumping duty on PTA (Purified Terephthalic Acid) which is expected to give a thrust to the polyester fibre sector, This is

the raw material for production of polyester fibre. This was one of the long-pending demands of the industry. Abolition of anti-dumping duty will bring polyester price in India on a par with international price. Polyester will be the future engine of growth for the Indian textile industry. Within days of hiking the deposit insurance five-folds to Rs 5 lakh per account, Finance ministry is working on the controversial Financial Resolution & Deposit Insurance (FRDI) Bill. The government was forced to withdraw the FRDI Bill from the House after Opposition members objected to it, especially the bail-in clause to banks, which many fear is detrimental to depositors' Finance Budget for 2020-21 was light on new structural reforms. It has not materially altered its forecasts for India's economic growth to rise to 5.6 per cent in the next fiscal from 4.6 per cent in 2019-20. The Union Budget 2020-21 implies a modest degree of slippage from previous targets to consolidate public finances. However, its contents are consistent with our expectations. The Budget was light on new structural reforms, although the government had already unveiled some measures last year, The finance ministry announced some easing of restrictions on foreign portfolio inflows, and schemes to encourage manufacturing in electronics and textile sectors.

## **DIVIDEND**

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

## **TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 124 of the Companies Act, 2013, there was no unclaimed dividend, relating to the financial year 2018-2019, which was due for remittance during the financial year 2019-2020. Hence no amount due to be transferred to the Investor Education and Protection Fund established by the Central Government. Further in terms of Section 124 (6) of Companies Act, 2013 and the Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 there under and MCA Notification dated August 14 2019, during the year the unclaimed equity shares of the company, represented by the unclaimed/unpaid and lying in the Alps Industries Ltd. -Unclaimed Share Demat Physical Account of the company have been transferred to the Investor Education and Protection Fund Authority (IEPF) Authority. If any investors wish to claim their so transferred shares and unclaimed dividend, they have to comply provisions of section 124(6) of Companies Act, 2013 and the procedures specified under Rule 7 of the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016. The details of shares transferred to IEPF account can be visited at website of the company i.e. [www.alpsindustries.com](http://www.alpsindustries.com).

## **DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent directors viz. Mr. Prabhat Krishna, Mr. Pradyumn Kumar Lamba, Mr. Tilak Raj Khosla and Ms. Deepika Shergill have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their continuity of appointment as an Independent Director under the provisions of section 149 the Companies Act, 2013 as well as Regulations 16 & 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further in terms of Schedule V of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 01.04.2019, a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or

continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority of all directors as on March 31, 2020 is being Annexed.

Further in terms of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and notification no. G.S.R. 804(E) dated 22nd October, 2019, all the Independent Directors of the company has registered with the Indian Institute of Corporate Affairs (Institute) initial validity period of one year during the year.

Further as no Independent director has been appointed during the year, the statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors, appointed during the year, is not applicable.

## **RISK MANAGEMENT PLAN**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Rules 2015, the Company has framed an effective Risk Management policy in order to analyze, control or mitigate risk. The board periodically reviews the risks and suggests steps to be taken to control the same. The same is reviewed quarterly by senior management and also by the Audit Committee of the Board. In compliance of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to corporate governance, the company is not mandatorily required to constitute the Risk Management Committee but for its own betterment has formulated the Risk Management plan, as up dated from time to time. The company continues to recognize that the Enterprise Risk Management is an integral part of good management practice. In terms of Policy, the Company is committed for managing the risk in a manner appropriate to achieve its strategic objectives. The Company will keep investors informed of material changes to the Company's risk profile through its periodic reporting obligations and ad hoc investor presentations. Accordingly the Company has framed procedures to inform members of Board of Directors about risk assessment and minimization procedures. The detailed policy can be viewed at the website of the company i.e. [www.alpsindustries.com](http://www.alpsindustries.com).

## **POLICY FOR DETERMINATION OF "MATERIALITY"**

In terms of the provisions of Regulation 30 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed and up dated a policy for determination of "*Materiality*" and the Board of Directors has appointed the Company Secretary & Compliance Officer as the "*Materiality Officer*" to take care of the relevant compliances. The detailed policy can be viewed at the website of the company i.e. [www.alpsindustries.com](http://www.alpsindustries.com).

## **POLICY FOR PRESERVATION OF DOCUMENTS**

In terms of the provisions of Regulation 9 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has framed a policy for preservation of documents. The detailed policy can be viewed at the website of the company i.e. [www.alpsindustries.com](http://www.alpsindustries.com).

## **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behaviour or any violation of the Company's Code of Conduct. During the year under review, there

were no complaints received under this mechanism. In terms of section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has established a Vigil Mechanism policy for the Directors and Employees to report genuine concerns in such manner as prescribed under Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and such a vigil mechanism has provided for adequate safeguards against victimization of persons who use such mechanism and made provisions for direct access to the chairperson of the Audit Committee, in appropriate or exceptional cases, instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct etc. The detailed policy can be viewed at the website of the company i.e. [www.alpsindustries.com](http://www.alpsindustries.com).

## **NOMINATION & REMUNERATION, EVALUATION, BOARD DIVERSITY POLICY & FAMILIARIZATION PROGRAMME AND CRITERIA FOR MAKING PAYMENT FOR INDEPENDENT DIRECTORS**

As mandated by the statutory provisions contained under section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee of the Board has already formulated which is in force as on date. This policy contains guidelines on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company and Evaluation and Board Diversity policy for directors. This policy may be treated as a benchmark for determining the qualifications, positive attributes and independence of a Director, criteria for evaluation of Independent Directors and the Board, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management Personnel of the Company. To provide insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the Company, familiarization Program have been formulated and introduced by the Company to simplify the understanding of various responsibilities and rights of the Independent Directors during the year under review. The SEBI vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 has issued Guidance Note on Board Evaluation for all listed entities. It has been reviewed by the Board of Directors and noted the criteria for evaluation of Board as a Whole, Non Independent Directors and Independent Directors of the Company. Further in terms of SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/79 dated May 10, 2018 the Disclosures on Board Evaluation additional requirement like Observations of board evaluation carried out for the year, Previous year's observations and actions taken, and Proposed actions based on current year observations have been made part of policy. The board of directors of the company in their meeting held on 30.05.2018 has approved the revised policy on Board Evaluation and the same has been placed on the website of the company. The detailed policy can be viewed at the website of the company i.e. [www.alpsindustries.com](http://www.alpsindustries.com).

In terms of Regulation 34 & 46 of and schedule V the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the criteria for making payment to the Non Executive Directors is being complied and is available at Company website [www.alpsindustries.com](http://www.alpsindustries.com).

## **RELATIONSHIP WITH INVESTORS**

To have the participation by all the valued investors in the voting pattern for any proposal and in terms of the compliance of the Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014 made there under and in terms of Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company

has made arrangements for e-voting facility through which any investor can participate in the AGMs through e-voting and need not struggle to attend the meetings in person.

In view of the massive outbreak of the COVID-19 pandemic, pursuant to the Circular No. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 18/2020 dated 21.4.2020, 20/2020 dated May 05, 2020 and 22/2020 dated 15.6.2020 issued by Ministry of Corporate Affairs and Rule 20(4)(v) of the Companies (Management and Administration) Rules 2014 due to massive outbreak of the COVID-19 pandemic to maintain the social distancing, issued by the Ministry of Corporate Affairs, physical attendance of the Members to the forthcoming AGM venue is not required. Hence, Members have to attend and participate in the ensuing AGM through VC/OAVM.

Further in terms of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 made thereunder, the Company has framed Stakeholder Relationship Committee which is fully committed and accountable to the valued investors, who have reposed the confidence in the company by investing their hard earned money in the company and supported the management in such a crucial time.

The relationship with the investors continues to be cordial. Your company's management is fully aware and dedicated for survival of the company and committed to take all efforts to resolve the investors' grievances received during the year to the satisfaction of the investors within a reasonable time. M/s Alankit Assignments Limited, the R & T Agent of the company, continued to extend their positive contribution to resolve the Investors' grievances efficiently and effectively, whenever they arose. By contribution from all concerned, the investor grievances have been resolved to the fullest satisfaction of investors. We sincerely place on record, the appreciation for our valued investors, who have contributed and reposed the confidence in the company at this difficult time. The management not only believes in legal compliance related to the investors, but also morally protects their interest, and treats them as part of Alps Group. In its endeavor to improve investor services, your Company has created an investor section, and designated exclusive E-Mail ID for the purpose of registering complaints by investors and necessary follow up action by the company / compliance officer in compliance with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The e-mail ID is: [investorsgrievances@alpsindustries.com](mailto:investorsgrievances@alpsindustries.com).

## **HUMAN RESOURCES – MANPOWER OPTIMIZATION**

The focus during the year has been on the optimization of available Manpower resources as the on-going challenges created due to market slow-down in the previous year continued this year as well. Learning from 'Theory of Constraints (TOC)' proved very useful in this endeavor, the concept cascaded across all the hierarchy amongst the team. Focus remained on Continuous improvement / BTB (Better-Than-Before). Learning from TOC helped in strengthening some of the critical functions in terms of appointing competent personnel in the concerned leadership roles like in Marketing for Fabric as well as Made-ups business and in Maintenance and HR in Yarn Business. Though, challenges with ongoing slow-down continued this year as well across the country, efforts made effectively in order to retain the talent with traditional as well as innovative retention strategies.

With continued efforts to improve the female workers/employees ratio, particularly at the shop floor, in-line with the national policy of gender equality and policy to restrict the sexual harassment, there has not been any case of sexual harassment reported and homogeneity of the Work environment is maintained. Besides, efforts were made for regional balancing of

Workers in our Haridwar Unit, significant efforts were made to control Labour Losses. The company's concerns for welfare of its workforce continued during the year and accordingly Group pension/Accident Insurance policy/ESI/WC policies were continued further as in the past. The company has been consistently maintaining harmonious & cordial relations with the employees at all the locations. The Company continues to lay emphasis on building and sustaining an excellent organizational culture focusing on performance. During the year, with consistent review and efforts for optimization of available manpower resources, average employment, has been 1650, slightly less than that of last year. Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of all the plants.

### **BOARD OF DIRECTORS- CHANGES/REAPPOINTMENTS**

During the year under review, Mr. Krishan Kumar Agarwal (DIN:00139252) Promoter and relative of Mr. Sandeep Agrawal Managing Director, has resigned from the position of Director and Non Executive Chairman on 31.07.2020 due to health reasons. The Board of Directors of the company has accepted his resignation letter in their meeting held on 31.07.2020 and records their appreciation for the valuable services and advices during his tenure provided to company.

### **REAPPOINTMENT OF NON-INDEPENDENT DIRECTORS BY ROTATION AND AS WHOLE TIME DIRECTOR**

In terms of the provisions of Section 152 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 & Article No. 106,107 & 108 of the Articles of Association of the Company, Mr. P.K. Rajput (DIN:00597342), Non-Independent and Executive Director recommended by the Nomination & Remuneration Committee and by the Board of Directors at their meeting held on July 31, 2020 for re-appointment, who retires by rotation and eligible for re-appointment and offer himself for reappointment, at the ensuing Annual General Meeting. The disclosures as required under the provisions of Companies Act 2013 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to Corporate Governance published elsewhere in the Annual Report.

Further in terms of Sections 196 and 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and recommendation of Nomination and Remuneration committee, the reappointment of Mr. P.K. Rajput (DIN: 00597342) as Executive Director in terms of Sections 196 & 197 of Companies Act, 2013 and Schedule V, is proposed by way passing the special resolution in the ensuing Annual General Meeting for a further period of three years effective from July 28, 2021 to July 27, 2024.

### **NUMBER OF BOARD MEETINGS**

Minimum four prescheduled Board meetings are held every year. In case of any exigency/emergency, resolutions are passed by circulation. During the Financial Year 2019-20 the Board of Directors met four times on 30/05/2019, 14/08/2019, 14/11/2019 and 12/02/2020. The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under section 173 of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards.

### **KEY MANAGERIAL PERSONEL**

During the under review as required under section 203 of the Companies Act, 2013 and applicable rules, There is no change in the Existing KMP's of the Company viz. Mr. Sandeep Agarwal, (Managing Director), Mr. Ashok Kumar Singhal, (President-

Accounts & Finance) and Mr. Ajay Gupta (Company Secretary & General Manager-Legal). Hence they continued to be KMP's of the Company.

## **INTER CORPORATE LOANS, GUARANTEES AND INVESTMENTS**

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

## **CORPORATE SOCIAL RESPONSIBILITY**

Due to net loss suffered by the company during the financial year 2018-19, in terms of the provisions under Section 135 of the Companies Act, 2013, the company was not required to make expenditure on the CSR activities in the financial year 2019-20. Your company has CSR Committee which had been constituted by the board of the company. The CSR Committee have framed a Corporate Social Responsibility Policy (CSR Policy) duly approved by the Board at their meeting held on 12.8.2016, indicating the activities to be undertaken by the Company to fulfill the expectation of our Stakeholders and to continuously improve our social, environmental and economical performance while ensuring sustainability and operational success of the Company. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014, if required.

Due to losses in previous financial year i.e. 2018-19, the requirements for annexing the Statement of Annual Report on CSR Activities in terms of the provisions of section 135 and Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, are not applicable.

## **RELATED PARTY TRANSACTIONS**

In terms of the Section 188 Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 and further in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to the Corporate Governance, the company has formulated a Policy on Materiality of Related Party Transactions and the same is duly reviewed and updated from time to time as required and latest on July 31, 2020 at the meeting of Board of Directors. During the year under review the company has entered into related party transactions which are at the market prevailing prices and on arm's length basis and are in its ordinary course of business and in terms of IND AS 24. Hence there are no conflicts of interest and in compliance with the Policy on Materiality of Related Party Transactions. It is also hereby confirmed that the limit of Rs. 1.00 crore of per transaction as approved at the meeting of Board of directors held on May 30, 2019 has been adhered to during the year.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis; and
- The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively which means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of section 197 of Companies Act, 2013, read the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, none of the employee is drawing remuneration more than the limits prescribed/specified under the said rules during the financial year 2019-20. In terms of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, the details of top ten employees drawing remuneration are enclosed as **Annexure 1**.

However Particulars of employees under Section 197 of the Companies Act 2013 and applicable Rules made there under having paid in excess of the remuneration paid to Whole Time Directors as on March 31, 2020 is not applicable as no remuneration has been paid to the any whole time directors of the company during the year.

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

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

## **COST AUDIT REPORT**

In compliance with the Companies (Cost Records & Audit) Rules, 2014 published vide GSR No. 01(E) on December 31, 2014 issued by the Central Government in terms of the Powers conferred by Section 148, of the Companies Act, 2013, company had appointed M/s. Gaurav Gupta & Associates, Cost Accountants, (Firm Regn. No. 104132) to submit the Cost Audit Report duly approved by the Board of Directors, to the Central Government, for the financial year ended on March 31, 2020 for the products which are specified in the Notification No. GSR No. 01(E) on December 31, 2014 and Companies (Cost Records and Audit) Rules, 2014 as amended from time to time. The Cost Audit report as issued by the M/s. Gaurav Gupta & Associates,



Cost Accountants being the cost auditors of the company for the financial year 2019-20 will be filed by the company within the due date.

### **COST AUDITORS**

In compliance with the Companies (Cost Records & Audit) Rules, 2014 published vide GSR No. 01(E) on December 31, 2014 issued by the Central Government in terms of the Powers conferred by Section 148, of the Companies Act, 2013, M/s V B S K & CO. Cost Accountants Firm Regn. No. 000352 Cost Accountants, Ghaziabad, firm of Cost Accountants has been appointed as the Cost Auditors of the company under Section 148 of the Companies Act, 2013 for the next financial year ended on March 31, 2021, at the meeting of Audit Committee and Board of Directors of the company held on July 31, 2020. As required under Section 148 of the Companies Act, 2013, the ratification for their appointment & remuneration has been recommended at the forthcoming Annual General Meeting of the company. However, it is strictly applicable in terms of any Notifications/Circulars related to Cost Records and Cost Audit Rules, as may be specified at any time by the MCA or any regulatory authorities. If due to any reasons the mandatory requirements abolish, then continuation of the appointment of Cost Auditors, will be at the discretions of the board of directors as per the requirements of the company.

### **STATUTORY AUDITORS**

M/s. R.K. Govil & Co., Chartered Accountants, (Firm Registration No. 000748C) the Statutory Auditors of the Company, was reappointed under section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 for five years from the conclusion of the Forty Seventh Annual General Meeting until the conclusion of the Fifty Second Annual General Meeting i.e. from 01.04.2019 to 31.03.2024. The board of directors has approved the continuity of auditors for remaining four years at their meeting held on July 31, 2020. In terms of the above section and as amended from time to time no further confirmation from the members of the company is required since the requirement of ratification by the shareholders have been withdrawn by MCA vide notification dated May 8, 2018. The company has received the eligibility certificates under Section 141 of the Companies Act, 2013 from the said auditors.

### **INTERNAL AUDITORS**

In terms of Section 138 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014, the Board of Directors at their meeting held on July 31, 2020 has approved the arrangement of in house internal audit through the requisite qualified and experienced officials of the company to conduct the internal audit of the company for the financial year 2020-21.

### **DEPOSITS**

During the year, your company has not raised any money by way of Deposits under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

### **CORPORATE GOVERNANCE DISCLOSURES**

The Management Discussion and Analysis is given as an **Annexure-III** to this report and further the requirements of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the Corporate Governance practices followed by the Company and the Statutory Auditors' Certificate on Compliance of mandatory requirements as **Annexure-IV**

along with the non mandatory information under corporate governance is annexed as part II of Corporate Governance Report. It has always been the endeavor of your company to practice transparency in its management and disclose all requisite information to keep the public well informed of all material developments.

## SECRETARIAL AUDIT REPORT

In terms of the Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors at their meeting held on May 30, 2019, company has appointed M/s. D.K. Chawla & Co., Company Secretaries to provide the Secretarial Audit Report for the Financial Year ended on March 31, 2020. In compliance of aforesaid requirement they have provided the Secretarial Audit Report which has been annexed with Board report as **Annexure V** and the Secretarial Audit Report of the Material Indian Subsidiary company i.e. Alps Energy Private Limited is being annexed in the annual report elsewhere.

Further in terms of SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 the Annual Secretarial Compliance Report for the financial year 2019-20 has been submitted to Stock Exchanges.

Further the Board of directors of the company has appointed M/s. Nisha Choudhary & Associates, Company Secretaries Ghaziabad, Company Secretaries to provide the Secretarial Audit Report for the next Financial Year ending on March 31, 2021.

## ABSTRACT OF THE ANNUAL RETURN

In terms of amended section 92 of the Companies Act 2013, and as amended vide Companies (Amendment) Act 2017 and further vide notification dated May 7, 2018, the extract of the Annual Report as on it stood as on March 31, 2020 being attached with the Directors Report as **Annexure VI**. It is also displayed on the website of the company i.e. [www.alpsindustries.com](http://www.alpsindustries.com).

## STATUS OF HOLDINGS IN SUBSIDIARY COMPANIES

As per Section 2(87) of the Companies Act, 2013, as amended vide Notification No. S.O. 1833(E) dated 8<sup>th</sup> May, 2018, M/s. Alps Energy Pvt. Ltd. remains to be the Subsidiary company of the Alps Industries Ltd. by way of controlling the voting powers to the extent of 69.75% in its aggregate voting powers of the aforesaid company. In terms of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Prabhat Krishna (DIN:02569624), Independent & Non Executive Director of the Company continues to be representative director in the aforesaid Indian "*Material subsidiary*" company i.e. M/s. Alps Energy Pvt. Ltd. and M/s Alps USA Inc, being "*Material subsidiary*" in terms of Regulation 24 of the amended SEBI Circular SEBI/LAD-NRO/GN/2015-16/013 dated 2.9.2015 during the period under review.

## FINANCIAL STATEMENTS/ PERFORMANCE OF SUBSIDIARY COMPANIES

The company continued to have two subsidiaries at the end of the financial year viz; M/s. Alps USA Inc. incorporated in USA and M/s. Alps Energy Pvt. Ltd incorporated in India. As required under Section 129(3) of the Companies Act, 2013 and applicable rules, the Financial Statements of these Subsidiary Companies are being annexed along with the separate statement containing the salient features of the financial statement of its subsidiaries and associate companies in terms of Rule 5 of Companies (Accounts) Rules, 2014.

Further in terms of the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(1) of the Companies

(Accounts) Rules, 2014 regarding the report on the highlights of performance of subsidiaries and their contribution to the overall performance of the company during the period under report in the prescribed Form AOC -1, is enclosed as **Annexure-VII** in the Annual report.

### **AUDITORS' OBSERVATIONS**

Observations in the Auditors' Report are dealt within Notes to Accounts at appropriate places and being self-explanatory, need no further explanations With regard to Audit qualifications for the year under review, as per the requirement under Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and further amended by SEBI Notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and as amended on May 9, 2018 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 issued by the Securities and Exchange Board of India (SEBI), the Statement on Impact of Audit Qualifications signed by Managing Director/CFO/ Chairman of the Audit Committee and Auditors have been submitted with stock exchanges and forming the part of Annual Report.

### **GENERAL DISCLOSURES**

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

1. Details relating to deposits covered under Chapter V of the Companies Act 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. In terms of section 143 (12) of the Companies Act, 2013 it is hereby confirmed that there are no frauds reported by auditors other than those which are reportable to the Central Government.

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

### **ACKNOWLEDGMENT**

Your Directors take this opportunity to thank the Banks, ARCs, Reserve Bank of India, Central and State Governments Authorities, Regulatory Authorities, Hon'ble National Green Tribunal, National Company Law Tribunal, Securities Exchange Board of India, Stock Exchanges, Stakeholders, Customers and Vendors for their continued support and co-operation, and also thank them for the trust reposed in the Management. The Directors place on record their appreciation for the efficient and loyal services rendered by the Staff and workmen, also acknowledge the help, support and guidance from the various Statutory Bodies, Government and Semi-Government Organizations and thank for customers, suppliers, investors for their continues support during the year.

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

Place: Ghaziabad  
Date: July 31, 2020

(P.K. Rajput)  
Executive Director  
(DIN:00597342)

(Sandeep Agarwal)  
Managing Director  
(DIN:00139439)

## Annexure- I

**Particulars of employees under Section 197 of the Companies Act 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, the details of top ten employees drawing remuneration.**

| Sr. No. | Name of Employee     | Designation             | Date commencement of employment | Date of Birth | Qualification                | Total Exp Incl Alps | Last Co. Name (Last Employment)                       | Gross Salary /CTC (Rs.) | Nature of Employment | the percentage of equity shares held by the employee in the company | whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|----------------------|-------------------------|---------------------------------|---------------|------------------------------|---------------------|---|-------------------------|----------------------|---|---|
| 1       | Mrs. Raman Garg      | V.P. Mktg. (Fabric)     | 20.03.2006                      | 28.01.1973    | B.Sc., PGDBM                 | 24 Years            | Hindustan Tin Works Ltd.                              | 232763                  | On Roll              | None  | None  |
| 2       | Kamlesh Kumar Verma  | V.P. HR (Corp.)         | 09.08.2013                      | 05.04.1963    | B.E. (Incl. Engg.), MBA (HR) | 37 Years            | Malana Power Co. (LNJ Bhilwara Group)                 | 188620                  | On Roll              | None  | None  |
| 3       | Mrs. Seema Dutta     | G.M. (Fin.)             | 15.02.2006                      | 08.12.1976    | B.Com. (H), MBA (Fin)        | 23 Years            | BPL Display Devices Ltd.                              | 185742                  | On Roll              | Negligible  | None  |
| 4       | Mahen Kaushik        | A.V.P. (A/cs. & Comml.) | 22.06.2007                      | 12.04.1975    | C.A.                         | 19 Years            | N. Bahl & Co. (2002 TO 2005)                          | 175200                  | On Roll              | None  | None  |
| 5       | Prithvish Shukla     | G.M. (A/cs. & Comml.)   | 22.08.2016                      | 01.08.1966    | C.A                          | 25 Years            | KPMA Consultancy Private Ltd., Noida                  | 173250                  | On Roll              | None  | None  |
| 6       | Ashok Pandey         | V.P. (Operations)       | 09.06.2010                      | 23.03.1980    | M.H.R.D /L.L.B/ L.L.M /P.hd  | 20 Years            | Sharda Exports  | 117500                  | On Roll              | None  | None  |
| 7       | Sanjiv Malik         | Sr. V.P. (Operations)   | 14.09.2007                      | 29.07.1965    | B. Text.                     | 32 Years            | Sirius Buying Services P Ltd.                         | 152995                  | On Roll              | None  | None  |
| 8       | Tarandeep Singh      | G.M. Mktg. (Readymade)  | 09.04.2003                      | 06.09.1975    | Graduate                     | 21 Years            | ALPS A-2 Unit   | 136250                  | On Roll              | None  | None  |
| 9       | Amit Kumar Bansal    | G.M. (Design)           | 11.03.2020                      | 14.12.1976    | B.A., Dip in Textile Engg.   | 13 Years            | Artee Collections Inc. (USA)                          | 135000                  | On Roll              | None  | None  |
| 10      | Avinash Pratap Singh | G.M. HR                 | 01.01.2020                      | 02.06.1980    | BA +IRPM                     | 17 Years            | HP Cotton Textile Mills Ltd, Hisar (Aug-07 to Dec-19) | 133335                  | On Roll              | None  | None  |

**DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

| S. NO. | PARTICULARS  | REMARKS |
|--------|--|---------|
| 1.     | Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | N.A     |
| 2.     | Percentage increase in the median remuneration of employees in the financial year;   | N.A     |
| 3.     | Number of permanent employees on the rolls of company;   | 1555    |

|    |  |  |
|----|--|--|
| 4. | Explanation on the relationship between average increase in remuneration and company performance;  | It is because of market scenario in the textile industry and commensurate with the prevailing remuneration.  |
| 5. | Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;   | It is commensurate with the size of the company and as per the market trend.   |
| 6. | Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies,; | The Market Capitalization as on March 31, 2020 Rs. 293.36 Lac (Rs. 1036.52 Lac as on March 31, 2019). Price Earnings Ratio of the Company is Nil as on March 31, 2020 and March 31, 2019. The Company had come out with Initial Public Offer (IPO) in 1995, at Rs. 50 per share for Indian Public. As on as on March 31, 2020 the share price declined by 98.50 %. |
| 7. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;                      | There is no annual increment for Whole time director and other overall staff due to financial constraints.   |
| 8. | Key parameters for any variable component of remuneration availed by the directors;  | N.A  |
| 9. | Affirmation that the remuneration is as per the remuneration policy of the company.  | Yes.   |

*Note: None of the employee drawn remuneration more than Rs. 1 Crore 2 lacs per annum or Rs. 8.50 lacs per month if any part of the year. Hence the provisions of sub clause 2 of clause 5 section 197 of the Companies Act, 2013 & in terms of Notification dated 30th June 2016 as notified by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are not applicable for the period under review.*

**ANNEXURE TO THE DIRECTORS' REPORT****I. Statement of particulars pursuant to Companies (Accounts) Rules, 2014.**

|   |   |   |
|---|---|---|
| <p><b>1. Conservation of Energy</b><br/>a. Energy conservation measures taken</p> | :   | <p>Energy conservation continues to be an area of major emphasis. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. All the units have taken various measures in conservation of energy. The thrust is to measure the existing system parameters and then implement improvements. The Company also focus to optimize the operation of various equipments which also lead to energy conservation. The following are some of the major measures which continued to be implemented during the period under review for bringing down the energy cost:</p> <ul style="list-style-type: none"> <li>• Installed 8 nos. of AC Drive in Toyota Ring Frame machines for suction fan motor with feedback control system.</li> <li>• Installed 3 nos. of AC Drive in 3 nos. of link coner machines for suction fan motor.</li> <li>• Replacement of 22kw Supply air fan motor with 22 kw IE3 motor.</li> <li>• Replacement of 3 nos. 15 kw H plant fan motor with 15 kw IE3 motor.</li> <li>• Replacement of 3 nos. 11 kw H plant motor with 11 kw IE3 motor.</li> <li>• Installation of 14 FRP fans/ AC drives in H plants, each fan give 20% energy saving ie ~ 50 units/ day saving.</li> <li>• Installation of AC Drive in 24 nos. of Toyota Ring Frame machines for suction fan motor with feedback control system.</li> <li>• Installed Led Lights in place of tube rods and Installed FRP fans,</li> <li>• Installed LED street lights instead of CFL</li> <li>• Continuous effort to reduce air leakages in order to reduce compressor units.</li> <li>• Continuous emphasis on process optimisation, emphasis on preventive maintenance, waste reduction etc.</li> </ul> |
| 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 : <ul style="list-style-type: none"> <li>• Increase in productivity.</li> <li>• Reduction in energy consumption.</li> <li>• Optimum loading of captive water sources.</li> <li>• Increase in Efficiency.</li> <li>• Saving in consumption of fuel.</li> <li>• Saving in maintenance cost of machineries.</li> <li>• Reduction in manpower cost.</li> </ul>  |

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

**A. POWER AND FUEL CONSUMPTION**

| Sl. No.   | PARTICULARS   | Year ended 31.03.2020 | Year ended 31.03.2019 |
|-----------|---|-----------------------|-----------------------|
| <b>1.</b> | <b>Electricity</b>  |                       |                       |
| <b>a.</b> | Purchased   |                       |                       |
|           | Units (Nos.)  | 46055450              | <b>52496361</b>       |
|           | Total Amount (Rs.)  | 301964354             | <b>326019699</b>      |
|           | Rate/Unit (Rs.)   | 7.08                  | <b>6.21</b>           |
| <b>b.</b> | <b>Own Generation</b>   |                       |                       |
| i)        | Through Diesel/FO   |                       |                       |
|           | Quantity (Ltrs)   | 108696.69             | <b>132414</b>         |
|           | Total Amount (Rs.)  | 6364896.7             | <b>7636357.25</b>     |
|           | Average Rate (Rs.)  | 62.39                 | <b>57.67</b>          |
|           | Generation (Units) (Nos.)                                       | 303341.57             | <b>373745</b>         |
|           | Units per Liter of Diesel oil (Nos.)                            | 2.26                  | <b>2.57</b>           |
|           | Cost/Unit (Rs.)   | 42.33                 | <b>34.4</b>           |
| 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.                  |
| <b>2.</b> | <b>Coal</b>   |                       |                       |
|           | Quantity (Tones)  | N.A.                  | N.A.                  |
|           | Total Cost  | N.A.                  | N.A.                  |
|           | Average Rate  | N.A.                  | N.A.                  |
|           | <b>Total Unit Generated</b>                                     | 238243                | <b>373745</b>         |
|           | Total Cost  | 5043368               | <b>7636357.25</b>     |
|           | Cost/Unit   | 21.17                 | <b>34.4</b>           |
| <b>3.</b> | <b>Furnace Oil (Excluding use on Generation of Electricity)</b> |                       |                       |
|           | Quantity (Ltrs)   | 0.00                  | 0.00                  |
|           | Total amount (Rs.)  | 0.00                  | 0.00                  |
|           | Average Rate (Rs.)  | 0.00                  | 0.00                  |
| <b>4.</b> | <b>Others/Internal generation</b>                               |                       |                       |
|           | Wood  |                       |                       |
|           | Quantity  | N.A.                  | N.A.                  |
|           | Total Cost  | N.A.                  | N.A.                  |
|           | Rate/Unit   | N.A.                  | N.A.                  |

**B. CONSUMPTION PER UNIT OF PRODUCTION**

| Sl. No. | Particulars       | Yarn Per Mt         |                     | Fabric per Liner Mtr. |                     |
|---------|-------------------|---------------------|---------------------|-----------------------|---------------------|
|         |                   | Year Ended 31.03.20 | Year Ended 31.03.19 | Year Ended 31.03.20   | Year Ended 31.03.19 |
| 1       | ELECTRICITY (KWH) | 2690.57             | 2,975.45            | 11.59                 | 10.29               |
| 2       | COAL              | N.A.                | N.A.                | N.A.                  | N.A.                |
| 3       | OTHERS            | N.A.                | N.A.                | N.A.                  | N.A.                |

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

|    |   |   |   |
|----|---|---|---|
| 1. | Specific areas in which R&D carried out by the Company. | : | Research & Development is carried out for development of new products and for improvement in the production process and quality of products. The Company has been able to pioneer the launch of new products that have been successful in the market due to its R&D efforts. There is progress on building enabling capabilities in the areas of facilities and infrastructure, technology organization, staffing & development, and the engagement of external knowledge networks to complement internal capabilities. The recruitment of professional staff and leadership is ongoing and programmed; staff managing processes have been defined and are being instituted. The R & D Department is well equipped with most modern sophisticated state of the art testing equipments. Company is looking forward to the possibility of re-engineering the products constructions and raw materials for optimum utilization of resources. |
| 2. | Benefits derived as a result of the above R&D           | : | Quality testing of raw material, stores & consumables. Monitoring/Control of production process. Improved quality & higher production of cotton yarn, blended yarn like polyester cotton & mélange yarn. Development of new market segment & Value added product. Water conservation. Increase in productivity and 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 trials, special studies in manufacturing process etc. Company have ventured into fire retardant fabrics suitable for hotel industry, technical textiles, reinvented commodity products for exports and domestic. During the period under review company, has embarked upon the journey of value addition in yarns. This has been done under the strategy to insulate from the commodity yarn. |
| 2. | Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.                   | : | Higher output and improved quality of product with reduction in the cost of production and other overheads. The company will project its image in the global market as a manufacturer of world class yarn and achieve an excellent share out of it.   |
| 3. | In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished | : | Nil   |
| a. | Technology imported   | : | N. A.   |
| b. | Year of import  | : | N. A.   |
| c. | Has technology been fully absorbed?   | : | N. A.   |
| d. | If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action.   | : | N. A.   |

### III. FOREIGN EXCHANGE EARNINGS AND OUTGO

|    |  |   |  |
|----|--|---|--|
| 1. | Activities relating to export initiatives taken to increase exports; development of new export markets for products and services and exports plan. | : | Company is targeting for a leading name in field of Home Textiles, by networking for direct supply to leading international customers, and introducing the new segment e-business on domestic and exports. To continue the maximum reach to valued consumers, the company used to participates in exhibitions, magazine etc. apart from other promotional efforts towards domestic market, promoting through various promotional materials and hopeful to have better profitability in coming years. US market has been developing well both on the residential fabric and contract business. Middle East has shown significant jump on the volumes. Economy seems to be doing well but furnishings buyers were very cautious. Your company has spread its wings in most of the markets now like US, UK, South East Asia, Australia, NZ and Middle East. Business sentiments were very soft in furnishings industry both for exports and domestic markets. |
| 2. | Total Foreign Exchange used and earned   | : | Used <b>1048.27 Lac</b> for the financial year ended March 31, 2020 (Rs. 1505.61Lac for the financial ended as on March 31, 2019). Earned <b>12827.13 Lac</b> for the financial year ended March 31, 2020 (Rs. 22224.36 Lac for the financial year ended as on March 31, 2019)   |

**IV. INFORMATION AS REQUIRED UNDER THE MISCELLANEOUS NON-BANKING COMPANIES (RESERVE BANK) DIRECTIONS, 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 |

|   |
|---|
| <b>MANAGEMENT DISCUSSION AND ANALYSIS</b> |
|---|

**I. TEXTILES INDUSTRY STRUCTURE AND DEVELOPMENT**

The Indian experience in fighting the spread of novel corona virus disease (COVID-19) has developed a great understanding of the pandemic's profound impact on around a billion people. With various measures in place to contain the spread of the virus, the time has now come to focus on getting the wheels of our economy rolling. The process so far has not been smooth given the staggered opening and the instinct to "go home" that has gripped the migrant labour force due to the extended lockdown and the ensuing economic hardships. Even the "in-house" labour force wants to return home at the first sign of normalcy, before committing to return to work. As regards the COVID VIRUS, the challenge before the State & District Authorities is to guard against any community spread and move to flattening the curve, as quickly as possible. In the case of the Lockdown, a clearly defined roadmap moving swiftly away from the system of "passes and permissions" can help us plan our return to normalcy. The industry on its part would have to ensure a pandemic resilient manufacturing environment with functional exchange of people and goods. This process will help us to quickly realign ourselves with the global and domestic economies. In addition, strategic use of inventory locations should also be planned. The Government on its part needs to rethink existing bilateral and multilateral treaties and look at strengthening bilateral trade relationships, especially with the countries that are less impacted by the global pandemic.

**COTTON**

India has a lot of 'largest' titles when it comes to cotton! One of the largest producers of cotton in the world, the largest net exporter of cotton and cotton yarn, and also the world's largest area under cotton cultivation – India is ruling the cotton games! China is the closest competitor of India in terms of cotton production, but India has the lead with a huge margin, since China ends up as a net importer of cotton. Textiles ministry was kind enough to consider the issues facing the industry like, demand creation, need for additional working capital, liquidity crunch etc. It is proposed to include the entire textile value chain under the ROSCTL/ RODTEP Scheme so that all the taxes are reimbursed to the exporters of Cotton Yarn, Fabrics and Madeups, to include items like, Quilted products as there is huge potential to increase exports especially when countries like the USA are seriously considering alternative suppliers to China in the post - pandemic scenario. Important issues affecting exports of cotton textiles are being taken up through representations being made to the Government.

**YARN – A SIGNIFICANT SEGMENT**

The industry suggested that that Cotton Yarn should be included in the Interest equalisation scheme. Apart from the above issues difficulties faced by exporters in accessing funds as per the RBI's announcements were also brought out. The ministry suggested that the industry should bring out the specific issues being faced with the banks so that the Ministry of Textiles can take it up with the Ministry of Finance. The relief measures announced by the Government and the Reserve Bank of India (RBI) on various fronts will take time to percolate to the unit level through the commercial banks and NBFC's. The industry need to be in close touch with bankers so that the benefits announced by the RBI are available. Today's volatile market it is necessary to maintain the highest quality of the yarn in order to maintain high standards, at Alps we believe that nothing comes above

the quality of our products. Matching specifications is always a challenge but Alps takes it all in its stride and goes beyond the call to provide expert services from sourcing, developing, and packaging for safe dispatch to global destinations. Yarn demand was moderate.

## II. OPPORTUNITIES AND THREATS

The novel corona virus disease is holding the world in a vice-like grip. It is uncertain and hard to predict whether the containment measures will be effective or not. If international borders continue to be closed for too long, the situation will become catastrophic for many countries in the world. The global economy is heading in execrably into recession. The volume of world trade can shrink by 13-32 per cent in 2020, as projected by the World Trade Organization. The deteriorating global economic conditions, including foreign and fiscal exchange constraints, have already effected supply chains and consumption of goods and services. While many of firms continue their efforts to build resilience into the supply chains, the prevailing trading patterns need to be reviewed. Efforts should be made to accelerate the trading engagements with local, regional distribution channels rather than only the global supply chain networks. Considering the scale of the impact on businesses, the economy and trade, the Government has been announcing relief measures which are a mix of credit guarantees, liquidity infusions into Banks and other financial institutions rather than the economy per se. A package of relief measures for SME'S has also been announced including changes in the definition. Apart from investment, the criteria of turnover has also included in the definition.

### A. Government policies-Textile Sector

The government is active to industry expectations to avail of un-interrupted benefits under the Foreign Trade Policy 2015-20 which has now been extended till March 31, 2021. Important issues affecting exports of cotton textiles are being taken up in industry to avail of un-interrupted benefits under the Foreign Trade Policy 2015-20 which has now been extended till March 31, 2021. The present times government have expedited the need for digitalisation on account of the compliance requirements like social distancing, touch-free transactions and remote engagement of staffers. In the past few years, India has already seen a gradual introduction of few of the business software like CLO software for apparel designing, PRO 9 software for showcasing products for sale and AXIND software for entire PLC management. As the spread of Corona virus is picking up speed, Government is not only preparing the strategies to combat COVID-19 but also effectively plan for life after the virus. IMF has already suggested that one of the measures to fight against COVID-19 must include a plan for recovery that will reduce potential scarring effects of the pandemic through policy action. Government is exploring new financial lending institutions to support small-scale units.

## III. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

In terms of the Ind AS, there is only one reportable segment i.e. Textile Segment. Hence the segment wise reporting is not applicable.

## IV. OUTLOOK

Nobody expected that a small VIRUS originating in Wuhan City, capital of the Hubei province in China would cause so much havoc across the world putting lives and livelihoods at stake. Now that it is upon us and is on the verge of peaking and fading away, albeit not fully, we need to look ahead, pick up the pieces and move on. Innumerable challenges confront us as we

move towards restoration of normalcy but they need to be overcome with forbearance and fortitude. The path is not easy. It has been mentioned that these are trying times as countries are waging a war against COVID-19 pandemic as well as the economic instability caused by it. It is expected to work in tandem and urged the industry to maintain a positive attitude during this time to tide over this crisis.

## V. RISKS AND CONCERNS

**Raw Material Price Risk:** Cotton are the major raw materials used by the Company for textile. Volatility in prices impacts the overall cost of production, and thus, the profitability.

**Currency Risk :** As the Company deals in the International market, it is exposed to currency volatility, which impacts the overall revenue of the Company.

### **Geographical Risk**

Concentration in a particular territory leads to a depleting market presence of the Company.

### **Policy Risk**

Implementation of any policy which is not in favour of the Company hampers the operations of the Company.

### **Competition Risk**

There are many emerging countries, where production costs are relatively lower than that of India. This poses a potential threat to the Company.

### **COVID- 19**

As regards the COVID VIRUS, the challenge are to guard against any community spread and move to flattening the curve, as quickly as possible. In the case of the Lockdown, a clearly defined roadmap moving swiftly away from the system of “passes and permissions” can help the plan to normalcy. The industry on its part would have to ensure a pandemic resilient manufacturing environment with functional exchange of people and goods.

### **Mitigation Strategy**

- Strong relationship with vendors and proximity to the raw material sources ensures easy availability. The Company also plans to save land costs and inventory management keeping in view the historical cycle of input prices. From time to time, the Company hedges raw-material against order book.
- Currency risks are managed by constant monitoring exposures and limiting the same in view of applicable margins under the relevant Market engagements. Also, some portion of the foreign currency is hedged to mitigate any adverse movements in currency fluctuations.
- The Government of India has come up with various incentives such as rebate on state levies, duty drawback, and ATUFS, among others. The Company has leveraged on these initiatives to stay ahead in the market.
- The Company benefits out of economies of scale, cutting-edge technology, and loyal partnerships to offer competitive rates to its clients across the globe.

## VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control systems for financial reporting. High accuracy in recording and providing reliable financial & operational support is ensured through stringent procedures. The Company's internal team and Audit Committee monitor business

operations and any deviations are promptly brought to the notice of the Management board. These findings provide input for risk identification and assessment, post which prompt risk mitigation strategies are deployed towards a seamless growth of the Company. Internal audit process verifies whether all systems and processes are commensurate with the business size and structure. Adequate internal control systems safeguard the assets of the company with timely identification and intervention to assuage risks. The internal audit report is discussed with the senior management and members of Audit Committee to keep a check on the existing systems and take corrective action to further enhance the control measures. 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.

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

Your company is focusing more on to the heavy vehicles segments, Technical Textiles and Defence sector since your company expecting change in the policy for procurement of indigenous products. Your company also looking forward to expand the business in other segments during the current financial year. The company has started new products during the period under review in Yarn segment. This are value added items with good demand in domestic and exports markets. The efforts to change the Product Mix at our Yarn Spinning Mill at Haridwar. With changing global demands & stiff competition, your company has taken many steps towards its constant improvements, in creating new benchmarks in the industry, like constant improvements in design & development w.r.t advanced & versatile equipments, competent team which helps in reducing turnaround time from CADs to actual physical sample, ability to offer specific developments along with coordinated product across categories. Your company is aggressively increasing share of business with existing customers & focusing on getting new strategic customers, focusing on increasing share of product categories, opening up for outsourcing products & services to meet the market demands. Under the Made-up & Fabric Products, your company offers a range of furnishing products for house and office use and Under the Constant efforts are being made to increase the throughput & reduce the OE. While we continue to strive and deliver through performance, we maintain our endeavour to be a socially responsible corporate. Several initiatives were taken for update the quality and changing the product mix. However due to nationwide Lock down by competent authorities the performance of the company in coming year will be impacted adversely.

However due to nationwide Lock down by competent authorities the performance of the company in coming year will be impacted adversely.

During the period under review your company has incurred a negative EBITDA, which comes to Rs.604.40 Lacs in comparison to positive of Rs. 599.01 Lacs in previous year. The PAT for the period is also negative at Rs. 11509.58 Lacs in comparison to the previous year of Rs. 6325.05 Lacs, which is partly due to impairment on assets in current year and due to low volume of turnover as there was economic slowdown and continuation of fixed expenses and further better in previous year due to exceptional profit for the reason of write back of debt payable to lenders because of settlement with them.

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

The focus during the year has been on the optimization of available Manpower resources as the on-going challenges created due to market slow-down in the previous year continued this year as well. Learning from 'Theory of Constraints (TOC)' proved very useful in this endeavor, the concept cascaded across all the hierarchy amongst the team. Focus remained on Continuous

improvement / BTB (Better-Than-Before). Learning from TOC helped in strengthening some of the critical functions in terms of appointing competent personnel in the concerned leadership roles like in Marketing for Fabric as well as Made-ups business and in Maintenance and HR in Yarn Business. Though, challenges with ongoing slow-down continued this year as well across the country, efforts made effectively in order to retain the talent with traditional as well as innovative retention strategies. With continued efforts to improve the female workers/employees ratio, particularly at the shop floor, in-line with the national policy of gender equality and policy to restrict the sexual harassment, there has not been any case of sexual harassment reported and homogeneity of the Work environment is maintained. Besides, efforts were made for regional balancing of Workers in our Haridwar Unit, significant efforts were made to control Labour Losses. The company's concerns for welfare of its workforce continued during the year and accordingly Group pension/Accident Insurance policy/ESI/WC policies were continued further as in the past. The company has been consistently maintaining harmonious & cordial relations with the employees at all the locations. The Company continues to lay emphasis on building and sustaining an excellent organizational culture focusing on performance. During the year, with consistent review and efforts for optimization of available manpower resources, average employment, has been 1555, slightly less than that of last year. Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of all the plants.

#### IX. MEDIUM-TERM AND LONG-TERM STRATEGY

In terms of SEBI/HO/CFD/CMD/CIR/P/2018/79 May 10, 2018 the disclosure of Medium and Long-term strategy of the company, for the next financial year ending on March 31, 2021 is within the limits set by its competitive position and the long-term metrics specific to the company's long term strategy measurement of the progress will be reflected in coming years.

#### X. VSTATUTORY COMPLIANCE

The Executive Director makes a declaration at each Board Meeting regarding the compliance with the provisions of various statutes, after obtaining confirmation from all the units of the company. The Company Secretary ensures compliance accordance to SEBI regulations and provisions of the Listing Regulations.

#### XI. DETAILS OF SIGNIFICANT CHANGES

As required the details of changes of 25% or more as compared to the immediately previous financial year in key financial ratios along with detailed reasons therefore are as under:

| S. No. | Particulars                   | Current<br>31.03.2020 | Year | Previous<br>31.03.2019 | Year | Reasons of change.   |
|--------|-------------------------------|-----------------------|------|------------------------|------|--|
| 1.     | Debtors /Turnover             | 12.08                 |      | 12.32                  |      | No material variations.  |
| 2.     | Inventory/ Turnover           | 7.66                  |      | 8.30                   |      | No material variations.  |
| 3.     | Interest Coverage Ratio       | (1.00)                |      | (0.09)                 |      | As per Ind AS and also refer to note no. 38 of financial statement.  |
| 4.     | Current Ratio                 | 0.15                  |      | 0.17                   |      | No material variations.  |
| 5.     | Debt Equity Ratio             | (1.41)                |      | (1.87)                 |      | No material variations.  |
| 6.     | Operating Profit Margin (%)   | (18.38)%              |      | (1.46)%                |      | No material variations.  |
| 7.     | Net Profit Margin (%)         | (35.75)%              |      | (16.76)%               |      | Due to impairment on assets in current year and due to low volume of turnover as there was economic slowdown and |
| 8.     | Change in Return on Net Worth | (0.21)                |      | (0.14)                 |      |  |

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  | continuation of fixed expenses and further better in previous year due to exceptional profit for the reason of write back of debt payable to lenders because of settlement with them |
|--|--|--|--|--|

## XII. CAUTIONARY STATEMENT

The Management Discussion and Analysis Report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this Management Discussion and Analysis Report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the Governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors. It is much more unpredictable due to COVID VIRUS, the challenge are to guard against any community spread and move to flattening the curve, as quickly as possible to get normalize the market trends. The Management has made these statements based on its current expectations and projections about future events. Wherever possible, it has tried to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance. The management cannot guarantee that these forward-looking statements will be realized, although it believes that it has been prudent in making these assumptions.



**COMPLIANCE REPORT ON CORPORATE GOVERNANCE -PART-I**  
**([http://alpsindustries.com/corporate\\_governance.php](http://alpsindustries.com/corporate_governance.php))**  
**IN TERMS OF REGULATION 27, 34 & SCHEDULE V OF THE**  
**SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**(MANDATORY REQUIREMENTS)**

- (I) **Statement on company's philosophy on code of governance.** : Corporate Governance is an integral part of ALL's value system, management ethos and business practices. The Company's corporate governance initiatives are based on:
- Commitment to excellence and customer satisfaction;
  - Commitment to maximizing long-term shareholder value;
  - Commitment to responsible and ethical corporate conduct; and
  - Concern for the environment and sustainable Development.
  - Make awareness to face the situation caused by COVID 19 pandemic.

The Company regularly evaluates and defines its management practices which are aimed at enhancing its commitment to ensure that these basic tenets of corporate governance are met. At Alps, the basic Corporate Governance norms have been institutionalized as an enabling and facilitating business process at the Board, Management and Operational levels. Business practices are regularly reviewed and reaffirmed against these tenets and all steps are taken to ensure that Company operates beyond the mandatory regulatory framework of good corporate governance.

Link:[http://alpsindustries.com/corporate\\_governance.php](http://alpsindustries.com/corporate_governance.php)

- (II) **Board of Directors and procedures** : The Board of the Company is well structured, in compliance with the listing regulations, 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 the Managing Director, who is also the Chief Executive Officer of the company and controls the day-to-day affairs of the company. The Company Secretary in consultation with the Board of Directors, finalize the agenda of the Board and Committee meetings, which is distributed to the Board/Committee members well in advance. In terms of the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no inter-se relationship among other directors as on date.

LINK [http://alpsindustries.com/board\\_of\\_directors.php](http://alpsindustries.com/board_of_directors.php)

- Board of directors:**  
 (a) **Composition and category of Directors under Corporate governance** :

| <b>Nature of Directorship</b> | <b>Nos.</b> | <b>% to the total strength</b> |
|-------------------------------|-------------|--------------------------------|
| Promoter & Executive          | 1           | 16.67                          |
| Executive (Non-Independent)   | 1           | 16.66                          |
| Non-Executive (Independent)   | 4           | 66.67                          |
| <b>Total</b>                  | <b>6</b>    | <b>100.00</b>                  |

(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 are as under :

| Name of the Directors | Nature of Directorship            | Relationship with other Director | Sitting fees paid during the year<br>(Rs. in 000') | No. of Board Meetings |          | Attended by<br>AGM<br>31.08.2019 |
|-----------------------|-----------------------------------|----------------------------------|--|-----------------------|----------|----------------------------------|
|                       |                                   |                                  |  | Held                  | Attended |                                  |
| Mr. K.K. Agarwal      | Non-Executive Chairman & Promoter | Father of Mr. Sandeep Agarwal    | 20.00  | 4                     | 2        | No                               |
| Mr. Sandeep Agarwal   | Executive & Promoter              | Son of Mr. K.K. Agarwal          | Nil  | 4                     | 3        | Yes                              |
| Mr. P.K. Rajput       | Executive & Non Independent       | -                                | Nil  | 4                     | 4        | Yes                              |
| Mr. Prabhat Krishna   | Independent                       | -                                | 65.00  | 4                     | 4        | Yes                              |
| Mr. Tilak Raj Khosla  | Independent                       | -                                | 50.00  | 4                     | 3        | Yes                              |
| Mr. P.K. Lamba        | Independent                       | -                                | 65.00  | 4                     | 4        | Yes                              |
| Ms. Deepika Shergill  | Independent                       | -                                | 30.00  | 4                     | 3        | Yes                              |

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

| Name of the Director* | No. of Outside Directorship Held                            |                         |                 |        | Outside Committees \$ |                      |
|-----------------------|---|-------------------------|-----------------|--------|-----------------------|----------------------|
|                       | Listed Company and category of Directorship                 | Unlisted Public Company | Private Company | Others | Member                | Chairman/Chairperson |
| Mr. Sandeep Agarwal   | -   | -                       | 2               | 1      | -                     | -                    |
| Mr. P.K. Rajput       | -   | -                       | -               | -      | -                     | -                    |
| Mr. Prabhat Krishna   | AMD INDUSTRIES LTD. as Non-Executive - Independent Director | -                       | 2               | 1      | -                     | 3                    |
| Mr. Tilak Raj Khosla  | -   | -                       | -               | -      | -                     | -                    |
| Mr. P.K. Lamba        | -   | -                       | -               | -      | -                     | -                    |
| Mrs. Deepika Shergill | -   | -                       | -               | -      | -                     | -                    |

\$ In accordance with Regulation 27, 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 membership/chairmanship of only the Nomination and Remuneration Committee, Audit committee and Stakeholders Relationship Committee in all public limited companies (excluding Alps industries limited) as on date have been considered.

(d) **Number of Board meetings held, dates on which held.** : No. of Board Meetings held: 4  
Dates - 30/05/2019, 14/08/2019, 14/11/2019 and 12/02/2020.

(e) **Disclosure of relationships between directors inter-se** : The Board of the Company is well structured, in compliance with the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, with adequate blend of professional Executives and Independent Directors. The Board consist sufficient participation of independent directors. The Board's actions and decisions are aligned with the Company's best interest. The Company has defined guidelines and established framework of the meetings of the Board and Committees. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board committees in an informed and efficient manner.

The Board is headed by Managing Director, who is also the Chief Executive Officer of the company and controls the day-to-day affairs of the company. The Company Secretary in consultation with the Board of Directors, finalize the agenda of the Board and Committee meetings, which is distributed to the Board/Committee members well in advance. In terms of the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is to be mentioned that due to Resignation of Mr. K.K. Agarwal, Non Executive Chairman & Promoter Director the relationship between Mr. K.K. Agarwal and Mr. Sandeep Agarwal, Managing Director & Promoter Director does not exist as on date and there is no inter-se relationship among other directors.  
LINK [http://alpsindustries.com/board\\_of\\_directors.php](http://alpsindustries.com/board_of_directors.php)

**(f) the shareholding of directors as on 31<sup>st</sup> March, 2020 is as under:**

| <b>S.No.</b> | <b>Name of Directors</b>                                      | <b>Shareholding</b> | <b>Percentage</b> |
|--------------|---|---------------------|-------------------|
| 1.           | Mr. Sandeep Agarwal, Managing Director                        | 6,51,510            | 1.67              |
| 2.           | Mr. P.K. Rajput, Executive Director                           | 5,00,000            | 1.28              |
| 3.           | Mr. Prabhat Krishna, Independent and Non Executive Director   | NIL                 | NIL               |
| 4.           | Mr. Tilak Raj Khosla, Independent and Non Executive Director  | NIL                 | NIL               |
| 5.           | Mr. P.K. Lamba, Independent and Non Executive Director        | NIL                 | NIL               |
| 6.           | Mrs. Deepika Shergill, Independent and Non Executive Director | NIL                 | NIL               |
|              | <b>TOTAL</b>  | <b>1151510</b>      | <b>2.95</b>       |

**Note 1:** The Company has not issued any convertible instruments during the financial year 2019-20.

**(g) Weblinks where the details of familiarization programmes imparted to Independent directors's disclosures:** The details of familiarization programmes imparted to Independent directors is disclosed on [www.alpsindustries.com](http://www.alpsindustries.com), the website of the company.

**Details of the Directors for Retire by Rotation:**

**Details of Mr. Pramod Kumar Rajput, Executive Director (DIN:00597342)** : He is the Executive Director of the company and has been associated with it since a long time. He has experience in handling Commercial and Administrative affairs with prominent groups related to Textile Industry. He does not hold directorship in any other company.

**(Proposed to be reappointed due to retiring by rotation)**

**(h) Code of Conduct** : The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standards of transparency. Accordingly the Company has laid down a Code of conduct for all its Board members and Senior Managerial/Personnel so that conflict of interest could be avoided. All the Board members

and Senior Managerial Personnel are complying with the said code of conduct which is also available on Company's website i.e. [https://alpsindustries.com/downloads/Code\\_of\\_Conduct.pdf](https://alpsindustries.com/downloads/Code_of_Conduct.pdf). All Directors and senior management personnel have affirmed compliance with the Code for F.Y. 2019-20. A declaration to this effect signed by the Managing Director is given in this Annual Report.

- (III) AUDIT COMMITTEE** : The composition of Audit Committee meets with the requirements of Section of 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (a) Brief description of terms of reference** : (a) As specified under Regulation 27, 34 & Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
  - (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - (b) changes, if any, in accounting policies and practices and reasons for the same;
    - (c) major accounting entries involving estimates based on the exercise of judgment by management;
    - (d) significant adjustments made in the financial statements arising out of audit findings;
    - (e) compliance with listing and other legal requirements relating to financial statements;
    - (f) disclosure of any related party transactions;
    - (g) modified opinion(s) in the draft audit report;
  - (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) approval or any subsequent modification of transactions of the

listed entity with related parties;  
 (9) scrutiny of inter-corporate loans and investments;  
 (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;  
 (11) evaluation of internal financial controls and risk management systems;  
 (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;  
 (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;  
 (14) discussion with internal auditors of any significant findings and follow up there on;  
 (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;  
 (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;  
 (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;  
 (18) to review the functioning of the whistle blower mechanism;  
 (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;  
 (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.  
 (21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

- (b) **Composition, name of members and Chairperson.** : 1. Mr. Prabhat Krishna – Chairman  
 2. Mr. Sandeep Agarwal – Member  
 3. Mr. Tilak Raj Khosla – Member  
 4. Mr. P.K. Lamba – Member
- (c) **Meetings and attendance during the year** : Meetings held: Four  
 Present Members : Meeting Attended  
 1. Mr. Prabhat Krishna - Chairman - 4  
 2. Mr. Sandeep Agarwal - Member - 3  
 3. Mr. Tilak Raj Khosla - Member - 3  
 4 Mr. P.K. Lamba - Member - 4
- (IV) **NOMINATION AND REMUNERATION COMMITTEE:** As specified under Regulation 19, 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b
- (a) **Brief description of terms of reference** : • To decide the company's policy and specific remuneration package for the Whole time Directors.

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

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

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

## INTRODUCTION

As mandated by the statutory provisions contained under section 178 of the Companies Act, 2013 and the Regulation 19 and 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Nomination & Remuneration Committee of the Company has formulated this policy and on its recommendation the Board of Directors has approved the same vide Board Resolution dated 30<sup>th</sup> April, 2014. This policy contains guidelines on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company. This policy may be treated as a benchmark for determining the qualifications, positive attributes and independence of a Director, criteria for evaluation of Independent Directors and the Board, matters relating to the remuneration, appointment, removal and evaluation of performance of the

Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

#### **OBJECTIVE**

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

#### **EFFECTIVE DATE**

This policy has been effective since 1st April, 2014.

#### **DEFINITIONS**

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

- Company Secretary
- Such other officer as may be prescribed under the applicable statutory provisions/ regulations.

‘Senior Management Personnel’ for this purpose shall mean employees of the company occupying the position as such under the Act.

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

### **GUIDING PRINCIPLES**

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

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

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

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

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

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



etc. The main objectives are -

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

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

**The principal terms of non-monetary benefits:** The Executives will also be entitled to customary non-monetary benefits such as Company Cars, Telephones/Mobiles, Healthcare facilities, etc. In addition thereto, in specific cases, particularly at the Unit levels, company may also provide housing and other benefits.

#### EXECUTIVE REMUNERATION– BOARD OF MANAGEMENT

Executive remuneration is proposed by the Committee and subsequently approved by the Board of Directors and further by the shareholders. Presently the approval of Central government has been abolished vide Notification No. S.O. 4822(E) dated 12<sup>th</sup> September, 2018.. Executive remuneration is evaluated annually against performance and a benchmark of international companies, which are similar to Alps in size and complexity. Benchmarking is done with the help of reports generated by/through internationally recognized compensation service consultancies. In determining remuneration packages, the Committee may consult with the Chairman/ Managing Director and Independent Directors as well, as appropriate. Total remuneration shall include of following:

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

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

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

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

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

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

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

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

#### **DISCLOSURE OF INFORMATION**

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

#### **APPROVAL OF THE NOMINATION & REMUNERATION POLICY**

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

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

#### **FAMILIARIZATION PROGRAMME IMPARTED FOR INDEPENDENT DIRECTORS**

In terms of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The familiarization programme imparted to Independent Directors during the financial year 2019-20 are available at Company website [www.alpsindustries.com](http://www.alpsindustries.com).

#### **CRITERIA FOR MAKING PAYMENT TO NON- EXECUTIVE DIRECTORS**

In terms of Regulation 34 & 46 of and schedule V the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the criteria for making payment to the Non Executive Directors is available at Company website [www.alpsindustries.com](http://www.alpsindustries.com).

- (b) **Composition, name of members and Chairperson.** : 1. Mr. Prabhat Krishna – Independent Director & Chairman  
2. Mr. Tilak Raj Khosla – Independent director & member  
3. Mr. P.K Lamba – Independent director & member
- (c) **Meetings and attendance during the year** : Meetings held: One  
Present Members :  
1. Mr. Prabhat Krishna - Chairman  
2. Mr. Tilak Raj Khosla - Member  
3. Mr. P.K. Lamba - Member
- (d) **Performance and Evaluation Criteria of Independent Directors** : The company has formulated the Nomination and Remuneration Policy covering the evaluation criteria of independent directors which is available on the website of the company. [www.alpsindustries.com](http://www.alpsindustries.com).
- (e) Details of remuneration and pecuniary benefits to all the Directors, during the financial year ended on March 31, 2020 are as per details given below :-

|                       |             |             |               | Rs. in 000' s) |
|-----------------------|-------------|-------------|---------------|----------------|
| Name of the Director  | Salary      | Perquisites | Sitting fees  | Total          |
| Mr. K.K. Agarwal      | 0.00        | 0.00        | 20.00         | <b>20.00</b>   |
| Mr. Sandeep Agarwal   | 0.00        | 0.00        | 0.00          | <b>00.00</b>   |
| Mr. P.K. Rajput       | 0.00        | 0.00        | 0.00          | <b>00.00</b>   |
| Mr. Prabhat Krishna   | 0.00        | 0.00        | 65.00         | <b>65.00</b>   |
| Mr. Tilak Raj Khosla  | 0.00        | 0.00        | 50.00         | <b>50.00</b>   |
| Mr. P.K. Lamba        | 0.00        | 0.00        | 65.00         | <b>65.00</b>   |
| Mrs. Deepika Shergill | 0.00        | 0.00        | 30.00         | <b>30.00</b>   |
| <b>TOTAL</b>          | <b>0.00</b> | <b>0.00</b> | <b>230.00</b> | <b>230.00</b>  |

**NOTES:**

- In terms of Regulation 27, 34 & Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to Corporate Governance, it is confirmed that there are no pecuniary relationships or transactions of the non executive directors vis-à-vis company, except as mentioned above.
- In compliance of Regulation 27, 34 & Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to Corporate Governance, it is confirmed that the criteria of making payment to non-executive directors is performance based as detailed in the "criteria of performance evaluation" specified under the Nomination & Remuneration Policy which is available on Company's website. [www.alpsindustries.com](http://www.alpsindustries.com).
- In terms of Regulation 27, 34 & Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to Corporate Governance, the disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:
  - all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
  - details of fixed component and performance linked incentives, along with the performance criteria;
  - service contracts, notice period, severance fees;
  - stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

**(V) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

- (a) Brief description of terms of reference : As specified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014; viz.
- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

- (b) CSR Policy in terms of Section 135 of the Companies Act, 2013

**Our CSR Vision**

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

**OUR CSR MISSION**

1. Ensuring socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become SELF-RELIANT and build a better tomorrow for themselves.
2. Ensuring environmental sustainability through ecological conservation and regeneration, protection & re growth of endangered plant species, and promoting biodiversity.

**OUR ACTIVITIES**

The CSR activities we pursue will be in line with our stated Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

The four focus areas where special Community Development programme would be run are:

**1. Eradicating hunger, poverty and malnutrition:**

- Provision of food, nutrition supplement, clothes etc for the poor, children and other deprived sections of the society.
- Supporting nutrition in anganwadi centres and building capacities of anganwadi workers to this effect.
- Provision of shelter for homeless.
- Promoting sanitation, making available safe drinking water
- Sanitation including Contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation.

2. **Promoting Health care including Preventive Health care** through awareness programmes, health check-ups, provision of medicine & treatment facilities , providing

pre natal & post natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity.

**3. Ensuring environmental sustainability and ecological balance through :**

- Plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general;
- Reviving endangered plants, promoting agro-forestry;
- Protection of flora & fauna;
- conservation of natural resources
- Maintaining quality of soil, air & water.
- Adoption of wastelands to cultivate plants;
- Promoting biodiversity;
- Animal welfare and veterinary services.
- Technical support and Knowhow for improving farming and building capacities of small farmers.
- Promoting alternate energy resources.
- Contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.

**4. Employment and livelihood enhancing vocational skills and projects** including tailoring, beautician, mehendi application, bee keeping, food processing and preservation, vermi-composting and other Life Skill Training and livelihood enhancement projects.

**In addition, the Company has identified the following areas for Community Development interventions:**

- 5. Promotion of education** especially among children, women, elderly and the differently abled including:
- Non-formal education programmes.
  - Supporting schools with infrastructure like benches, toilets, potable water, fans etc.
  - Supporting other educational institutions.
  - Improving educational facilities in general.
  - Supporting children for higher education.
- 6. Promoting gender equality and empowering women** including:
- Adult literacy for women.

- Promoting and providing credit support to women's self-help and joint liability groups.
  - Training in vocations pursued by women.
  - Setting up homes for women & orphans;
  - Setting up old-age homes & other facilities for senior citizens
  - Setting up hostels for working and student women, day care centers for kids of working women
- 7. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.**
- 8. Rural Development Projects.**
- 9. Slum Area Development**
- 10. COVID 19 related approved activities/funds as notified by Government from time to time.**
- 11. Other Activities:**
- Promotion of Sports with special focus on training for rural sports, nationally recognised sports, Paralympic sports, Olympic sports.
  - Welfare for differently disabled persons
  - Setting up public libraries
  - Reducing inequalities faced by the socially and economically backward groups
  - Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art.
  - Welfare of armed forces personnel, war widows and their dependants
- 12. Incidental Activities.**
- Employing people and incurring other costs to carry out aforesaid activities.
  - Disaster management, including relief, rehabilitations and reconstruction activities
- 13. Such other activities as the Board may consider to be appropriate.**

#### **Our Approach to Implementation**

We will strive to implement the aforesaid CSR activities on our own to the extent possible. At the same time, we recognize need to work in partnership with other players also.

**This would include:**

Collaborating with various organization, which are registered as a Trust or a section 8 company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India that specialize in the aforesaid activities.

1. Contribution to various funds which are aligned with our Vision and Mission e.g.
  - Prime Minister's National Relief Fund
  - Any other fund set up by the Central Government for :
    - socio-economic development and relief.
    - for the welfare of Scheduled Castes, the Scheduled Tribes, other Backward classes, minorities and women.
2. Collaborating or pooling resources with other companies to undertake aforesaid CSR activities.

#### **CSR FUNDS**

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- at least 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- Any income arising there from.
- Surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

#### **MONITORING**

The CSR department will provide regular progress report to the CSR Committee of the Board. This report would indicate:

1. Achievement since last progress report / during the last quarter in terms of coverage compared to the target and reasons for variance.
2. Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR Committee/Board to overcome the shortfalls.
3. Actual year-to-date spends compared to the budget and reasons for variance.
4. In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be mechanism of monthly reporting of progress on each such activities and the amount incurred thereon.

The Board shall seek a short progress report from the CSR Committee on a quarterly basis. However this will be subject to review from time to time in terms of Government directives/social needs and emerging of new vision of the company.

- (b) Composition, name of members and Chairperson. : 1. Mr. Prabhat Krishna – Independent Director & Chairman  
2. Mr. Sandeep Agarwal – Non Independent director & member  
3. Mr. P.K Lamba - Independent director & member
- (c) Meetings and attendance during the year : Meetings held: One  
Present Members : Meeting Attended  
1. Mr. Prabhat Krishna - Chairman  
2. Mr. P.K. Lamba - Member  
3. Mr. Sandeep Agarwal - Member
- (d) Impact on the Company : The company has formulated the CSR Policy for evaluation & consideration of public security & Social Engineering which is available on the website of the company. [www.alpsindustries.com](http://www.alpsindustries.com).
- (VI) STAKEHOLDERS RELATIONSHIP COMMITTEE**
- (a) Brief description of terms of reference : To consider and resolve the grievances of security holders of the company. as specified under Section 178 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Stakeholder Relationship Committee has been formed to consider the following matters.
- (a) To review the status of Investors' Grievances of each Quarter,
- (b) To review the statement of transfer of shares.
- (c) To review of split, consolidation & demat/remat of shares.
- (d) Any matter related with the Investors' Grievances.
- (e) Redressing the grievances related to non receipt of annual report/dividend.
- (f) The committee also looks after redressal of investors' grievances and performance of the Registrar and Transfer Agent of the company.
- (g) Monitoring the violations of the code of conduct for prevention of insider trading, if any.
- (h) To confirm the rights of stakeholders that are established by law or through mutual agreements are to be respected.
- (i) To Confirm the Stakeholders should have the opportunity to obtain effective redress for violation of their rights.
- (j) To encourage mechanisms for employee participation.
- (k) To allow stakeholders relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in Corporate Governance process.
- (l) To confirm that company should devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.
- (b) Name of non-executive director heading the committee & Composition. : 1. Mr. Prabhat Krishna - Chairman  
2. Mr. Sandeep Agarwal - Member  
3. Mr. Tilak Raj Khosla - Member  
4. Mr. Pradyumn Kumar Lamba - Member
- (c) Number of Meeting held : Meeting Held -4



## Present Members

1. Mr. Prabhat Krishna - Chairman -4
2. Mr. Sandeep Agarwal - Member-3
3. Mr. Tilak Raj Khosla - Member -3
4. Mr. Pradyumn Kumar Lamba - Member-4

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

(e) Number of shareholders' complaints received so far. : Details of complaints received and redressed during the period 2019-20:

| Sr. No | Particulars                       | Received | Redressed | Pending as on 31.03.20 |
|--------|-----------------------------------|----------|-----------|------------------------|
| 1.     | Non-receipt of refund order       | Nil      | Nil       | Nil                    |
| 2.     | Non-receipt of Dividend Warrants  | Nil      | Nil       | Nil                    |
| 3.     | Non-Receipt of Share Certificates | Nil      | Nil       | Nil                    |
| 4.     | Others                            | 3        | 3         | Nil                    |
|        | <b>TOTAL</b>                      | <b>3</b> | <b>3</b>  | <b>Nil</b>             |

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

(g) Number of pending complainants. : NIL

**(VII) General Meeting**

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

| Sl. No. | Location   | Date       | Time      | AGM/ EGM |
|---------|--|------------|-----------|----------|
| 1       | 57/2, Site IV, Industrial Area, Sahibabad, Ghaziabad, U.P. | 29.08.2017 | 10:00 A.M | AGM      |
| 2       | --DO--   | 31.08.2018 | 10:00 A.M | AGM      |
| 3       | --DO--   | 31.08.2019 | 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 29.08.2017**

- Re-appointment of Mr. Sandeep Agarwal as Managing director of the company.
- Re-appointment of Mr. Prabhat Krishna Independent Director of the Company.
- Re-appointment of Mr. Pradyumn Kumar Lamba Independent Director of the Company.
- Re-appointment of Mr. Tilak Raj Khosla Independent Director of the Company.

- Re-appointment of Ms. Deepika Shergill Independent Director of the Company.
- Appointment of Cost Auditors M/s. Gaurav Gupta & Associates, Cost Accountants.
- Re-appointment of Mr. Pramod Kumar Rajput as Executive director of the company.
- Disposing off all investment in all subsidiaries companies and also the dispose of substantial assets of one of its subsidiary company namely i.e. M/s Snowflakes Meditech Pvt. Ltd.

**At the AGM held on 31.08.2018**

- Appointment of Cost Auditors M/s. Gaurav Gupta & Associates, Cost Accountants.
- Approval of the Extension of CRPS from 11<sup>th</sup> to 16<sup>th</sup> year from the original cut off date i.e. January 31, 2009.  
Approval of the borrowing of the company and sale of idle Fixed Assets under section 180 (1)(a) of the Companies Act 2013.

**At the AGM held on 31.08.2019**

- Reappointment of Mr. Sandeep Agarwal (DIN:00139439) as Managing Director of the company.
- Approval for continuance of Mr. K.K. Agarwal (DIN: 00139252) As director of the company for exceeding the age of 75 years.
- Approval of the borrowing of the company and sale of idle Fixed Assets under section 180 (1)(a) of the Companies Act 2013.
- Appointment of Cost Auditors M/s. Gaurav Gupta & Associates, Cost Accountants

- (c) Special Resolutions were put through postal ballot last year, details of voting pattern. : None special resolution was passed through postal ballot during last year.
- (d) Person who conducted the postal ballot exercise. : Not Applicable
- (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 Companies (Management and Administration) Rules, 2015 will be followed, if applicable.
- (g) In terms of the requirement of Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate in regard to the Non Disqualification of the directors of the company duly stamped and signed has been received from the Rajiv Khosla & Associates, a Practicing Company Secretary, Ghaziabad. The copy of the same is enclosed herewith.

**CERTIFICATE OF NON -DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

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

We have examined the relevant registers, records, Forms, returns and disclosures received from the Directors of **Alps Industries Limited** having CIN: **L51109UP1972PLC003544** and having registered office at **57/2, Site- IV, Industrial Area, Sahibabad, Ghaziabad U.P 201010** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C sub clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) ) as considered necessary and explanations furnished to us by the Company & its officers.

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing a Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority(ies):

| S.No. | Name of the Director      | DIN      | Nature of Directorship                     |
|-------|---------------------------|----------|--|
| 1.    | Mr. Krishan Kumar Agarwal | 00139252 | Non-Executive Chairman & Promoter Director |
| 2.    | Mr. Sandeep Agarwal       | 00139439 | Promoter & Managing Director               |
| 3.    | Mr. Pramod Kumar Rajput   | 00597342 | Executive Director                         |
| 4.    | Mr. Prabhat Krishna       | 02569624 | Independent Director                       |
| 5.    | Mr. Tilak Raj Khosla      | 02724242 | Independent Director                       |
| 6.    | Mr. Pradyumn Kumar Lamba  | 02843166 | Independent Director                       |
| 7.    | Ms. Deepika Shergill      | 07093795 | Independent Woman Director                 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affair of the Company.

**For Rajiv Khosla & Associates**

**Rajiv Khosla**  
**Proprietor**  
**Membership No.:5197**  
**CP No.:3927**

Place: Ghaziabad  
Date: 19.05.2020.

**(VIII) OTHER DISCLOSURES**

- (a) (i) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large. : In compliance of Regulation 23 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Indian Accounting Standard (IAS) 24 the Disclosure of "Related Party Transactions" has been made in the Notes to Accounts of Financial Statements. During the year under review company has entered into related party transactions which are at the market prevailing prices and on arm's length basis and are in its ordinary course of business. Hence there are no conflicts of interest in any manner whatsoever and in compliance of company policy related to Related party transactions. The policy on the related party transactions are available on the website of the Company. [www.alpsindustries.com](http://www.alpsindustries.com). In terms of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended on May 9, 2018, the disclosures of related party transactions on a consolidated basis has been published on the website of NSE and BSE and also on the website of the company i.e. [www.alpsindustries.com](http://www.alpsindustries.com).
- (ii) Disclosure of Accounting Treatment under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 : Company has not done the treatment different from that prescribed in an Indian Accounting Standard in the Financial Statements for the period ended on March 31, 2020. Hence the requirement to disclose in the financial statements, is not applicable for the period under review.
- (b) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years. : The equity shares of the company are listed at National Stock Exchange India Limited (NSE) under Scrip Code ALPSINDUS-EQ & Bombay Stock Exchange Limited (BSE) under Scrip Code 530715/ALPSIND. In terms of the resolution passed by the Board of Directors of the company at their meeting held on May 30, 2016, and in pursuant to Regulations 6 & 7 of the SEBI (Delisting of Equity Shares) Regulations, 2009, as amended from time to time, company has submitted the application for Voluntary Delisting of its 39114100 Equity Shares from Bombay Stock Exchange Limited which is still pending with Stock Exchange. The company has filled the Writ Petition before Allahabad High Court for necessary directions in this regard which is pending adjudication. The company is not a defaulter towards BSE Limited. The BSE vide their Letter dated 04.12.2019 has intimated that in terms of SEBI Circular Ref. No. LIST/COMP/OPS/16/2019-2020 Dated June 11, 2019 w.e.f. December 12, 2019 the promoters and promoters group demat accounts have been frozen due to non-payment of ALF. However in the interest of investors, the company has paid all its dues of Annual Listing Fees to BSE on 27.02.2020 under protest. Presently all the accounts have been defrozen and normalize.

- (c) Details of establishment of Vigil Mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee. : In term of section 177 of the Companies Act, 2013 and Regulation 4, 18, 34 & 46 and Schedule II and V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established the Vigil Mechanism/whistle blower policy and it is confirmed that no personnel has been denied access to the audit committee and its chairperson. The details of establishment of such mechanism are also disclosed by the company on its website i.e www.alpsindustries.com.
- (d) Disclosure of commodity price risks and commodity hedging activities : The company is not involved in such activities hence there is no such risk involved.
- (e) Compliance of Mandatory requirements and adoption the Non- Mandatory requirements under the Corporate Governance. : The company has complied Mandatory requirements and adopted the Non- Mandatory requirements in terms of the compliance of Corporate Governance
- (f) Policy for determining “Material Subsidiaries” : The company has adopted the policy for determining “*material Subsidiaries*” which is available on the website of the company i.e.www.alpsindustries.com.
- (g) Policy on dealing with “Related Party Transaction”. : The company has adopted the policy on dealing with “Related Party Transaction” which is available on the website of the company i.e.www.alpsindustries.com.
- (h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) & Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. : During the year the company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) & Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (i) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority : The certificate from a company secretary in practice has been obtained and annexed in the Annual Report somewhere else.
- (j) Any non compliance of any requirement of corporate governance and extent to which the discretionary requirements under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with : The company has complied with all the compliance (mandatory or non mandatory) of the corporate governance and with all the discretionary requirements under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (k) Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report : The company has complied with all the requirements of with respect to corporate governance
- (l) Whistle Blower & Vigil Mechanism : The company has implemented the Vigil Mechanism/Whistle Blower Policy as specified Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under section 177 of the Companies Act, 2013. It is also affirmed that none of the personnel has been denied access

to the Audit Committee. As required, it has also been displayed on the company's website i.e. [www.alpsindustries.com](http://www.alpsindustries.com).

- |  |  |     |
|--|--|-----|
| (m) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 : | Number of complaints filed during the financial year         | NIL |
|  | Number of complaints disposed of during the financial year   | NIL |
|  | Number of complaints pending as on end of the financial year | NIL |
- (n) The company has adopted all the discretionary requirements as specified in Part E of Schedule II related with Corporate Governance.
- (o) Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 related with Corporate Governance Report. : The said disclosures have been already made in this Annual report somewhere else.

**(IX) Disclosures with respect to demat suspense account/ unclaimed suspense account:**

- i. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : 99 Shareholders holding 14366 Equity Shares as on 01.04.2019
- ii. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year : None
- iii. Number of shareholders to whom shares were transferred from suspense account during the year : None
- iv. Shares transferred to IEPF account in terms of IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time. : 99 Shareholders holding 14366 Equity Shares
- v. Number of shareholders to whom shares were transferred from IEPF account during the year : 1000 Equity shares consisting one shareholder
- vi. Aggregate number of shareholders and the outstanding shares in the IEPF account lying at the end of the year : 13366 Equity shares consisting 98 shareholders
- vii. Frozen of voting rights on such shares till the rightful owner of such shares claims the shares : Not applicable

**(X) Means of Communication**

- (a) Quarterly results. : Published in the News Paper and sent to the Stock Exchanges where Shares of the Company are listed and also displayed on the company website. [www.alpsindustries.com](http://www.alpsindustries.com)
- (b) Which newspapers normally published in. : Money Makers and Dainik Mahalaxmi Bhagyodaya
- (c) Any website, where displayed. : [www.alpsindustries.com](http://www.alpsindustries.com).  
In compliance of the General Circular No. 17/2011 dated 21.04.2011 & 18/2011 dated 29.04.2011 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is sending the Annual Report by email to all the members by adopting the Green Initiative as directed by the Government. The full text of the documents will be available on the Company's Website and on the website of National Stock exchange (NSE) and Bombay Stock Exchange (BSE).
- (d) Whether it also display official news release : Yes
- (e) The presentations made to institutional investors or to the analysts. : The Financial Results are sent to the major investors including Institutional Investors, banks & various other government/statutory agencies and analysts.
- (f) Whether Management Discussion & Analysis is a part of Annual Report or not. : Yes. Company also displays the same on the official website i.e. [www.alpsindustries.com](http://www.alpsindustries.com).
- (g) Voting by electronic means : In terms of the requirement of section 108 and Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 and in terms of the better corporate governance, the company will make necessary arrangements to facilitate the remote e-voting by all the members of the company in the forthcoming AGM.
- (h) NSE Electronic Application Processing System (NEAPS) and BSE Listing centre for electronic filing. : The NSE and BSE developed web based application for corporate. The Financial Results, Compliance Certificates, shareholding Pattern, Intimation of Board meetings, Investor Grievance Mechanism, Corporate Governance Report and event based material information are also filed electronically on NEAPS and Listing centre of BSE by the company on quarterly basis or on occurrence of any material event..
- (i) SEBI Complaints Redressal 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.

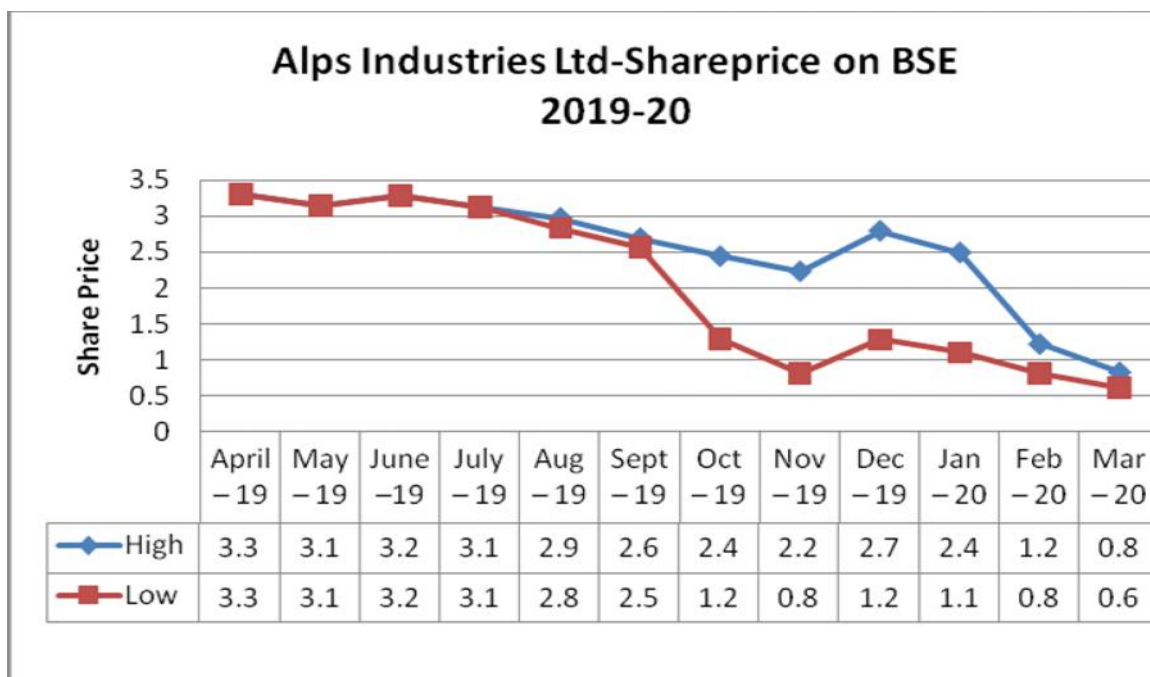
**(XI) General Shareholder information**

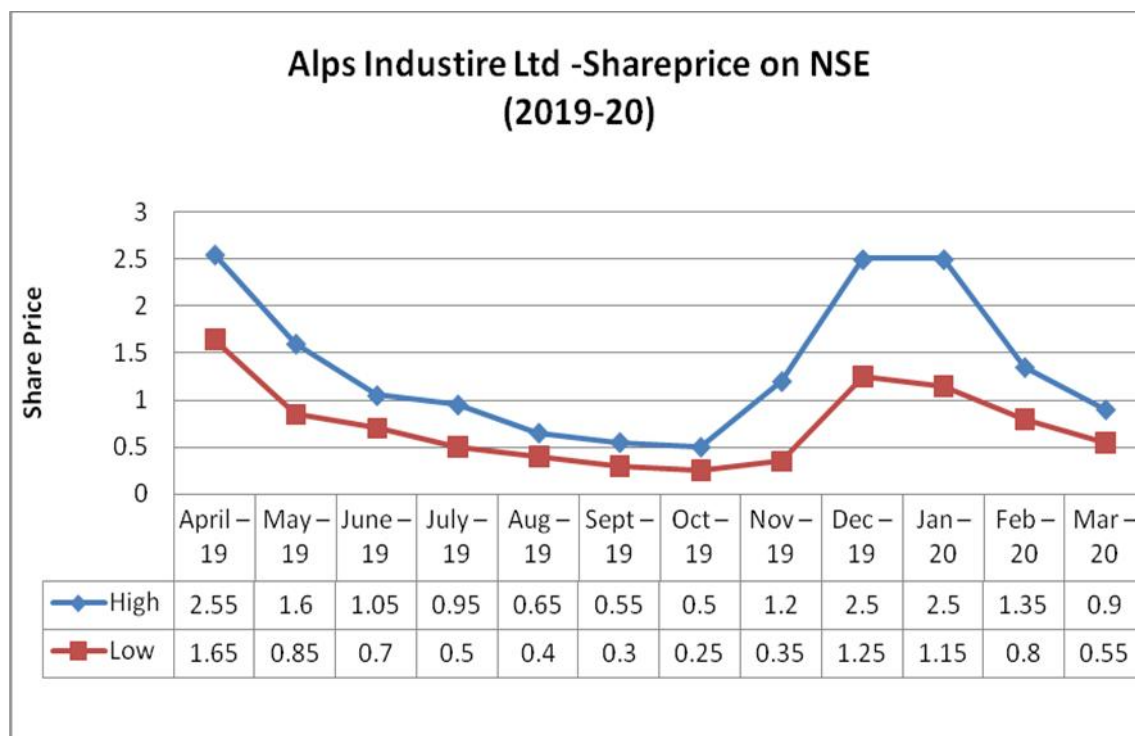
- (a) AGM: Date, time and venue (Tentative) : Date : September 29, 2020  
Day : Tuesday  
Time: 03: 30 P.M  
Venue: 57/2, Site IV, Industrial Area, Sahibabad, Ghaziabad, (U.P.) Pin- 201010 (Through Video Conference/Other Audio and Video means only)
- (b) Financial Calendar (Tentative) : 2020-2021

- Financial Year : April 1, 2020 to March 31, 2021  
Annual General Meeting : September 29, 2020  
Result for quarter ending June 30, 2020 : Second Week of September, 2020.  
Result for quarter ending Sept 30, 2020 : Second Week of November, 2020  
Result for quarter ending December 31, 2020 : Second Week of February, 2021  
Result for quarter ending March 31, 2021. : Last Week of May, 2021  
Audited Accounts for the financial year ending on : Last Week of May, 2021  
March 31, 2021
- (c) Date of Book Closure : Wednesday, September 16, 2020 to Thursday, September 17, 2020 (Both days inclusive)
- (d) Cut-off date for Voting Rights for AGM under Section 108 of the Companies Act 2013. Tuesday, September 22, 2020
- (e) Schedule of e-voting : Saturday, September 26, 2020, 10:00 A.M. to Monday, September 28, 2020 at 5:00 P.M
- (f) Dividend Payment Date : The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2020.
- (g) Listing on Stock Exchanges : Equity Shares of the company are listed at the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd., Mumbai.
- (h) Name and address of Stock Exchanges where the company securities listed and confirmation of payment of listing fees : **1. Bombay Stock Exchange Ltd.**  
1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai- 400001.  
**2. National Stock Exchange of India Ltd.** Exchange Plaza, 5th Floor,  
Plot No. C/1, G-Block, Bandra-Kurla Complex Bandra (E), Mumbai – 400 051.
- The Company has paid listing fees for the year 2019-2020 to National Stock Exchange India Limited as well as all pending dues as on date to Bombay Stock Exchange.
- (i) Details of custodian and confirmation for payment of custodial fees : NDSL -Issuer Code:093B  
CDSL- Issuer Code: 1431  
Annual Custodian/Issuer Fees for the year 2020-21 has been paid.
- (j) Stock Code : NSE : ALPSINDUSEQ  
BSE : 530715/ALPSIND
- (k) Issue & reclassification of Quasi Equity shares under Corporate Debt Restructuring Scheme : The Company has not reclassified/issue any quasi equity shares during the year under review.
- (l) 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 Limited (BSE) |            |                   |            |
|---------|------------|--|------------|-------------------|------------|-------------------------------------|------------|-------------------|------------|
|         |            | (In Rs. per share)                             |            |                   |            |                                     |            |                   |            |
|         |            | Month's High Price                             |            | Month's Low Price |            | Month's High Price                  |            | Month's Low Price |            |
|         |            | Price  | Date       | Price             | Date       | Price                               | Date       | Price             | Date       |
| 1       | April – 19 | 2.55   | 01-04-2019 | 1.65              | 26-04-2019 | 3.30                                | 10-04-2019 | 3.30              | 10-04-2019 |
| 2       | May – 19   | 1.60   | 02-05-2019 | 0.85              | 30-05-2019 | 3.14                                | 07-05-2019 | 3.14              | 29-05-2019 |
| 3       | June –19   | 1.05   | 10-06-2019 | 0.70              | 24-06-2019 | 3.28                                | 26-06-2019 | 3.28              | 26-06-2019 |
| 4       | July – 19  | 0.95   | 18-07-2019 | 0.50              | 31-07-2019 | 3.12                                | 10-07-2019 | 3.12              | 10-07-2019 |
| 5       | Aug – 19   | 0.65   | 07-08-2019 | 0.40              | 20-08-2019 | 2.97                                | 20-08-2019 | 2.83              | 26-08-2019 |
| 6       | Sept –19   | 0.55   | 04-09-2019 | 0.30              | 19-09-2019 | 2.69                                | 03-09-2019 | 2.56              | 12-09-2019 |
| 7       | Oct – 19   | 0.50   | 27-10-2019 | 0.25              | 09-10-2019 | 2.44                                | 04-10-2019 | 1.29              | 31-10-2019 |
| 8       | Nov – 19   | 1.20   | 29-11-2019 | 0.35              | 01-11-2019 | 2.23                                | 04-11-2019 | 0.81              | 19-11-2019 |
| 9       | Dec – 19   | 2.50   | 31-12-2019 | 1.25              | 02-12-2019 | 2.79                                | 31-12-2019 | 1.28              | 02-12-2019 |
| 10      | Jan – 20   | 2.50   | 01-01-2020 | 1.15              | 30-01-2020 | 2.49                                | 01-01-2020 | 1.10              | 29-01-2020 |
| 11      | Feb – 20   | 1.35   | 01-02-2020 | 0.80              | 26-02-2020 | 1.22                                | 01-02-2020 | 0.81              | 27-02-2020 |
| 12      | Mar – 20   | 0.90   | 27-03-2020 | 0.55              | 13-03-2020 | 0.83                                | 03-03-2020 | 0.61              | 16-03-2020 |





(m) Shareholding Pattern as on 31.03.2020

Scrip Code: NSE –ALPSINDUS & BSE -530715/ALPSIND

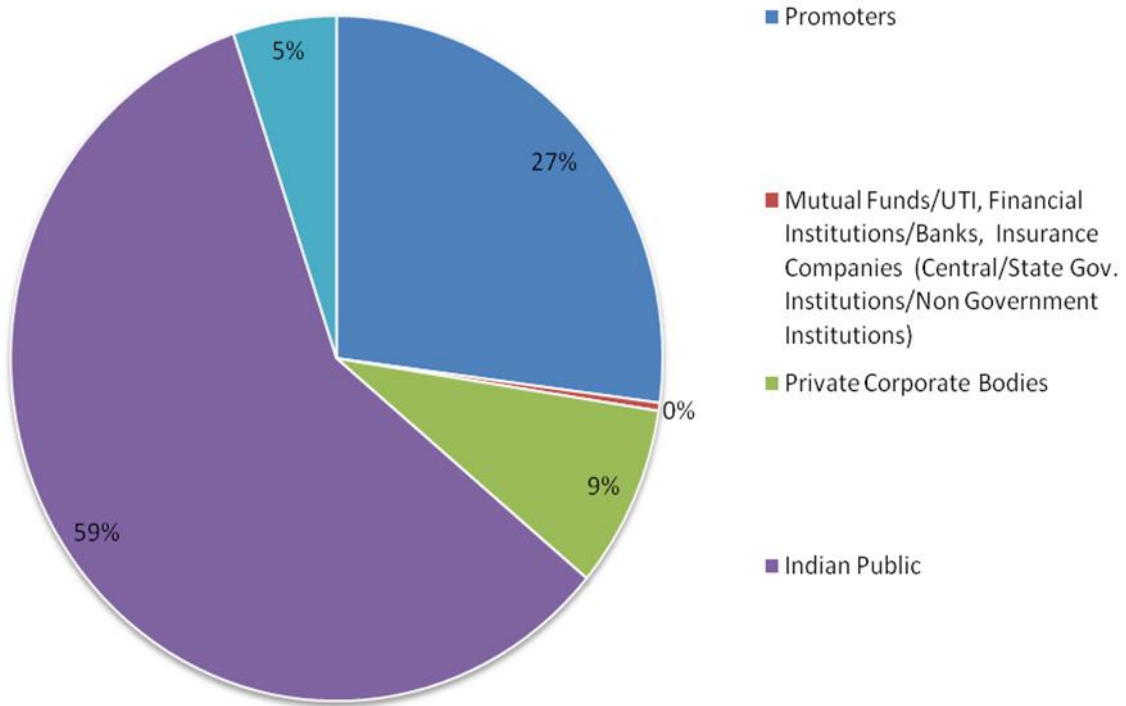
Name of the Scrip: Alps Industries Limited

Class of the Security: Equity Shares

| Category Code | Category of Shareholder  | Number of Share holders | Total Number of Share | As a percentage of (A+B+C) |
|---------------|--|-------------------------|-----------------------|----------------------------|
| <b>(A)</b>    | <b>Shareholding of Promoter and Promoter Group<sup>1</sup></b>                         |                         |                       |                            |
| (1)           | Indian   | 19                      | 10,586,018            | 27.06                      |
| (2)           | Foreign  | -                       | -                     | -                          |
|               | <b>Total Shareholding Pattern of Promoter and Promoter Group</b>                       | <b>19</b>               | <b>10,586,018</b>     | <b>27.06</b>               |
| <b>(B)</b>    | <b>Public Shareholding<sup>2</sup></b>   |                         |                       |                            |
| (1)           | Institutions   | 4                       | 148742                | 0.38                       |
| (2)           | Non Institutions   | 19511                   | 28379340              | 72.56                      |
|               | <b>Total Public Shareholding</b>   | <b>19515</b>            | <b>28,528,082</b>     | <b>72.94</b>               |
| <b>(C)</b>    | <b>Shares held by Custodian and against which Depository Receipts have been issued</b> |                         |                       |                            |
| (1)           | Promoter and Promoter Group  | -                       | -                     | -                          |
| (2)           | Public   | -                       | -                     | -                          |
|               | <b>TOTAL (A+B+C)</b>   | <b>19534</b>            | <b>39,114,100</b>     | <b>100.00</b>              |

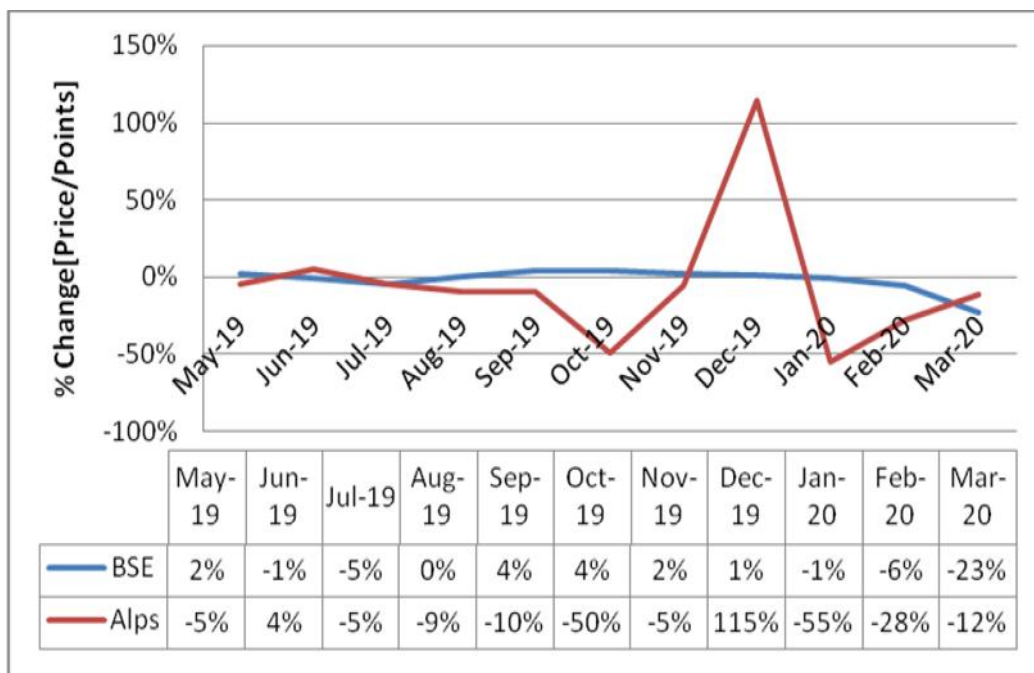
- For definitions of “Promoter Shareholding” and “Promoter Group” refer to Regulation 2(w) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- For definition of “Public Shareholding”, refer to Regulation 2(y) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## SHAREHOLDING PATTERN AS ON 31.03.2020



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

BSE CHART FOR THE YEAR 2019-20 OF ALPS INDUSTRIES LTD. Vs. BSE SENSEX



- (n) Registrar and Transfer Agents for Demat & Physical Shares : Alankit Assignments Limited, Corporate Office, Alankit House, Alankit Heights, 3E/7, Jhandewalan Extn., New Delhi-110055.
- (o) Information related to suspension from trading of securities of the Company. : No, suspension of securities has been taken place. However In terms of the resolution passed by the Board of Directors of the company at their meeting held on May 30, 2016, and in pursuant to Regulations 6 & 7 of the SEBI (Delisting of Equity Shares) Regulations, 2009, as amended from time to time, company has submitted the application for Voluntary Delisting of its 39114100 Equity Shares from Bombay Stock Exchange Limited and there was no action. Aggrieved by no action the company has filled the Writ Petition before Allahabad High Court for necessary directions in this regard which is pending adjudication. Hence the company is not a defaulter towards BSE Limited. But the BSE vide their Letter dated 04.12.2019 has intimated that in terms of SEBI Circular Ref. No. LIST/COMP/OPS/16/2019-2020 Dated June 11, 2019 w.e.f. December 12, 2019 the promoters and promoters group demat accounts have been frozen due to non-payment of ALF arbitrarily. However in the interest of investors, the company has paid all its dues of Annual Listing Fees to BSE on 27.02.2020 under protest. Presently all the accounts have been defrozen and normalize.
- (p) Share Transfer System and Investors Grievances. : In terms of the Regulation 7 & schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment of common agency as R&T Agent for Demat and Physical Shares, company has appointed the above R&T Agent. The share transfer and Investor Grievances system is in compliance with the requirement of the Stock Exchanges and as specified under the Depository Act, 1996. Company has Stakeholder relationship Committee to review the status of various matters related with the shareholders. The company has also provided the updated information for processing of details for allotment of User ID and Password for login into SEBI Compliant of Redress System (SCORES) in terms of the SEBI Circular Ref No. CIR/OIAE/1/2014 December 18, 2014.
- (q) Uniform procedure for dealing with unclaimed shares. : In terms of Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company report the following details in respect of the unclaimed equity shares lying in the suspense account which were issued in demat. The physical shares pursuant to the public issue, subsequent bonus issue and the transfer cases have been credited to Alps Industries Limited- Unclaimed Share Demat Suspense Account and Alps Industries Limited Unclaimed Suspense Account - Physical Account opened with Alankit Assignment Limited. The details of shareholding of individual allottee have been properly maintained and the shares have been credited to the allottee accounts as and when he/she approaches to the Company/R&T Agent. However the company has transferred all the shares lying in Alps Industries Limited- Unclaimed Share Demat Suspense Account and Alps Industries Limited Unclaimed Suspense Account - Physical Account in to the account of Investor Education and Protection Fund Authority in terms of section 124(6) of Companies Act, 2013 and Rule 6 of

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

(r) Details regarding shares in the suspense account :

| 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, 2019  | 99                      | 14366                   | Nil                     | Nil                     |
| Number of shareholders who approached the company for transfer of shares from suspense account during the year | --                      | --                      | -                       | -                       |
| Number of shareholders to whom shares were transferred from the suspense account during the year               | --                      | --                      | -                       | -                       |
| Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020 | -                       | -                       | -                       | -                       |
| 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  | --                      | --                      | --                      | --                      |
| Shares transferred to IEPF Account   | 99                      | 13366                   | --                      | --                      |
| Closing balance  | Nil                     | Nil                     | Nil                     | Nil                     |

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

(s) Distribution of shareholding : As on 31<sup>st</sup> March, 2020

| Share holding of nominal value | Shareholders |            | No. of Share     |              |
|--------------------------------|--------------|------------|------------------|--------------|
|                                | In Rs.       | Number     | %                | Rs. In 000's |
| Upto- 5000                     | 18712        | 95.79      | 10326.565        | 26.40        |
| 5001- 10000                    | 423          | 2.17       | 3216.660         | 8.22         |
| 10001- 20000                   | 229          | 1.17       | 3275.987         | 8.38         |
| 20001- 30000                   | 50           | 0.26       | 1214.808         | 3.11         |
| 30001- 40000                   | 31           | 0.16       | 1087.880         | 2.78         |
| 40001- 50000                   | 16           | 0.08       | 732.240          | 1.87         |
| 50001- 100000                  | 36           | 0.18       | 2540.055         | 6.49         |
| 100001 and above               | 37           | 0.19       | 16719.905        | 42.75        |
| <b>TOTAL</b>                   | <b>19534</b> | <b>100</b> | <b>39114.100</b> | <b>100</b>   |

(t) Dematerialization of shares and liquidity : 99.81 % of Issued Capital is in Dematerialized form as on 31<sup>st</sup> March 2020. The shares are listed at the two stock exchanges.

(u) Outstanding GDRs/ADRs /Warrants or any Convertible instrument, conversion date and likely impact on equity : (i) No GDRs is outstanding as on 31st March 2020.  
(ii) The company has not issued any ADRs.  
(iii) There are no outstanding convertible security as on March 31, 2020.

(v) Plant Locations : 57/2 Site IV, Industrial Area, Sahibabad, Ghaziabad 201010 (U.P.)  
\* For legal status refer to Director report.

Plot No. 1-A, Sector 10 Integrated Industrial Estate, SIDCUL Haridwar-249403, Uttarakhand\*

Plot No. 1-B, Sector 10 Integrated Industrial Estate, SIDCUL, Haridwar-249403, Uttarakhand

Village- Aminagar, Bhoor Baral, Meerut Delhi Road, Distt-Meerut -250103 (Uttar Pradesh)

A-2 Loni Road Indl. Area, Opp. Mohan Nagar, Ghaziabad-201 007 (Uttar Pradesh)\*

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]\*

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

(w) Address for correspondence : Regd. & Corp. Office: 57/2, Site - IV, Sahibabad Industrial Area, Ghaziabad-201 010 (U.P.)

(x) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad : The company is not required to do the rating of its securities as the company has no debt instruments hence there is no ratings available for company.

(y) CEO and CFO Certification : As required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Certificate duly signed by the CEO and CFO was placed at the meeting of

Board of Directors held on July 31, 2020.

(z) Certification of Reconciliation of Share Capital : In terms of the SEBI Circular the company has submitted the required certification duly certified by the Practicing Company Secretary, to the Stock Exchanges where the securities of the company are listed within the prescribed time in each quarter.

(za) Company CIN No. and ROC : Company CIN No. is L51109UP1972PLC003544 and Registered with Registrar of Companies, Kanpur, Uttar Pradesh (State Code 20).

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

| Sl. No. | Particulars  | Amount (Rs. in Lacs) | Maximum Amount Outstanding during the year |
|---------|--|----------------------|--|
| i.      | Loans and advances in the nature of loans to subsidiaries (by name and amount) -   | NIL                  | NIL  |
| ii.     | Loans and advances in the nature of loans to associates by name and amount   | NIL                  | NIL  |
| iii.    | Loans and advances in the nature of loans where there is<br>a) no repayment schedule or repayment beyond seven years or<br>b) no interest or interest below section 186 of the Companies Act 2013 by name and amount | NIL                  | NIL  |
| iv.     | Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount.  | NIL                  | NIL  |
| v.      | Investments by the loanee in the shares of parent company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.   | NIL                  | NIL  |
| vi.     | Transactions of the company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity.  | NIL                  | NIL  |

#### **GREEN INITIATIVE**

In terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 96, 101 & 102 and other applicable provisions of the Companies Act, 2013 & Companies (Management and Administration) Rules, 2014, the Government has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Director' Report, Auditors' Report and explanatory statement etc., through electronic mode to the registered email address of the members. Keeping in view the underlying theme and In terms of above provisions, we are sending all the communications in electronic mode to the email address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

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

**Chart setting out the skills/expertise/competence of the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board in terms of the regulation 34(3) read with part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

| S.No. | Name of Directors    | Designation                | Skills/Expertise/Competence  |
|-------|----------------------|----------------------------|--|
| 1)    | Mr. Sandeep Agarwal  | Managing Director          | He is in the textile industry since last 31 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 acumen, leadership and strong patience, the company has been able to sail smoothly even in testing times. |
| 2)    | Mr. P.K Rajput       | Executive Director         | He has experience in handling Commercial and Administrative affairs with prominent groups related to Textile Industry.   |
| 3)    | 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, & Corporate Finance. He is presently advisor to various Companies for Technical Consultancy & Rehabilitation.   |
| 4)    | Mr. T.R Khosla       | Independent Director       | He is an Arts Graduate with Subordinate Accounts Services (S.A.S). He retired from the post of Dy. Controller of Defence Accounts under the Controller General of Defence Accounts in the Ministry of Defence. He has 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.   |
| 5)    | Mr. P.K 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.  |
| 6)    | Ms. Deepika Shergill | Independent Woman Director | She possesses over 39 years of exposure in the area of Human Resources, Learning & Development and Training with reputed companies. She also is a Visiting Faculty with various business colleges, and has professional interests in Art, Photography and writing.   |



**Chart setting out the skills/expertise/competence as identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board in terms of the regulation 34(3) read with part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

| S.No. | Designation                                    | Skills/Expertise/ Competence  |
|-------|--|---|
| 1)    | Sr. Vice President- Operations (CMT Unit)      | Unit Operations Management, Production Planning, Team Building.                                   |
| 2)    | Vice President -HR (Corporate)                 | Strategic HR Management, Manpower Planning & Recruitment, Statutory, Legal & Buyer's Compliances. |
| 3)    | Vice President-Marketing -Fabric               | Marketing, Customer Relationship.   |
| 4)    | President- Operations, (Haridwar Unit)         | Unit Operations Management, Production Planning, Team Building.                                   |
| 5)    | Vice President - Operations (Meerut Unit)      | Unit Operations Management, Production Planning, Team Building.                                   |
| 6)    | Vice President-Marketing (Yarn), Haridwar Unit | Marketing, Customer Relationship.   |
| 7)    | A.V.P.- Accounts & Commercial* (Hardwar Unit)  | Unit Accounting, M.I.S.   |
| 8)    | G.M. (Finance)                                 | Financial Analysis, Bank/F.I. Liaison.  |
| 9)    | G.M. – Marketing (Madeups Exports)             | Marketing, Customer Relationship.   |
| 10)   | G.M. – Marketing (Madeups Exports)             | Marketing, Customer Relationship, Creative Designing / Sampling.                                  |
| 11)   | G.M. - Accounts & Commercial (Meerut)          | Unit Accounting, M.I.S.   |
| 12)   | GM - Accounts & Commercial* (CMT-57/2 Unit)    | Unit Accounting, M.I.S.   |
| 13)   | D.G.M. -Purchase & Store,Haridwar Unit         | Vendor Management, Negotiations Skills  |
| 14)   | DGM - Accounts (Corporate)                     | Corp. Accounting, TDS, I.T. & GST Compliances   |
| 15)   | Sr. Manager – Sourcing, Meerut Unit            | Vendor Management, Negotiations Skills, Yarn /Fabric Analysis.                                    |
| 16)   | Sr. Manager (Commercial), Meerut Unit          | Supply Chain Management   |
| 17)   | Manager – Cotton Purchase                      | Vendor Management,- Polyester / Cotton Market Analysis  |

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE –PART – II

## NON-MANDATORY REQUIREMENTS

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

1. The Board
  - (i) Non-Executive Chairman's office : None.
  - (ii) Tenure of Independent Directors. In terms of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, All the independent directors have been reappointed for the second & final term of 5 years at the last Annual General Meeting held on 29.08.2017. It is confirmed that all the independent directors have resumed the office accordingly.
2. Nomination & Remuneration Committee
  - (i) Terms of Reference and remuneration Policy. : Company is having a Nomination & Remuneration Committee in terms of the requirements of section 178 Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.  
It is authorized to do all functions as prescribed under the section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (ii) Constitution of the committee : 1.Mr. Prabhat Krishna- Independent Director & Chairman  
2. Mr. Tilak Raj Khosla - Independent Director & Member  
3. Mr. P.K Lamba - Independent director & member
  - (iii) Presence at the meeting. : Meeting held: One  
Present Members:  
1.Mr. Prabhat Krishna- Independent Director & Chairman  
2. Mr. Tilak Raj Khosla - Independent Director & Member  
3. Mr. P.K Lamba - Independent director & member
  - (iv) Presence of the Chairman of the committee at the Annual General Meeting. : The Chairman of the meeting was present at the Annual General Meetings.
3. Shareholders rights  
Half Yearly Financial Results and summary of significant events during the last six months may be sent to each household of shareholders. : The Financial Results and summary of significant events during the last six months were sent to the members as and when demanded by them members during the financial year.
4. Audit Qualifications by Statutory Auditors : There are Audit qualifications for the year under review. Hence the requirement under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and further amended by SEBI Notification No. SEBI/LADNRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 issued by the Securities and Exchange Board of India (SEBI), audit reports are with modified opinion for the period ended March 31, 2020. In terms of above circular the Statement on Impact of Audit Qualifications duly signed by the Managing Director, CFO, Chairman of the committee

have been submitted to the stock exchanges.

5. Discontinuance of Operations. : NONE
6. Training of Board Members : The Company will assist to expand the expertise of the members of the Board as and when required as per section 178 of the Companies Act, 2013 and Regulation 4, 25 and 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has policy on Board Diversity which aims to attract and maintain a Board which has an appropriate mix of Diversity, skills, experience and expertise which may help the Company in getting valuable feedback and advice to meet its goals and business challenges and Familiarization program.
7. Mechanism for evaluating Non-Executive Board Members : Performance evolution of non executive directors used to be carried out by the Board of Directors from time to time. In compliance of Section 178 of the Companies Act 2013 and Regulation 19, 20 and 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, company has Evaluation Policy to review the performance of Non executive directors as and when required. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide notification dated May 9, 2018 company has accepted and implemented the below mentioned criteria also.
- i. Observations of board evaluation carried out for the year.
  - ii. Previous year's observations and actions taken.
  - iii. Proposed actions based on current year observations.
- As per Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Directors which is as under:
- Attendance and contribution at Board and Committee meetings
- His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
  - His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
  - His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.

- Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
- Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
- His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- His/her contribution to enhance overall brand image of the Company.

8. Whistle Blower & Vigil Mechanism : The company has implemented the Vigil Mechanism/Whistle Blower Policy in terms of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and all the concerned officials have been advised suitably.
9. Postal Ballot : It has been conducted wherever required.
10. Remote E-voting : In terms of section 108 of the Companies Act, 2013, relevant rules and in terms of regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the necessary facility will be provided.
11. Code of Conduct : The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standards of transparency. Accordingly the Company has laid down a Code of conduct for all its Board members and Senior Managerial/Personnel so that conflict of interest could be avoided. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. In terms of the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to the code of conduct, company has adopted the revised code of conduct which is also available on Company's website. All Directors and senior management

- personnel have affirmed compliance with the Code for F.Y. 2019-20. A declaration to this effect signed by the Managing Director is given in this Annual Report.
12. Disclosure for Non-Mandatory requirements : All the major and effective Non-Mandatory requirements have been complied with.
13. Post of Chairman & CEO : There are Different Officials who are holding positions of non executive Chairman and CEO (Managing Director). However they are related with each other with the relationship of Father and Son.
14. Reporting of Internal Auditor : The Internal Auditor Report directly to Audit Committee.

#### I. Disclosure on website in terms of Listing Regulations

| <i>Item</i>   | <i>Compliance status (Yes/No/NA)</i> | <i>If Yes provide link to website. If No / NA provide reasons</i>  |
|---|--------------------------------------|--|
| <b>As per regulation 46(2) of the LODR:</b>   |                                      |  |
| a) Details of business  | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| b) Terms and conditions of appointment of independent directors   | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| c) Composition of various committees of board of directors  | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| d) Code of conduct of board of directors and senior management personnel  | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| e) Details of establishment of vigil mechanism/ Whistle Blower policy   | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| f) Criteria of making payments to non-executive directors   | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| g) Policy on dealing with related party transactions  | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| h) Policy for determining 'material' subsidiaries   | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| i) Details of familiarization programmes imparted to independent directors  | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| j) Email address for grievance redressal and other relevant details   | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| k) Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances  | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| l) Financial results  | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| m) Shareholding pattern   | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| n) Details of agreements entered into with the media companies and/or their associates  | N.A                                  | N.A  |
| o) Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange | N.A                                  | N.A  |
| p) New name and the old name of the listed entity   | N.A                                  | N.A  |
| q) Advertisements as per regulation 47 (1)  | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| r) Credit rating or revision in credit rating obtained by the entity for all its outstanding instruments  | N.A                                  | N.A  |
| s) Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year  | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| <b>As per other regulations of the LODR:</b>  |                                      |  |
| a) Whether company has provided information under separate section on its website as per Regulation 46(2)   | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| b) Materiality Policy as per Regulation 30  | Yes                                  | <a href="http://www.alpsindustries.com">www.alpsindustries.com</a> |
| c) Dividend Distribution policy as per Regulation 43A (as applicable)   | N.A                                  | N.A  |

**II. Annual Affirmations**

| <b>Particulars</b>   | <b>Regulation Number</b>     | <b>Compliance status (Yes/No/NA)</b> |
|--|------------------------------|--------------------------------------|
| <i>Independent director(s) have been appointed in terms of specified criteria of 'independence' and / or 'eligibility'</i> | 16(1)(b) & 25(6)             | Yes                                  |
| <i>Board composition</i>   | 17(1), 17(1A) & 17(1B)       | Yes                                  |
| <i>Meeting of board of directors</i>   | 17(2)                        | Yes                                  |
| <i>Quorum of board meeting</i>   | 17(2A)                       | Yes                                  |
| <i>Review of Compliance Reports</i>  | 17(3)                        | Yes                                  |
| <i>Plans for orderly succession for appointments</i>   | 17(4)                        | Yes                                  |
| <i>Code of Conduct</i>   | 17(5)                        | Yes                                  |
| <i>Fees/compensation</i>   | 17(6)                        | Yes                                  |
| <i>Minimum Information</i>   | 17(7)                        | Yes                                  |
| <i>Compliance Certificate</i>  | 17(8)                        | Yes                                  |
| <i>Risk Assessment &amp; Management</i>  | 17(9)                        | Yes                                  |
| <i>Performance Evaluation of Independent Directors</i>   | 17(10)                       | Yes                                  |
| <i>Recommendation of board</i>   | 17(11)                       | Yes                                  |
| <i>Maximum number of directorship</i>  | 17A                          | Yes                                  |
| <i>Composition of Audit Committee</i>  | 18(1)                        | Yes                                  |
| <i>Meeting of Audit Committee</i>  | 18(2)                        | Yes                                  |
| <i>Composition of Nomination &amp; Remuneration Committee</i>  | 19(1) & (2)                  | Yes                                  |
| <i>Quorum of Nomination and Remuneration Committee meeting</i>   | 19(2A)                       | Yes                                  |
| <i>Meeting of Nomination &amp; Remuneration Committee</i>  | 19(3A)                       | Yes                                  |
| <i>Composition of Stakeholder Relationship Committee</i>   | 20(1), 20(2) and 20(2A)      | Yes                                  |
| <i>Meeting of Stakeholder Relationship Committee</i>   | 20 (3A)                      | Yes                                  |
| <i>Composition and role of Risk Management Committee</i>   | 21(1),(2),(3),(4)            | N.A                                  |
| <i>Meeting of Risk Management Committee</i>  | 21(3A)                       | N.A                                  |
| <i>Vigil Mechanism</i>   | 22                           | Yes                                  |
| <i>Policy for related party Transaction</i>  | 23(1),(1A),(5),(6),(7) & (8) | Yes                                  |
| <i>Prior or Omnibus approval of Audit Committee for all related party transactions</i>                                     | 23(2), (3)                   | Yes                                  |
| <i>Approval for material related party transactions</i>  | 23(4)                        | N.A                                  |
| <i>Disclosure of related party transactions on consolidated Basis</i>  | 23(9)                        | Yes                                  |
| <i>Composition of Board of Directors of unlisted material Subsidiary</i>   | 24(1)                        | Yes                                  |
| <i>Other Corporate Governance requirements with respect to subsidiary of listed entity</i>                                 | 24(2),(3),(4),(5) & (6)      | Yes                                  |
| <i>Annual Secretarial Compliance Report</i>  | 24(A)                        | Yes                                  |
| <i>Alternate Director to Independent Director</i>  | 25(1)                        | N.A                                  |
| <i>Maximum Tenure</i>  | 25(2)                        | Yes                                  |
| <i>Meeting of independent directors</i>  | 25(3) & (4)                  | Yes                                  |
| <i>Familiarization of independent directors</i>  | 25(7)                        | Yes                                  |
| <i>Declaration from Independent Director</i>   | 25(8) & (9)                  | Yes                                  |
| <i>Directors and Officers insurance</i>  | 25(10)                       | N.A                                  |

|  |               |     |
|--|---------------|-----|
| <i>Memberships in Committees</i>   | 26(1)         | Yes |
| <i>Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel</i> | 26(3)         | Yes |
| <i>Disclosure of Shareholding by Non- Executive Directors</i>  | 26(4)         | Yes |
| <i>Policy with respect to Obligations of directors and senior management</i>   | 26(2) & 26(5) | Yes |

### **III. Affirmations:**

The Listed Entity has approved the Material Subsidiary Policy and the Corporate Governance requirements with respect to the subsidiary of Listed Entity have been complied.

The Members of  
Alps Industries Limited  
Ghaziabad.

**CERTIFICATE IN RESPECT OF COMPLIANCE WITH THE CODE OF CONDUCT AND MODEL CODE OF CONDUCT AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING AS SPECIFIED UNDER THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015 OF THE COMPANY\***

I, Sandeep Agarwal, in my capacity as the Managing Director & the Chief Executive Officer of the company, do hereby certify that all Directors/ Executive Director and Senior Executives of the company, one level below the Board, have complied with and adhered to the Code of Conduct and Model Code of Conduct and Internal procedure for prevention of Insider Trading as specified under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and as approved & prescribed by the Board of Directors of the Company.

Place: Ghaziabad  
Date: July 31, 2020

**For Alps Industries Ltd**

**(Sandeep Agarwal)**  
**Managing Director & CEO**  
**DIN : 00139439**

\*The Code of Conduct and Model Code of Conduct and Code for Corporate Disclosure Practices for prevention of insider trading as specified under the SEBI (Prohibition of Insider Trading) Regulations, 2015, can be viewed on the Company's website [www.alpsindustries.com](http://www.alpsindustries.com).

**CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of  
Alps Industries Limited  
Ghaziabad

We have examined the compliance of conditions of Corporate Governance by Alps Industries Limited, for the year ended March 31, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 and section 149 of the Companies Act, 2013 and other applicable provisions.

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

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

Place: Ghaziabad  
Date: July 31, 2020

**(Rajesh Kumar Govil)**  
**Partner**  
**MembershipNo.013632**



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

Dear Sirs,

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

A. we have reviewed financial statements and the cash flow statement for the year ended on March 31, 2020 and that to the best of their knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the company affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and 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 take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

- (1) significant changes in internal control over financial reporting during the period;
- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company internal control system over financial reporting.

For Alps Industries Ltd.

For Alps Industries Ltd.

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

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

Place: Ghaziabad.

Date: 19.05.2020

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**ALPS INDUSTRIES LIMITED**

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by ALPS Industries Limited (CIN: L51109UP1972PLC003544) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Alps Industries Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Alps Industries Limited (“the company”) for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not Applicable**
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not Applicable**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008- **Not Applicable**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009

- h) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998- **Not Applicable**
- i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) As per information provided by the management, the following laws as applicable specifically to the company :-
  - (a) Essential Commodities Act 1955 read with Hank Yarn Packing Notification 2003 as amended from time to time;
  - (b) Textile (Development & Regulation) Order, 2001;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreements entered into by the company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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

**We further report that**

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

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

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

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

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

During earlier year, the lenders having more than 83% of then secured debts of the Company revoked their consent to the DRS/settlement scheme circulated by erstwhile Hon'ble BIFR, interalia containing the restructuring of the debts of the Company, which was partly implemented. The Company objected to the said revocation of consent being unjustified and beyond terms of the scheme and further submitted an offer for settlement. M/s. Edelweiss Assets Reconstruction Company Ltd., (presently holding more than 98% of the total secured debt of the Company), (EARC) in order to recover its dues from the Company has also filed an Original Application before Debts Recovery Tribunal, Lucknow Bench, which is pending adjudication. In addition to above EARC has under the provisions of SARFAESI auctioned properties located at 58/1, Site IV Industrial Area, Sahibabad, Ghaziabad (U.P.), B-2, Loni Road, Industrial Area, Ghaziabad (UP) and All that Plant & Machineries lying at I A, Sec.-10, IIE, SIDCUL, Haridwar and Lenders having first pari passu charge over these assets have adjusted their dues with the realization made thereof. EARC has also taken over the symbolic possession of 3 properties Viz. Leasehold Land, Building and Plant & Machineries lying at Plot nos. A-2 & A-3, Loni Road, Industrial Area, Ghaziabad (UP) and IA, Sec.-10, IIE, SIDCUL, Haridwar under section 13(4) of the SARFAESI Act and issued sale notices under Rule 8(6) and Rule 6(2) of the Security Interest (Enforcement) Rules, 2002. The Company once again submitted a revised settlement/restructuring proposal with lenders which is under active consideration with them. Management of the Company expects to get the revised

settlement/restructuring proposal approved from lenders and accordingly, the Company would be meeting its revised financial obligations. Also the PIPDIC, the Lessor, has cancelled the Lease deed dated 15.05.1995 granted in favour of the company for property situated at Plot No. B-160 and B-161, PIPDOIC Industrial Estate, Mettupalayam, Puducherry – 605009 and taken over the possession of the premises along with the building thereof alleging the non compliance of the terms of lease though objected by the company even in the court of law.

The content and information provided in the above mentioned report is true and the best of my knowledge on the basis of details given by the concerned company officials.

For **D. K. Chawla & CO.**  
(Company Secretaries)

Dasvinder Kaur  
CP.NO. 15232

**PLACE : GHAZIABAD**  
**DATE : JULY 31, 2020**

**The Members,  
ALPS INDUSTRIES LIMITED**

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

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

**For DK Chawla & Co.**  
(Company Secretaries)

**Place: Delhi**  
**Date: July 31, 2020**

**Dasvinder Kaur**  
**CP.NO. 15232**

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

**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

|   |  |
|---|--|
| CIN   | L51109UP1972PLC003544  |
| Registration Date   | 11/05/1972   |
| Name of the Company   | ALPS INDUSTRIES LIMITED  |
| Category/Sub-Category of the Company                                    | COMPANY LIMITED BY SHARES  |
| Address of the Registered office & Corporate Office and contact details | 57/2, SITE IV, INDUSTRIAL AREA SAHIBABAD,<br>GHAZIABAD -201010   |
| Whether listed company  | Yes  |
| Name, Address and Contact details of Registrar                          | ALANKIT ASSIGNMENTS LIMITED<br><br>205-208, Anarkali Market , Jhandewalan Extn.,<br>New Delhi-110005,<br><br>011 4254 1234 |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| Sl.No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|---|----------------------------------|------------------------------------|
| 1      | Textile   | 171                              | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

\*As per Section 2(87) of the Companies Act, 2013, as amended via Notification No. S.O. 1833(E) dated 8<sup>th</sup> May, 2018.

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

| Category of Shareholders                                 | No. of Shares held at the beginning of the year |            |                 |                   | No. of Shares held at the End of the year |            |                 |                   | % Change during the year |
|--|---|------------|-----------------|-------------------|---|------------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical   | Total           | % of Total Shares | Demat                                     | Physical   | Total           | % of Total Shares |                          |
| <b>A. Promoters</b>                                      |   |            |                 |                   |   |            |                 |                   |                          |
| <b>(1) Indian</b>  |   |            |                 |                   |   |            |                 |                   |                          |
| a) Individuals/HUF                                       | 2906028   | 0          | 2906028         | 7.43              | 2906028                                   | 0          | 2906028         | 7.43              | -                        |
| b) Central Government                                    | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| c) State Governments                                     | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| d) Bodies Corporate                                      | 7679990   | 0          | 7679990         | 19.63             | 7679990                                   | 0          | 7679990         | 19.63             | -                        |
| e) Banks/FI  | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| f) Any Others (Specify)                                  | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| <b>Sub Total(A)(1)</b>                                   | <b>10586018</b>                                 | <b>0</b>   | <b>10586018</b> | <b>27.06</b>      | <b>10586018</b>                           | <b>0</b>   | <b>10586018</b> | <b>27.06</b>      | <b>-</b>                 |
| <b>(2) Foreign</b>                                       |   |            |                 |                   |   |            |                 |                   |                          |
| a) NRIs-Individuals                                      | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| b) Other – Individuals                                   | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| c) Bodies Corporate                                      | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| d) Banks/FI  | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| e) Any Others (Specify)                                  | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| <b>Sub Total(A)(2)</b>                                   | <b>0</b>  | <b>0</b>   | <b>0</b>        | <b>0.00</b>       | <b>0</b>                                  | <b>0</b>   | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b> | <b>10586018</b>                                 | <b>0</b>   | <b>10586018</b> | <b>27.06</b>      | <b>10586018</b>                           | <b>0</b>   | <b>10586018</b> | <b>27.06</b>      | <b>0.00</b>              |
| <b>B. Public shareholding</b>                            |   |            |                 |                   |   |            |                 |                   |                          |
| <b>(1) Institutions</b>                                  |   |            |                 |                   |   |            |                 |                   |                          |
| a) Mutual Funds/ UTI                                     | 100   | 200        | 300             | 0.00              | 100                                       | 200        | 300             | 0.00              | 0.00                     |
| b) Banks/FI  | 200   | 0          | 200             | 0.00              | 0   | 0          | 0               | 0.00              | (0.00)                   |
| c) Central Government                                    | 0   | 0          | 0               | 0.00              | 148442                                    | 0          | 148442          | 0.38              | 0.38                     |
| d) State Governments                                     | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| e) Venture Capital Funds                                 | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| f) Insurance Companies                                   | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| g) FIIs  | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| h) Foreign Venture Capital fund                          | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| i) Other (specify)                                       | 0   | 0          | 0               | 0.00              | 0   | 0          | 0               | 0.00              | 0.00                     |
| <b>Sub-Total (B)(1)</b>                                  | <b>300</b>                                      | <b>200</b> | <b>500</b>      | <b>0.001</b>      | <b>148542</b>                             | <b>200</b> | <b>148742</b>   | <b>0.38</b>       | <b>0.379</b>             |

|   |                 |              |                 |              |                 |              |                 |               |               |
|---|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|---------------|---------------|
| <b>(2) Non-institutions</b>   |                 |              |                 |              |                 |              |                 |               |               |
| a)Bodies Corporate  |                 |              |                 |              |                 |              |                 |               |               |
| i) Indian   | 3600171         | 5220         | 3605391         | 9.22         | 3370738         | 4820         | 3375558         | 8.63          | (0.59)        |
| ii)Overseas   | -               | -            | -               | -            | -               | -            | -               | -             | -             |
| b) Individuals  |                 |              |                 |              |                 |              |                 |               |               |
| i.) Individual shareholders holding nominal share capital up to Rs 2 lakh           | 15038402        | 59509        | 15097911        | 38.60        | <b>15186223</b> | 47922        | <b>15234145</b> | 38.95         | 0.35          |
| ii.) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh. | 7863467         | 0            | 7863467         | 20.10        | <b>7757684</b>  | 0            | <b>7757684</b>  | 19.83         | (0.27)        |
| c)Any Other (specify)   |                 |              |                 |              |                 |              |                 |               |               |
| i)NRI   | 727058          | 28512        | 755570          | 1.93         | <b>776017</b>   | 19912        | <b>795929</b>   | 2.03          | 0.10          |
| ii) Clearing Member   | 0               | 0            | 0               | 0            | <b>90886</b>    | 0            | <b>90886</b>    | 0.23          | 0.23          |
| iii) RESIDENT (HUF)   | 1199743         | 0            | 1199743         | 3.07         | <b>1125138</b>  | 0            | <b>1125138</b>  | 2.88          | (0.19)        |
| iv) NBFC  | 5500            | 0            | 5500            | 0.00         | 0               | 0            | 0               | 0             | (0.00)        |
| <b>Sub-Total (B)(2)</b>   | <b>28434341</b> | <b>93241</b> | <b>28527582</b> | <b>72.93</b> | <b>28306686</b> | <b>72654</b> | <b>28379340</b> | <b>72.56</b>  | <b>(0.37)</b> |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                 | <b>28434641</b> | <b>93441</b> | <b>28528082</b> | <b>72.94</b> | <b>28455228</b> | <b>72854</b> | <b>28528082</b> | <b>72.94</b>  | <b>0.00</b>   |
| <b>C. Shares held by Custodians for GDRs &amp; ADRs</b>                             | 0               | 0            | 0               | 0            | -               | -            | -               | -             | -             |
| <b>GRAND TOTAL (A)+(B)+(C)</b>  | <b>39020659</b> | <b>93441</b> | <b>39114100</b> | <b>100</b>   | <b>39041246</b> | <b>72854</b> | <b>39114100</b> | <b>100.00</b> | <b>0.00</b>   |

**(ii) Shareholding of Promoters**

| Sl.No. | Shareholder's Name       | Shareholding at the beginning of the year |                                  |   | Share holding at the end of the year |                                  |   | % change in share holding during the year |
|--------|--------------------------|---|----------------------------------|---|--------------------------------------|----------------------------------|---|---|
|        |                          | No. of Shares                             | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the company | %of Shares Pledged / encumbered to total shares |   |
| 1      | K.K. Agarwal & Sons(Huf) | 117000                                    | 0.30                             | 0.88  | 117000                               | 0.30                             | 0.00  | 0   |
| 2      | K.K. Agarwal             | 1147460                                   | 2.93                             | 6.116   | 1147460                              | 2.93                             | 6.116   | 0   |
| 3      | Nidhi Agarwal            | 216100                                    | 0.55                             | 0.152   | 216100                               | 0.55                             | 0.152   | 0   |
| 4      | Sandeep Agarwal          | 651510                                    | 1.67                             | 3.793   | 651510                               | 1.67                             | 3.793   | 0   |
| 5      | Rohan Agarwal            | 430128                                    | 1.10                             | 2.174   | 430128                               | 1.10                             | 2.174   | 0   |



|    |  |                 |              |               |                 |              |               |          |
|----|--|-----------------|--------------|---------------|-----------------|--------------|---------------|----------|
| 6  | Sanyog Agarwal   | 248650          | 0.64         | 2.349         | 248650          | 0.64         | 2.349         | 0        |
| 7  | Sandeep Agarwal (HUF)  | 94380           | 0.24         | 0.419         | 94380           | 0.24         | 0.419         | 0        |
| 8  | Sunandini Agarwal  | 800             | 0.00         | 0.00          | 800             | 0.00         | 0.00          | 0        |
| 9  | Narad Fabric Pvt. Ltd. (Formerly known as Alps Processors Private Limited) | 250116          | 0.64         | 2.363         | 250116          | 0.64         | 2.363         | 0        |
| 10 | Careen Fintec (P) Ltd.   | 295000          | 0.75         | 0.425         | 295000          | 0.75         | 0.425         | 0        |
| 11 | Coronation Spinning India (P) Ltd.   | 900000          | 2.30         | 2.834         | 900000          | 2.30         | 2.834         | 0        |
| 12 | Pacific Texmark Pvt. Ltd.  | 2835872         | 7.25         | 3.173         | 2835872         | 7.25         | 3.173         | 0        |
| 13 | Padam Precision Dies & Components Private Ltd.                             | 1688200         | 4.32         | 1.778         | 1688200         | 4.32         | 1.778         | 0        |
| 14 | Peek Finvest (P) Ltd   | 342082          | 0.87         | 3.231         | 342082          | 0.87         | 3.231         | 0        |
| 15 | Peek Texfab Ltd.   | 100120          | 0.26         | 0.00          | 100120          | 0.26         | 0.00          | 0        |
| 16 | Perfect Finmen Services (P) Ltd.   | 412800          | 1.06         | 2.483         | 412800          | 1.06         | 2.483         | 0        |
| 17 | Roseat Finvest (P) Ltd.  | 382000          | 0.98         | 3.609         | 382000          | 0.98         | 3.609         | 0        |
| 18 | Saurabh Floriculture (P) Ltd.  | 183800          | 0.47         | 1.736         | 183800          | 0.47         | 1.736         | 0        |
| 19 | Supreme Finvest (P) Ltd.   | 290000          | 0.74         | 1.322         | 290000          | 0.74         | 1.322         | 0        |
|    | <b>Total</b>   | <b>10586018</b> | <b>27.06</b> | <b>38.839</b> | <b>10586018</b> | <b>27.06</b> | <b>38.839</b> | <b>0</b> |

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

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

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

| Name of the shareholders                           | Shareholding at the beginning of the year as on 01.04.2019 |                                  | Change in shareholding during the year |                                  | Shareholding at the end of the year as on 31.3.2020 |                                  |
|--|--|----------------------------------|--|----------------------------------|---|----------------------------------|
|  | No. of shares  | % of total shares of the company | No. of shares                          | % of total shares of the company | No. of shares                                       | % of total shares of the company |
| Anisha Fincap Consultants LLP                      | 1055243  | 2.70                             | 238875                                 | 0.61                             | 1294118   | 3.31                             |
| JM Financial Services Limited                      | 800424   | 2.05                             | 184196                                 | 0.47                             | 984620  | 2.52                             |
| Pramod Kumar Rajput                                | -  | -                                | 500000                                 | 1.28                             | 500000  | 1.28                             |
| Kinnari Rakesh Pujara                              | 495148   | 1.27                             | -                                      | -                                | 495148  | 1.27                             |
| Sangeetha S  | -  | -                                | 435650                                 | 1.27                             | 435650  | 1.27                             |
| Rocky Sequeira                                     | 356855   | 0.91                             | -                                      | -                                | 356855  | 0.91                             |
| BJD Securities Private Ltd                         | 258034   | 0.66                             | -                                      | -                                | 258034  | 0.66                             |
| Rakesh Gupta                                       | 220000   | 0.56                             | 1000                                   | 0.01                             | 221000  | 0.57                             |
| Shree Naman Securities and Finance Private Limited | -  | -                                | 172965                                 | 0.44                             | 172965  | 0.44                             |
| Kavita Sharma                                      | -  | -                                | 159500                                 | 0.41                             | 159500  | 0.41                             |

**Note :**

1. The above details are given as on 31 March, 2020. The Company is listed and 99.81% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders is due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

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

| For Each of the Directors and KMP   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---|---|----------------------------------|---|----------------------------------|
|   | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |
| <b>Mr. K.K. Agarwal ,Promoter Director &amp; Non Executive Chairman</b>   |   |                                  |   |                                  |
| At the beginning of the year  | 1147460                                   | 2.93                             | 1147460                                 | 2.93                             |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -   | -                                | -                                       | -                                |
| At the End of the year  | 1147460                                   | 2.93                             | 1147460                                 | 2.93                             |

|   |        |      |  |      |
|---|--------|------|--|------|
| <b>Mr. Sandeep Agarwal, Promoter &amp; Managing Director</b>  |        |      |  |      |
| At the beginning of the year  | 651510 | 1.67 | 651510                                   | 1.67 |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -      | -    | -  | -    |
| At the End of the year  | 651510 | 1.67 | 651510                                   | 1.67 |
| <b>Mr. P K Rajput, Executive Director</b>   |        |      |  |      |
| At the beginning of the year  | 200000 | 0.51 | 200000                                   | 0.51 |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -      | -    | 300000 by way of purchase in open market | 0.77 |
| At the End of the year  | 200000 | 0.51 | 500000                                   | 1.28 |
| <b>Mr. T.R. Khosla, Director</b>  |        |      |  |      |
| At the beginning of the year  | -      | -    | -  | -    |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -      | -    | -  | -    |
| At the End of the year  | -      | -    | -  | -    |
| <b>Mr. P.K.Lamba, Director</b>  |        |      |  |      |
| At the beginning of the year  | -      | -    | -  | -    |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -      | -    | -  | -    |
| At the End of the year  | -      | -    | -  | -    |
| <b>Mr. Prabhat Krishna, Director</b>  |        |      |  |      |
| At the beginning of the year  | -      | -    | -  | -    |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -      | -    | -  | -    |
| At the End of the year  | -      | -    | -  | -    |
| <b>Ms. Deepika Shergill, Director</b>   |        |      |  |      |
| At the beginning of the year  | -      | -    | -  | -    |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -      | -    | -  | -    |
| At the End of the year  | -      | -    | -  | -    |

|   |     |            |     |            |
|---|-----|------------|-----|------------|
| <b>Mr. Ashok Kumar Singhal, CFO</b>   |     |            |     |            |
| At the beginning of the year  | 104 | Negligible | 104 | Negligible |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -   | -          | -   | -          |
| At the End of the year  | 104 | Negligible | 104 | Negligible |
| <b>Mr. Ajay Gupta, Company Secretary &amp; General Manager Legal</b>  |     |            |     |            |
| At the beginning of the year  | -   | -          | -   | -          |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -   | -          | -   | -          |
| At the End of the year  | -   | -          | -   | -          |

## V. INDEBTEDNESS

(Rs. in Lacs)

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits    | Total Indebtedness |
|--|----------------------------------|-----------------|-------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |             |                    |
| i) Principal Amount  | <b>64107.44</b>                  | <b>13175.98</b> | <b>0.00</b> | <b>77283.42</b>    |
| ii) Interest due but not paid                              | -                                | -               | -           | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -           | -                  |
| <b>Total (i+ii+iii)</b>                                    | <b>64107.44</b>                  | <b>13175.98</b> | <b>0.00</b> | <b>77283.42</b>    |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |             |                    |
| Principal  |                                  |                 |             |                    |
| · Addition   | -                                | -               | -           | -                  |
| · Reduction  | (3780.73)                        | (399.62)        | 0           | (4180.35)          |
| <b>Net Change at the end of the financial year</b>         | <b>(3780.73)</b>                 | <b>(399.62)</b> | <b>0</b>    | <b>(4180.35)</b>   |
| i) Principal Amount  | 60326.71                         | 12776.36        | -           | 73103.07           |
| ii) Interest due but not paid                              | -                                | -               | -           | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -           | -                  |
| <b>Total (i+ii+iii)</b>                                    | <b>60326.71</b>                  | <b>12776.36</b> | <b>-</b>    | <b>73103.07</b>    |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lacs)

| S. No | Particulars of Remuneration   | Name of MD/WTD/Manager               |                                  | Total Amount |
|-------|---|--------------------------------------|----------------------------------|--------------|
|       |   | Sandeep Agarwal<br>Managing Director | P K Rajput<br>Executive Director |              |
| 1.    | <b>Gross Salary</b>   |                                      |                                  |              |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | NIL                                  | NIL                              | NIL          |
|       | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | NIL                                  | NIL                              | NIL          |
|       | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | NIL                                  | NIL                              | NIL          |
| 2.    | Stock Option  | NIL                                  | NIL                              | NIL          |
| 3.    | Sweat Equity  | NIL                                  | NIL                              | NIL          |
| 4.    | Commission<br>- as % of profit<br>- others, specify                                 | NIL                                  | NIL                              | NIL          |
| 5.    | <b>Others, please specify</b>   | <b>NIL</b>                           | <b>NIL</b>                       | <b>NIL</b>   |
|       | <b>Total (A)</b>  | <b>0.00</b>                          | <b>NIL</b>                       | <b>NIL</b>   |
|       | <b>Ceiling as per the Act</b>   | <b>N.A.</b>                          | <b>N.A.</b>                      | <b>N.A.</b>  |

## B. Remuneration to other directors:

| Particulars of Remuneration                    | Name of Directors   |                |               |                     | Total Amount  |
|--|---------------------|----------------|---------------|---------------------|---------------|
|  | Mr. Prabhat Krishna | Mr. T R Khosla | Mr. P K Lamba | Ms Deepika Shergill |               |
| Independent Directors                          |                     |                |               |                     |               |
| - Fee for attending board & committee meetings | 65000               | 50000          | 65000         | 30000               | 210000        |
| - Commission                                   | N.A.                | N.A.           | N.A.          | N.A.                | N.A.          |
| <b>Total(1)</b>                                | <b>65000</b>        | <b>50000</b>   | <b>65000</b>  | <b>30000</b>        | <b>210000</b> |
| Other Non-Executive Directors                  | Mr. K. K. Agarwal   | N.A.           | N.A.          | N.A.                | N.A.          |
| - Fee for attending board committee meetings   | 20000               | -              | -             | -                   | 20000         |
| - Commission                                   | N.A.                | N.A.           | N.A.          | N.A.                | N.A.          |
| <b>Total(2)</b>                                | <b>20000</b>        | <b>N.A.</b>    | <b>N.A.</b>   | <b>N.A.</b>         | <b>20000</b>  |
| <b>Total(B)=(1+2)</b>                          | <b>85000</b>        | <b>50000</b>   | <b>65000</b>  | <b>30000</b>        | <b>230000</b> |
| Total Managerial Remuneration                  | 85000               | 50000          | 65000         | 30000               | 230000        |
| Over all Ceiling as per the Act                | N.A.                | N.A.           | N.A.          | N.A.                | N.A.          |

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

(Rs. In Lacs)

| Particulars of Remuneration   | Key Managerial Personnel |       |       |
|---|--------------------------|-------|-------|
|   | Company Secretary        | CFO   | Total |
| <b>1. Gross salary</b>  |                          |       |       |
| (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 8.67                     | 18.26 | 26.93 |
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | NIL                      | NIL   | NIL   |
| (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                          |       |       |
| <b>2. Stock Option</b>  | NIL                      | NIL   | NIL   |
| <b>3. Sweat Equity</b>  | NIL                      | NIL   | NIL   |
| <b>4. Commission</b><br>- as % of profit<br>- others, specify                       | NIL                      | NIL   | NIL   |
| <b>5. Others, please specify</b>  | NIL                      | NIL   | NIL   |
| <b>Total</b>  |                          |       |       |

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

## Form AOC-1

## SUBSIDIARY COMPANIES AS ON MARCH 31, 2020.

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

## Part-A:

| S.No. | Name of the Subsidiary Company   | ALPS USA INC.                   | Alps Energy Private Limited   |
|-------|--|---------------------------------|---|
| 1.    | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | March 31, 2020                  | March 31, 2020  |
| 2.    | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | US\$/Rs. 75.386 per USD.        | (Rs. in Lac)  |
| 3.    | Share capital  | 15 common stock of no par value | 3240040 Equity Share of Rs.10/-each and 1259360 Zero Coupon Non Redeemable Convertible Preference Shares of Rs.10/-each |
| 4.    | Reserves & surplus   | USD (711500.19)                 | (265.19)  |
| 5.    | Total assets   | USD 529000                      | 124.75  |
| 6.    | Total Liabilities  | USD 529000                      | 124.75  |
| 7.    | Investments  | USD 529000                      | -   |
| 8.    | Turnover   | -                               | -   |
| 9.    | Profit before taxation   | -                               | (9.65)  |
| 10.   | Provision for taxation   | -                               | 85.43   |
| 11.   | Profit after taxation  | -                               | (95.08)   |
| 12.   | Proposed Dividend  | N.A.                            | -   |
| 13.   | Percentage of Holding (Equity)   | 100%                            | 69.75 %*  |
| 14.   | Percentage of Holding (Preference)   | Nil                             | Nil   |

1. Names of subsidiaries which are yet to commence operations -NIL

2. Names of subsidiaries which have been sold during the year. -NIL

\*Due to amendment with respect to the Section 2(87) of the Companies Act, 2013, via \*Notification No. S.O. 1833(E) dated 8<sup>th</sup> May, 2018 the percentage of holding have been decreased because of consideration of holding of equity shares containing the voting rights therein Hence the Preference share holding by another subsidiary i.e. Alps USA INC in the Alps Energy Pvt. Ltd will not be consider for the same.

## Part B :

Associates and Joint Ventures – Not Applicable.

For R.K. Govil & Co.

For and on behalf of the Board

Chartered Accountants

(Rajesh Kumar Govil)

Partner

Membership No.013632

Firm Regn No. – 000748C

Sandeep Agarwal

Managing Director

DIN : 00139439

P.K. Rajput  
Executive Director

DIN:00597342

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

Ajay Gupta  
Company  
Secretary

Place : Ghaziabad

Date : July 31, 2020

To  
The Members of  
ALPS INDUSTRIES LIMITED

## Report on the Standalone Financial Statements

### Qualified Opinion

We have audited the accompanying standalone financial statements of **ALPS INDUSTRIES LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2020 and loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

*Refer to note no. 38 to the notes on accounts, the Company has not provided for its liability towards interest & part of principal loan, waived earlier, and impact of retained earnings in terms of draft rehabilitation scheme and now revoked by its consented lenders amounting to Rs. 146966.65 lakh, accordingly the loss for the year and loan liability would have been increased and shareholder's fund would have been reduced to that extent.*

### Emphasis of Matters

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

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

### Key Audit Matters - Meaning

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined that there are no key audit matters to be communicated in our report.

### Other Matter

Due to continuous spreading of COVID-19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India and still going on with relaxations in parts. This has resulted in restriction on physical visit to client locations and the need for carrying alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

In view of above stated situation, the entire audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of users that the audit of the financial statements has been performed in the aforesaid conditions.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance



with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

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

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

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

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

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

As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting. `

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 36 & 37 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**(Rajesh Kumar Govil)**  
Partner  
Membership No : 013632

**Place: Ghaziabad**  
**Date: July 31, 2020**

**ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

1) (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, the management has physically verified all the fixed assets during the year except the assets lying at erstwhile Jaspur and Kashipur units which are not in its possession, in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company. We have been informed that no material discrepancies were noticed on such physical verification during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(2) (a) The inventory has been physically verified during the year by the management in phased manner.

(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company has maintained proper records of inventories. As explained to us, the discrepancies noticed on physical verification as compared to book records were not material and have been dealt with in the books of account.

(3) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under section 189 of the Act. Accordingly paragraph 3 (iii) of the order is not applicable.

(4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.

(6) We were informed that company has maintained cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed cost records have been maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate and complete.

(7) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Service Tax, Sales-tax, Duty of Custom, Duty of Excise, Cess, Goods and Service Tax and other aforesaid statutory dues were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating to Rs. 8.15 Lakh as on 31st March, 2020 have not been deposited on account of matters pending before appropriate authorities are as under:

| Name of the Statute | Nature of Dues | Amount        | Forum where Dispute is Pending     |
|---------------------|----------------|---------------|------------------------------------|
| Nagar Nigam Act     | Sewerage Tax   | Rs. 8.15 Lakh | Ld. Commisioner, Nagar Nigam, Gzb. |

(8) During last year the consent to the DRS inter alia containing the restructuring of the debts of the company have been revoked by the consented secured lenders and demand raised for the dues outstanding in terms of their original sanctions. The company has protested to the said revocation and also submitted a revised restructuring/settlement scheme which is pending consideration with them (refer note no. 38), we are unable to express any opinion about the default of Principal / Interest and period of default, if any.

(9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(10) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(14) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**(Rajesh Kumar Govil)**  
Partner  
Membership No : 013632

**Place: Ghaziabad**  
**Date: July 31, 2020**

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

We have audited the internal financial controls over financial reporting of **ALPS INDUSTRIES LIMITED** (the Company) as of **31 March 2020** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Chartered Accountants**

(Firm Reg. No. : 000748C)

**(Rajesh Kumar Govil)**

Partner

Membership No : 013632

**Place: Ghaziabad**

**Date: July 31, 2020**

## BALANCE SHEET AS AT MAR 31, 2020

|                                     | Notes | AS AT<br>31.03.20 | Rs. In Lakh<br>AS AT<br>31.03.19 |
|-------------------------------------|-------|-------------------|----------------------------------|
| <b>ASSETS</b>                       |       |                   |                                  |
| <b>Non-current assets</b>           |       |                   |                                  |
| Property, plant and equipment       | 2a    | 15,054.60         | 28,732.06                        |
| Capital Work In Progress            |       | -                 | 5.29                             |
| Other Intangibles Assets            | 2b    | 141.47            | 195.21                           |
| <b>Financial assets</b>             |       |                   |                                  |
| Investments                         | 3     | 374.89            | 727.20                           |
| Loans                               | 4     | 423.46            | 338.13                           |
| Other Non- Current assets           | 5     | 1,065.90          | 1,141.02                         |
|                                     |       | <b>17,060.32</b>  | <b>31,138.91</b>                 |
| <b>Current assets</b>               |       |                   |                                  |
| Inventories                         | 6     | 2,565.00          | 2,963.07                         |
| <b>Financial assets</b>             |       |                   |                                  |
| Trade receivables                   | 7     | 2,181.89          | 3,005.52                         |
| Cash and cash equivalents           | 8     | 127.25            | 262.00                           |
| Other bank Balance                  | 9     | 250.28            | 86.39                            |
| Other financial assets              | 10    | 13.80             | 18.31                            |
| Current tax Assets                  | 11    | 168.69            | 166.37                           |
| Other current assets                | 12    | 465.96            | 668.02                           |
|                                     |       | <b>5,772.87</b>   | <b>7,169.68</b>                  |
| <b>TOTAL ASSETS</b>                 |       | <b>22,833.19</b>  | <b>38,308.59</b>                 |
| <b>EQUITY AND LIABILITIES</b>       |       |                   |                                  |
| <b>Equity</b>                       |       |                   |                                  |
| Share capital                       | 13    | 3,911.41          | 3,911.41                         |
| Other equity                        |       | -59,281.07        | -47,771.49                       |
|                                     |       | <b>-55,369.66</b> | <b>-43,860.08</b>                |
| <b>Liabilities</b>                  |       |                   |                                  |
| <b>Non-current liabilities</b>      |       |                   |                                  |
| <b>Financial Liability</b>          |       |                   |                                  |
| Borrowings                          | 14    | 39,656.31         | 40,056.01                        |
| Provision                           | 15    | 315.42            | 282.61                           |
|                                     |       | <b>39,971.73</b>  | <b>40,338.62</b>                 |
| <b>Current liabilities</b>          |       |                   |                                  |
| <b>Financial liabilities</b>        |       |                   |                                  |
| Borrowings                          | 16    | 33,446.76         | 37,227.40                        |
| Trade Payables                      | 17    | 2,461.66          | 2,313.02                         |
| Other financial liabilities         | 18    | 2,072.12          | 1,995.28                         |
| Other current liabilities           | 19    | 210.40            | 254.48                           |
| Provisions                          | 15    | 40.18             | 39.87                            |
|                                     |       | <b>38,231.12</b>  | <b>41,830.05</b>                 |
| <b>TOTAL LIABILITIES</b>            |       | <b>78,202.85</b>  | <b>82,168.67</b>                 |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>22,833.19</b>  | <b>38,308.59</b>                 |

SIGNIFICANT ACCOUNTING POLICIES 1  
NOTES TO THE FINANCIAL STATEMENTS 2-51

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Chartered Accountants

(Firm Registration No. 000748C)

For and on behalf of the Board

Sandeep Agarwal  
Managing Director

**RAJESH KUMAR GOVIL**

Partner

Membership No. 13632

Place : Ghaziabad

Date : July 31, 2020

**A.K. Singhal**

President (F & A)

**Ajay Gupta**

Company Secretary

P.K Rajput

Executive Director

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MAR 31, 2020

|   | Notes | YEAR ENDED<br>31.03.20 | Rs. In Lakh<br>YEAR ENDED<br>31.03.19 |
|---|-------|------------------------|---------------------------------------|
| <b>INCOME</b>                                   |       |                        |                                       |
| Revenue from operations                         | 20    | 31,320.18              | 37,115.19                             |
| Other income                                    | 21    | 873.85                 | 630.58                                |
| <b>Total Income</b>                             |       | <b>32,194.03</b>       | <b>37,745.77</b>                      |
| <b>EXPENSES</b>                                 |       |                        |                                       |
| Cost of Material Consumed                       | 22    | 19,879.76              | 24,440.84                             |
| Change In Inventories                           | 23    | 100.87                 | (273.41)                              |
| Excise Duty                                     |       | -                      | 0.03                                  |
| Employees benefit expenses                      | 24    | 4,655.93               | 4,722.36                              |
| Finance costs                                   | 25    | 5,753.17               | 5,784.20                              |
| Depreciation                                    | 26    | 1,481.82               | 3,378.92                              |
| Impairment of Assets                            |       | 4,665.81               | -                                     |
| Other expenses                                  | 27    | 8,161.86               | 8,256.95                              |
| <b>Total Expense</b>                            |       | <b>44,699.22</b>       | <b>46,309.89</b>                      |
| <b>Profit before exceptional items and tax</b>  |       | <b>(12,505.19)</b>     | <b>(8,564.12)</b>                     |
| <b>PBIDTA Before Loss on Disposal of Assets</b> |       |                        |                                       |
| Add/(Less): Exceptional items                   |       | 995.61                 | 2,239.07                              |
| <b>Profit before tax</b>                        |       | <b>(11,509.58)</b>     | <b>(6,325.05)</b>                     |
| Less/(-Add): Tax expense                        |       | -                      | -                                     |
| <b>Profit after tax</b>                         |       | <b>(11,509.58)</b>     | <b>(6,325.05)</b>                     |
| Other comprehensive income                      |       | -                      | -                                     |
| <b>Total Comprehensive Income</b>               |       | <b>(11,509.58)</b>     | <b>(6,325.05)</b>                     |
| <b>Earnings per equity share</b>                |       |                        |                                       |
| <b>1. Basic</b>                                 |       | <b>(29.43)</b>         | <b>(16.17)</b>                        |
| <b>2. Diluted</b>                               |       | <b>(29.43)</b>         | <b>(16.17)</b>                        |
| NOTES TO THE FINANCIAL STATEMENTS               | 2-51  |                        |                                       |

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

For and on behalf of the Board

Sandeep Agarwal  
Managing Director

**RAJESH KUMAR GOVIL**  
Partner  
Membership No. 13632

Place : Ghaziabad  
Date : July 31, 2020

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

**Ajay Gupta**  
Company Secretary

P.K Rajput  
Executive Director



**ALPS INDUSTRIES LIMITED**  
57/2, Site IV Industrial Area, Sahibabad, Ghaziabad -201010  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

|                              | OTHER EQUITY             |                 |                            |   |                 |                   |                               |                        |                   |     | Total equity attributable to equity holders of the Company (A)+(B) |
|------------------------------|--------------------------|-----------------|----------------------------|---|-----------------|-------------------|-------------------------------|------------------------|-------------------|-----|--|
|                              | Equity share capital (A) | Capital Reserve | Securities premium reserve | Reserve & Surplus Equity component of Compound financial Instrument | General Reserve | Retained earnings | Equity Instrument through OCI | Total Other Equity (B) |                   |     |  |
|                              | Rs.                      | Rs.             | Rs.                        | Rs.   | Rs.             | Rs.               | Rs.                           | Rs.                    | Rs.               | Rs. | Rs.  |
| balance as at March 31, 2019 | 3,911.41                 | 290.00          | 16,668.93                  | 2,232.01  | 7,999.30        | -75,040.90        | 79.17                         | -47,771.49             | -43,860.08        |     |  |
| Profit for the year 2019-20  | -                        | -               | -                          | -   | -               | -11,509.58        | -                             | -11,509.58             | -11,509.58        |     |  |
| balance as at March 31, 2020 | <b>3,911.41</b>          | <b>290.00</b>   | <b>16,668.93</b>           | <b>2,232.01</b>   | <b>7,999.30</b> | <b>-86,550.48</b> | <b>79.17</b>                  | <b>-59,281.07</b>      | <b>-55,369.66</b> |     |  |

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31-March'2020

Rs. In Lakh

| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>                  | <b>Year Ended 31.03.2020</b> | <b>Year Ended 31.03.2019</b> |
|---|------------------------------|------------------------------|
| <b>Net Profit/ ( Loss) Before Tax and Extraordinary items</b>   | <b>(12,505.19)</b>           | <b>(8,564.12)</b>            |
| Adjustment for :  |                              |                              |
| Depreciation/Amortization                                       | 1,481.82                     | 3,378.92                     |
| Interest Received   | (26.94)                      | (33.57)                      |
| Finance Cost  | 5,753.17                     | 5,784.20                     |
| Loss on Disposal of Assets                                      | 133.94                       | 162.77                       |
| Exceptional Items   | 995.61                       | 2,239.07                     |
| Provision for diminution in Value on Investment with Subsidiary | 352.30                       |                              |
| Impairment of Assets  | 4,665.81                     | 11,531.39                    |
| <b>Operating Profit/Loss Before Working Capital Changes</b>     | <b>850.53</b>                | <b>2,967.27</b>              |
| Adjustment for Working Capital Changes                          |                              |                              |
| <b>Increase/(Decrease) in Financial Liabilities</b>             |                              |                              |
| Borrowings  | (3,780.65)                   | 4,940.26                     |
| Trade Payables  | 148.64                       | 343.46                       |
| Other financial liabilities                                     | 76.84                        | (2,946.94)                   |
| Increase/(Decrease) in Other Current Liabilities                | (44.07)                      | 117.03                       |
| Increase/(Decrease) in Provisions                               | 33.13                        | (34.72)                      |
| <b>Decrease/(Increase) in Financial Assets</b>                  |                              |                              |
| Trade receivables   | 823.63                       | 16.09                        |
| Other financial assets  | 4.51                         | 31.87                        |
| Decrease/(Increase) in Other Current Assets                     | 202.05                       | 236.22                       |
| Decrease/(Increase) in Other Non Current Assets                 | 75.12                        | 178.06                       |
| Decrease/(Increase) in Inventories                              | 398.07                       | 350.31                       |
| Direct taxes received/(paid)                                    | (2.32)                       | (53.54)                      |
| <b>Cash Flow Before Extraordinary Items</b>                     | <b>(1,214.52)</b>            | <b>6,145.37</b>              |
| <b>Net Cash Generated by Operating Activities</b>               | <b>(1,214.52)</b>            | <b>6,145.37</b>              |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>                  |                              |                              |
| Expenditure on Property, Plant and Equipment                    | (24.48)                      | (461.11)                     |
| Proceeds from Property, Plant and Equipment                     | 7,479.41                     | 69.18                        |
| Interest Received   | 26.94                        | 33.57                        |
| (Increase)/Decrease in Fixed Deposits                           | (163.89)                     | 35.98                        |
| <b>Decrease/(Increase) in Financial Assets</b>                  |                              |                              |
| Decrease/(Increase) in Investment                               | -                            | 0.29                         |
| <b>Net Cash from/ (used in) Investing Activities</b>            | <b>7,317.98</b>              | <b>(322.09)</b>              |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>                  |                              |                              |
| Finance Cost  | (5,753.17)                   | (5,784.20)                   |
| <b>Decrease/(Increase) in Financial Assets</b>                  |                              |                              |
| Increase/(Decrease) in Loans                                    | (85.34)                      | 98.31                        |
| <b>Increase/(Decrease) in Financial Liabilities</b>             |                              |                              |
| Increase/(Decrease) in Long Terms Borrowing                     | (399.70)                     | (9.22)                       |
| <b>Net Cash from/ (used in) Financing Activities</b>            | <b>(6,238.21)</b>            | <b>(5,695.11)</b>            |
| Net Increase(Decrease) in Cash & Cash Equivalents               | (134.75)                     | 128.18                       |
| Opening Balance of Cash and Cash Equivalents                    | 262.00                       | 133.82                       |
| Closing Balance of Cash and Cash Equivalents (refer note 8)     | <b>127.25</b>                | <b>262.00</b>                |

**Notes:**

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

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

For and on behalf of the Board

Sandeep Agarwal  
Managing Director

**RAJESH KUMAR GOVIL**

Partner  
Membership No. 13632  
Place : Ghaziabad  
Date : July 31, 2020

A.K. Singhal  
President (F&A)

Ajay Gupta  
Company Secretary

P.K Rajput  
Executive Director

Notes to the **standalone financial statements** as of and for the year ended March 31, 2020.

## 1. SIGNIFICANT ACCOUNTING POLICIES :

### 1. Corporate Information

Alps Industries Limited (the Company) having CIN: L51109UP1972PLC003544 is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange and National Stock Exchange. The Company is engaged into Textile business.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1) Basis of preparation of financial statements

#### (a) Statement of Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (the Act), (Ind AS compliant Schedule III), as applicable to the Company. With effect from 1st April, 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the modified retrospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet.

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

#### (b) Functional and presentation currency

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

#### (c) Basis of Measurement

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

#### Determining the Fair Value

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

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

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

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

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient then the same has been valued at Rs. 1/- per share.

#### (d) Use of Estimate

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

financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to financial statements.

**(e) Operating Cycle**

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

**B) Significant accounting policies**

**(a) Property, Plant and Equipment**

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

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

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

**(b) Leases**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**(c) Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Specialized Software is amortised over an estimated useful period of five year. Amortisation is done on straight line basis.

**(d) Impairment of non financial assets**

Property, Plant and Equipment are evaluated for recoverability, whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does

not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### **(e) Inventories**

(i) Inventories are valued at lower of cost or net realisable value except for scrap and by-products which are valued at net realisable value.

(ii) Cost of inventories of finished goods and work-in-process includes material cost, cost of conversion and other related overhead costs.

(iii) Cost of inventories of cotton is determined on weighted Average Cost Basis and other raw material on FIFO basis.

#### **(f) Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

#### **Financial Assets:**

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

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

#### **Financial assets are classified as those measured at:**

- (a.) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- (b.) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c.) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

#### **In case of investment in equity shares**

- a) For subsidiaries, associates and joint ventures: Investments in equity instruments are measured at fair value and considered as deemed cost. The value is tested for impairment on periodical basis. Provision for diminution in long term investments is made only if such decline is other than temporary.
- b) For other than subsidiaries, associates and joint ventures: Investments in equity instruments are measured at FVTOCI where "Available for Sale and at FVTPL where "Held for Trade".

**Other:**

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

**Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since its initial recognition.

**Reclassification:** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**De-recognition:** Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a.) Amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b.) Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

**Financial Liabilities**

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

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

**Offsetting Financial Instruments**

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

**Equity Instruments**

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

**(g) Government Grants**

Government grants are recognised when there is reasonable assurance that the grant will be received, and the company will comply with the conditions attached to the grant. Accordingly, government grants:

- (a.) related to or used for assets are accounted for and deducted from the respective assets in the year of receipt. (b.) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c.) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

**(h) Claims, Provisions, Contingent assets and Liabilities:**

Claims lodged by and lodged against the Company are accounted in the year of payment or settlement thereof.

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

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

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

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

**(i) Recognition of revenue and expenditure**

(i) Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods. The Company is generally the principal as it typically controls the goods before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Difference between final settlement price and provisional price is recognised subsequently.

**Contract balances:**

**Trade receivables:**-A receivable represents the Group's right to an amount of consideration that is unconditional.

**Contract Liabilities**-A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Company performs under the contract.

**(ii) Interest and dividend income**

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

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

**(i) Borrowing Cost**

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

**(j) Employee benefits**

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

The Company makes contributions to defined benefit schemes and defined contribution plans. Provident Fund contributions are in the nature of defined contribution scheme. Provident funds are deposited with government and recognised as an expense. The Company also make contribution to defined benefit plan i.e. gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and

net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

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

#### **(k) Taxes on income**

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

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

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

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

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

#### **(l) Foreign currency transactions and translation**

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

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

Non-monetary foreign currency items are carried at cost.

#### **(m) Prior period errors**

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

#### **(n) Earnings per share**

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

#### **(o) Cash flow statement**

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

#### **(p) Cash and cash equivalents**

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



(Rs. in lakhs)

Notes forming part of financial statements

2

**2 (a) Property, plant and equipment**

| Particulars                           | Land   | Buildings | Plant & Machinery | Furniture & Fixtures | Office equipments | Vehicles | Computers | Total     |
|---------------------------------------|--------|-----------|-------------------|----------------------|-------------------|----------|-----------|-----------|
|                                       | Rs.    | Rs.       | Rs.               | Rs.                  | Rs.               | Rs.      | Rs.       | Rs.       |
| <b>Gross carrying value</b>           |        |           |                   |                      |                   |          |           |           |
| As at March 31, 2019                  | 649.82 | 14,820.43 | 60,351.73         | 369.44               | 284.76            | 207.80   | 787.10    | 77,471.09 |
| -Additions                            | -      | -         | 9.48              | 9.82                 | 5.84              | -        | 4.63      | 29.77     |
| -Disposals                            | -      | 670.71    | 23,879.07         | 82.07                | 113.23            | 62.71    | 232.10    | 25,039.89 |
| As at March 31, 2020                  | 649.82 | 14,149.72 | 36,482.14         | 297.19               | 177.37            | 145.09   | 559.63    | 52,460.96 |
| <b>Depreciation</b>                   |        |           |                   |                      |                   |          |           |           |
| As at March 31, 2019                  | -      | 5,869.44  | 39,012.10         | 310.92               | 254.33            | 186.65   | 739.24    | 46,372.68 |
| Depreciation charge during the period | -      | 308.64    | 1,058.65          | 28.00                | 12.70             | 2.59     | 17.50     | 1,428.08  |
| Depreciation on deduction             | -      | 370.62    | 16,595.43         | 75.40                | 95.50             | 59.23    | 230.36    | 17,426.54 |
| As at March 31, 2020                  | -      | 5,807.46  | 23,475.32         | 263.52               | 171.53            | 130.01   | 526.38    | 30,374.22 |
| <b>Impairment</b>                     |        |           |                   |                      |                   |          |           |           |
| As at March 31, 2019                  | -      | 142.48    | 2,219.01          | 2.45                 | 2.13              | -        | 0.26      | 2,366.33  |
| Impairment charge during the period   | -      | -         | 4,665.81          | -                    | -                 | -        | -         | 4,665.81  |
| As at March 31, 2020                  | -      | 142.48    | 6,884.82          | 2.45                 | 2.13              | -        | 0.26      | 7,032.14  |
| <b>Net Book Value</b>                 |        |           |                   |                      |                   |          |           |           |
| As at March 31, 2019                  | 649.82 | 8,808.51  | 19,120.61         | 56.07                | 28.29             | 21.15    | 47.60     | 28,732.06 |
| As at March 31, 2020                  | 649.82 | 8,199.78  | 6,122.00          | 31.22                | 3.71              | 15.08    | 32.99     | 15,054.60 |

**ALPS INDUSTRIES LIMITED**

Notes forming part of financial statements

**2(b) Other Intangibles Assets**

| Particulars                    | Computer (Software) | Total  |
|--------------------------------|---------------------|--------|
|                                | Rs.                 | Rs.    |
| <b>Gross carrying value</b>    |                     |        |
| As at March 31, 2019           | 312.38              | 312.38 |
| -Additions                     | -                   | -      |
| -Disposals                     | -                   | -      |
| As at March 31, 2020           | 312.38              | 312.38 |
| <b>Amortization</b>            |                     |        |
| As at March 31, 2019           | 117.17              | 117.17 |
| Amortization during the period | 53.74               | 53.74  |
| Amortization on deduction      | -                   | -      |
| As at March 31, 2020           | 170.91              | 170.91 |
| <b>Net Book Value</b>          |                     |        |
| As at March 31, 2019           | 195.21              | 195.21 |
| As at March 31, 2020           | 141.47              | 141.47 |

| <b>Notes forming part of standalone financial statements</b>        | <b>AS AT<br/>31.03.20</b> | <b>AS AT<br/>31.03.19</b> |
|---|---------------------------|---------------------------|
| 3 Investments   |                           |                           |
| Investment in Equity Instruments                                    |                           |                           |
| Investment in Non - Subsidiary Companies                            |                           |                           |
| (A) Quoted Shares   |                           |                           |
| Kay Power and Paper Ltd.  | <u>0.17</u>               | <u>0.39</u>               |
| 13,400 (March 31, 2019: 13,400)                                     |                           |                           |
| Equity shares of Rs. 10 (March 31, 2019: Rs. 10) each               |                           |                           |
| (B) Unquoted Shares   |                           |                           |
| Colombine Cody Corp. N.P.V.   | <u>0.02</u>               | <u>0.02</u>               |
| 2450 (March 31, 2016: 2450)   |                           |                           |
| Investment in Subsidiary Companies                                  |                           |                           |
| (A) Unquoted Shares   |                           |                           |
| Alps USA Inc  | 500.78                    | 500.78                    |
| Less: Provision for diminution in Value                             | -145.58                   | -                         |
| Alps USA Inc (Net of Diminution)                                    | <u>355.20</u>             | <u>500.78</u>             |
| 15 March 31,2019(March 31, 2019: 15)                                |                           |                           |
| Alps Enegy Pvt. Ltd.  | 226.00                    | 226.00                    |
| Less: Provision for diminution in Value                             | -206.50                   | -                         |
| Alps Enegy Pvt. Ltd. (Net of Diminution)                            | <u>19.50</u>              | <u>226.00</u>             |
| 22,59,990 March 31,2019 (March 31, 2019: 22,59,990)                 |                           |                           |
| Equity shares of Rs. 10 March 31,2020 (March 31, 2019: Rs. 10) each |                           |                           |
| <b>Total</b>  | <b><u>374.89</u></b>      | <b><u>727.20</u></b>      |
| 4 Loans   |                           |                           |
| (Unsecured, considered good)  |                           |                           |
| Security deposits   | 423.46                    | 338.13                    |
| <b>Total</b>  | <b><u>423.46</u></b>      | <b><u>338.13</u></b>      |
| 5 Other Non-current assets  |                           |                           |
| Capital Advance   | 63.52                     | 63.50                     |
| Advance against Leasing of Land                                     | 1,002.38                  | 1,077.52                  |
| <b>Total</b>  | <b><u>1,065.90</u></b>    | <b><u>1,141.02</u></b>    |

| Notes forming part of standalone financial statements |  | AS AT<br>31.03.20 | AS AT<br>31.03.19 |
|---|--|-------------------|-------------------|
| 6   | Inventory  |                   |                   |
|   | Production Supplies                                  | 1,074.59          | 1,284.01          |
|   | Stores & Spares                                      | 110.32            | 198.10            |
|   | Work in Progress                                     | 630.63            | 684.47            |
|   | Finished Goods                                       | 749.46            | 796.49            |
|   | <b>Total</b>   | <b>2,565.00</b>   | <b>2,963.07</b>   |
| 7   | Trade receivables (Unsecured)                        |                   |                   |
|   | Considered good                                      | 2,181.89          | 3,005.52          |
|   | Doubtful   | 531.20            | 378.68            |
|   | Less: Provision for doubtful Receivable              | 531.20            | 378.68            |
|   | <b>Total</b>   | <b>2,181.89</b>   | <b>3,005.52</b>   |
| 8   | Cash and cash equivalents                            |                   |                   |
|   | Balances with banks                                  |                   |                   |
|   | - on current account                                 | 114.07            | 229.77            |
|   | Cheques , drafts on hand                             | -                 | 2.09              |
|   | Cash on hand   | 13.18             | 30.15             |
|   | <b>Total</b>   | <b>127.25</b>     | <b>262.00</b>     |
| 9   | Other bank balance                                   |                   |                   |
|   | - Fixed Deposit Account (Pledged against margin)     | 21.59             | 86.39             |
|   | - Fixed Deposit Account (Others)                     | 228.69            | -                 |
|   | <b>Total</b>   | <b>250.28</b>     | <b>86.39</b>      |
| 10  | Other financial assets                               |                   |                   |
|   | Interest accrued but not due                         | 7.19              | 11.70             |
|   | Other Loans and advances (Unsecured Considered Good) | 6.61              | 6.61              |
|   | <b>Total</b>   | <b>13.80</b>      | <b>18.31</b>      |
| 11  | Current Tax assets                                   |                   |                   |
|   | Advance Income Tax including TDS                     | 168.69            | 166.37            |
|   | <b>Total</b>   | <b>168.69</b>     | <b>166.37</b>     |
| 12  | Other current assets                                 |                   |                   |
|   | Insurance and other Claims Receivable                | 6.21              | 6.01              |
|   | Balance With Govt Authority                          | 193.76            | 295.46            |
|   | Export Incentive Receivable                          | 165.56            | 238.90            |
|   | Advance against Leasing of Land                      | 6.72              | 11.26             |
|   | Other Receivables                                    | 93.71             | 116.38            |
|   | <b>Total</b>   | <b>465.96</b>     | <b>668.02</b>     |

| Notes forming part of standalone financial statement   | AS AT<br>31.03.20       | AS AT<br>31.03.19       |
|--|-------------------------|-------------------------|
| 13 Equity share capital  |                         |                         |
| <b>Authorized Share Capital</b>  |                         |                         |
| 4,00,00,000 (March 31, 2019: 4,00,00,000)  | 4,000.00                | 4,000.00                |
| equity shares of Rs.10 (March 31, 2019: Rs.10) each  | 30,500.00               | 30,500.00               |
| 3,05,00,000 (March 31, 2019: 3,05,00,000)  |                         |                         |
| Preference shares of Rs.10 (March 31, 2019: Rs.10) each  |                         |                         |
|  | <b><u>34,500.00</u></b> | <b><u>34,500.00</u></b> |
| <b>Issued Share Capital</b>  |                         |                         |
| 3,91,14,100 Mar, 2020 (Mar, 2019: 3,91,14,100)   | 3,911.41                | 3,911.41                |
| Equity Shares Rs. 10 Mar'2020 (Mar'2019: Rs.10) each   |                         |                         |
| <b>Subscribed and paid up Capital</b>  |                         |                         |
| 3,91,14,100 Mar, 2020 (Mar, 2019: 3,91,14,100)   |                         |                         |
| Equity Shares Rs. 10 Mar'2020 (Mar'2019: Rs.10) each   | 3,911.41                | 3,911.41                |
| a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period: |                         |                         |
| Equity shares  |                         |                         |
| Outstanding at the beginning of the year   | 39,114,100              | 39,114,100              |
| Outstanding at the end of the period/year  | 39,114,100              | 39,114,100              |
| b) Details of shareholders holding more than 5% shares in the Company                                |                         |                         |
| Equity shares  |                         |                         |
| Pacific Texmark Pvt. Ltd. No.  | 28.36                   | 28.36                   |
| Pacific Texmark Pvt. Ltd. %age   | 7.25%                   | 7.25%                   |

| Notes forming part of standalone financial statements | AS AT<br>31.03.20 | AS AT<br>31.03.19 |
|---|-------------------|-------------------|
| 14 Borrowings   |                   |                   |
| Loans & Borrowing                                     |                   |                   |
| <b>Secured</b>  |                   |                   |
| Amount Due to EARC                                    | 26,879.95         | 26,880.03         |
| <b>Unsecured</b>                                      |                   |                   |
| Amount Due to Others                                  | 450.38            | 108.38            |
| Pref Share due to ARC/Banks                           | 12,325.98         | 13,067.60         |
| <b>Total</b>  | <b>39,656.31</b>  | <b>40,056.01</b>  |
| 15 Provisions   |                   |                   |
| Non-current   |                   |                   |
| Provision for employee benefit                        | 315.42            | 282.61            |
| <b>Total</b>  | <b>315.42</b>     | <b>282.61</b>     |
| Current   |                   |                   |
| Provision for employee benefit                        | 40.18             | 39.87             |
| <b>Total</b>  | <b>40.18</b>      | <b>39.87</b>      |
| 16 Loans & Borrowing                                  |                   |                   |
| Amount payable on Demand to banks                     | 24,627.36         | 24,627.36         |
| Current Maturity of amount due to EARC                | 8,819.40          | 12,600.04         |
| <b>Total</b>  | <b>33,446.76</b>  | <b>37,227.40</b>  |
| 17 Trade Payable                                      |                   |                   |
| (a) Micro, Small & Medium Enterprises                 | 72.48             | 61.06             |
| (b) Others  | 2,389.18          | 2,251.96          |
| <b>Total</b>  | <b>2,461.66</b>   | <b>2,313.02</b>   |
| 18 Other financial liabilities                        |                   |                   |
| Expenses Payable                                      | 2,071.15          | 1,993.81          |
| Creditors for Fixed Assets                            | 0.97              | 1.47              |
| <b>Total</b>  | <b>2,072.12</b>   | <b>1,995.28</b>   |
| 19 Other Current liabilities                          |                   |                   |
| Revenue received in Advance                           | 210.40            | 254.48            |
| <b>Total</b>  | <b>210.40</b>     | <b>254.48</b>     |

| Notes forming part of standalone financial statements |  | AS AT<br>31.03.20 | AS AT<br>31.03.19 |
|---|--|-------------------|-------------------|
| 20  | Revenue from operations<br>Sale of Products<br>(Including Traded Goods)  |                   |                   |
|   | - Export   | 12,882.28         | 21,856.11         |
|   | - Domestic   | 16,788.52         | 12,516.14         |
|   | <b>Total (A)</b>   | <b>29,670.80</b>  | <b>34,372.25</b>  |
|   | Other operating revenue  |                   |                   |
|   | Scrap/ Waste Sale  | 849.67            | 826.68            |
|   | Export Incentives  | 531.06            | 752.94            |
|   | Job Work Receipts  | 268.65            | 1,163.32          |
|   | <b>Total (B)</b>   | <b>1,649.38</b>   | <b>2,742.95</b>   |
|   | <b>Net Revenue from operations Total (A+B)</b>                           | <b>31,320.18</b>  | <b>37,115.19</b>  |
| 21  | <b>Other income</b>  |                   |                   |
|   | Interest received  | 26.94             | 33.57             |
|   | Other income   | 551.35            | 109.33            |
|   | Prov. For doubtful Debts written off                                     | -                 | 104.09            |
|   | Foreign Currency exchange fluctuation(net)                               | 294.14            | 376.99            |
|   | Profit on Disposal of Assets   | 1.42              | 6.60              |
|   | <b>Total</b>   | <b>873.85</b>     | <b>630.58</b>     |
| 22  | <b>Cost of material consumed</b>   |                   |                   |
|   | Opening Stock  | 1,284.01          | 1,852.32          |
|   | Add: Purchases   | 19,670.34         | 23,872.52         |
|   | <b>Total</b>   | <b>20,954.35</b>  | <b>25,724.84</b>  |
|   | Less: Closing Stock  | 1,074.59          | 1,284.00          |
|   | <b>Total</b>   | <b>19,879.76</b>  | <b>24,440.84</b>  |
| 23  | CHANGE IN INVENTORIES OF FINISHED GOODS,<br>WIP STOCK AND STOCK IN TRADE |                   |                   |
|   | Closing Stock  |                   |                   |
|   | Finished Goods   | 749.46            | 796.49            |
|   | Work-in-Progress   | 630.63            | 684.47            |
|   | <b>Total (A)</b>   | <b>1,380.09</b>   | <b>1,480.96</b>   |
|   | Less : Opening Stock   |                   |                   |
|   | Finished Goods   | 796.49            | 768.08            |
|   | Work-in-Progress   | 684.47            | 439.47            |
|   | <b>Total (B)</b>   | <b>1,480.96</b>   | <b>1,207.55</b>   |
|   | <b>Total (B-A)</b>   | <b>100.87</b>     | <b>-273.41</b>    |
| 24  | <b>Employee benefit expenses</b>   |                   |                   |
|   | Salaries including other Benefits  | 2,181.50          | 2,279.60          |
|   | Wages including other Benefits   | 2,142.94          | 2,125.53          |
|   | Contribution to Provident & Other Funds - Wages                          | 139.44            | 119.50            |
|   | Contribution to Provident & Other Funds - Salary                         | 62.62             | 69.64             |
|   | Gratuity   | 78.84             | 61.61             |
|   | Employees Welfare  | 50.59             | 61.86             |
|   | Managerial Remuneration  | -                 | 4.62              |
|   | <b>Total</b>   | <b>4,655.93</b>   | <b>4,722.36</b>   |

| <b>Notes forming part of standalone financial statement</b>  | <b>AS AT<br/>31.03.20</b> | <b>AS AT<br/>31.03.19</b> |
|--|---------------------------|---------------------------|
| <b>25 Finance Cost</b>                                       |                           |                           |
| Interest paid on Borrowings as per Effective Intt method     |                           |                           |
| ARC/Bank   | 4,445.92                  | 4,600.20                  |
| Others   | 25.32                     | 7.92                      |
| Dividend on Pref Shares                                      | 1,281.93                  | 1,176.08                  |
| <b>Total</b>   | <b>5,753.17</b>           | <b>5,784.20</b>           |
| <b>26 Depreciation &amp; Amortisation Expenses</b>           |                           |                           |
| Depreciation   | 1,481.82                  | 3,378.92                  |
| Amortisation   | 6.81                      | 11.26                     |
| Less : Amortising of Lease Rent                              | 6.81                      | 11.26                     |
| <b>Total</b>   | <b>1,481.82</b>           | <b>3,378.92</b>           |
| <b>27 Other expenses</b>                                     |                           |                           |
| <b>Manufacturing Expenses</b>                                |                           |                           |
| Production Expenses  | 854.08                    | 713.87                    |
| Security & Vigilance   | 18.97                     | 30.62                     |
| Consumption of Stores & Spares                               | 682.04                    | 645.42                    |
| Power & Fuel   | 3,626.00                  | 3,850.01                  |
| Carriage & Cartage   | 8.98                      | 14.61                     |
| <b>Administrative Expenses</b>                               |                           |                           |
| Rent   | 33.05                     | 35.69                     |
| Amortization of lease advance                                | 6.81                      | 11.26                     |
| Insurance  | 59.35                     | 73.21                     |
| Rates & Taxes  | 29.22                     | 24.85                     |
| Postage, Telegrams and Telephones                            | 5.51                      | 6.56                      |
| Printing , Stationary & Computer Expenses                    | 17.34                     | 27.82                     |
| Legal & Professional Charges                                 | 215.35                    | 377.38                    |
| Travelling & Conveyance- Others                              | 178.85                    | 247.76                    |
| Travelling & Conveyance- Directors                           | 25.22                     | 23.56                     |
| Telephone, Fax & Internet Exp.                               | 21.64                     | 27.65                     |
| Books & Periodicals  | 0.47                      | 0.26                      |
| Fees & Subscription  | 43.43                     | 25.86                     |
| General Expenses   | 7.84                      | 9.84                      |
| Bank Charges   | 43.36                     | 75.92                     |
| Payment to Auditors  | 29.00                     | 30.97                     |
| Vehicle Running Expenses                                     | 55.88                     | 63.46                     |
| Hank Yarn Obligation   | -                         | 0.01                      |
| Loss on Assets Discarded                                     | 133.94                    | 162.77                    |
| Diminution in the value of Investment                        | 352.30                    | 0.26                      |
| W/off Investment   | -                         | 0.03                      |
| <b>Repairs &amp; Maintenance</b>                             |                           |                           |
| -Building  | 16.04                     | 9.27                      |
| -Machinery   | 98.85                     | 131.85                    |
| -Others  | 27.15                     | 49.13                     |
| <b>Selling &amp; Distribution Expenses</b>                   |                           |                           |
| Freight on Domestic  | 217.02                    | 160.88                    |
| Sales Promotion & Incentives                                 | 523.35                    | 435.04                    |
| Bad Debts W/Off  | 28.19                     | 49.79                     |
| Prov. For doubtful Debts                                     | 134.88                    | -                         |
| Prov. For doubtful of recovery of balance in Current Account | 43.73                     | -                         |
| Advertisement & Publicity                                    | 48.68                     | 69.64                     |
| Excise/ Vat /TCS Expenses                                    | 7.13                      | 5.74                      |
| Freight on Exports   | 568.21                    | 865.94                    |
| <b>Total</b>   | <b>8,161.86</b>           | <b>8,256.95</b>           |

## 28. Basic &amp; Diluted Earnings Per Share

| Particulars  | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
|--|--|--|
| Profit (Loss) for the Year before Preference Dividend and attributable tax thereon (Rs. in Lakh) | (11509.58)                                   | (6325.05)                                    |
| Weighted average number of equity shares outstanding during the year - (B)                       | 39114100                                     | 39114100                                     |
| Nominal value of equity shares (Rs.)   | 10.00  | 10.00  |
| Basic Earnings per share (Rs.)   | (29.43)                                      | (16.17)                                      |
| Diluted Earnings per share (Rs.)   | (29.43)                                      | (16.17)                                      |

**Note :** As per the restructuring scheme being part of DRS which was consented by then secured lenders (representing more than 83% of total outstanding secured debts of the company) & circulated by erstwhile Hon'ble BIFR and partly implemented but subsequently withdrawn which company continue to recognize in view of pendency of its revised proposal with lenders (refer note no. 38 hereinafter), the company is under an obligation to issue fresh equity to the tune of Rs. 26.51 crore (approx.) to its lenders upon its sanction.

## 29. Earnings in Foreign Exchange

Rs. in Lakh

| Particulars             | For the year ended 31 <sup>st</sup> March 20 | For the year ended 31 <sup>st</sup> March 19 |
|-------------------------|--|--|
| F.O.B. Value of Exports | 12827.73                                     | 21847.37                                     |

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

Rs. in Lakh

| Particulars         | For the Year ended 31 <sup>st</sup> March 20 | % of consumption | For the Year ended 31 <sup>st</sup> March 19 | % of consumption |
|---------------------|--|------------------|--|------------------|
| <b>Raw Material</b> |  |                  |  |                  |
| Imported            | 880.97                                       | 4.43%            | 1145.50                                      | 4.68%            |
| Indigenous          | 18998.79                                     | 95.57%           | 23295.34                                     | 95.32%           |
| <b>Total</b>        | <b>19879.76</b>                              | <b>100.00%</b>   | <b>24440.84</b>                              | <b>100.00%</b>   |
| <b>Stores</b>       |  |                  |  |                  |
| Imported            | 105.58                                       | 15.48%           | 129.88                                       | 20.12%           |
| Indigenous          | 576.46                                       | 84.52%           | 515.54                                       | 79.88%           |
| <b>Total</b>        | <b>682.04</b>                                | <b>100.00%</b>   | <b>645.42</b>                                | <b>100.00%</b>   |

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

Rs in Lakh

| Particulars              | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
|--------------------------|--|--|
| Raw Materials            | 676.18                                       | 1041.76                                      |
| Capital Goods            | 1.03   | -  |
| Components & Spare Parts | 102.99                                       | 160.61                                       |



## 32. Payment to Auditors

Rs in Lakh

| Particulars       | For the Year ended 31 <sup>st</sup><br>March 20 | For the Year ended 31 <sup>st</sup><br>March 19 |
|-------------------|---|---|
| a. Audit Fee      | 14.00   | 14.00   |
| b. Other Services | 15.00   | 16.97   |

## 33. Expenditure in Foreign Currency

Rs. in Lakh

| Particulars     | For the Year ended 31 <sup>st</sup><br>March 20 | For the Year ended 31 <sup>st</sup><br>March 19 |
|-----------------|---|---|
| Foreign Travels | 13.91   | 37.35   |
| Others          | 254.16  | 265.89  |

## 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:-

|       |   |   |
|-------|---|---|
| a.    | <b>Subsidiary</b>   | : Alps Energy Pvt. Ltd.   |
| b.    | <b>Wholly owned Subsidiary</b>                                      | : Alps USA INC.   |
| c.    | <b>Entities Controlled by subsidiaries, KMP and their relatives</b> | : Narad Fabric Pvt. Ltd. (Formerly known Alps Processors Pvt. Ltd.<br>: Careen Fintec (P) Ltd<br>: Coronation Spinning India (P) Ltd<br>: Pacific Texmark Pvt. Ltd.<br>: Padam Precision Dies & Component pvt. Ltd<br>: Peek Finvest (P) Ltd<br>: Perfect Finmen Services (P) Ltd<br>: Roseate Finevest Pvt.Ltd.<br>: Saurabh Floriculture (P) Ltd<br>: Supreme Finvest Pvt. Ltd<br>: Peek Texfab Limited |
| (ii)  | <b>Key Management Personnel</b>                                     |   |
|       | Non-Executive Chairman  | a. Mr. K.K Agarwal  |
|       | Managing Director   | b. Mr. Sandeep Agarwal  |
|       | Executive Director (WTD)  | c. Mr. P.K. Rajput  |
|       | President Accounts and Finance                                      | d. Mr. Ashok Kumar Singhal  |
|       | Company Secretary   | e. Mr. Ajay Gupta   |
| (iii) | <b>Relatives of Key Management Personnel</b>                        |   |
|       |   | a. Mrs. Indu Singhal  |

Transactions with Related Parties for the year ended 31<sup>st</sup> March 2020 are as follows:

|         |                                       | Subsidiary           | Wholly owned Subsidiary | Entities Controlled by subsidiaries, KMP and their relatives | Remuneration to Directors / Relatives |
|---------|---------------------------------------|----------------------|-------------------------|--|---------------------------------------|
| Sl. No. | Nature of Transaction                 | Alps Energy Pvt. Ltd | Alps USA INC.           | Peek Texfab Limited  |                                       |
| a.      | Sale of Goods                         | NIL<br>(NIL)         | NIL<br>(NIL)            | NIL<br>(NIL)   | -                                     |
| b.      | Rent Paid                             | NIL<br>(NIL)         | NIL<br>(NIL)            | 10.80<br>(10.80)   | -                                     |
| c.      | Interest Paid                         | NIL<br>(NIL)         | NIL<br>(NIL)            | NIL<br>(NIL)   | -                                     |
| d.      | Interest Received                     | NIL<br>(NIL)         | NIL<br>(NIL)            | NIL<br>(NIL)   | -                                     |
| e.      | Advance/Loans taken                   | NIL<br>(NIL)         | NIL<br>(NIL)            | NIL<br>(NIL)   | -                                     |
| f.      | Repayment of Advance /Loans           | NIL<br>(NIL)         | NIL<br>(NIL)            | NIL<br>(NIL)   | -                                     |
| g.      | <b><u>Sitting fee to KMP</u></b>      |                      |                         |  |                                       |
|         | - Non-Executive Chairman              | -                    | -                       | -  | 0.20<br>(0.40)                        |
|         |                                       |                      |                         |  |                                       |
|         | <b><u>Remuneration to KMP</u></b>     |                      |                         |  |                                       |
|         | - Managing Director                   | -                    | -                       | -  | Nil<br>(Nil)                          |
|         |                                       |                      |                         |  |                                       |
|         | - Executive Director(WTD)             | -                    | -                       | -  | Nil<br>(4.62)                         |
|         |                                       |                      |                         |  |                                       |
|         | - President Account and Finance       |                      |                         |  | 18.26<br>(18.96)                      |
|         |                                       |                      |                         |  |                                       |
|         | - Company Secretary                   | -                    | -                       | -  | 8.67<br>(8.56)                        |
|         |                                       |                      |                         |  |                                       |
| h.      | Salary to relative of KMP             |                      |                         |  |                                       |
|         | - Mrs. Indu Singhal                   | -                    | -                       | -  | 7.00<br>(8.00)                        |
|         |                                       |                      |                         |  |                                       |
| i.      | Loan Balance at the yearend (cr.)     | 89.75<br>(89.75)     | NIL<br>NIL              | NIL<br>NIL   | -<br>-                                |
| j.      | Balance at the yearend (dr.)          | NIL<br>NIL           | 6.61<br>(6.61)          | NIL<br>NIL   | -<br>-                                |
| k.      | Security Balance at the yearend (dr.) | NIL<br>NIL           | NIL<br>NIL              | 66.38<br>(66.38)   | -<br>-                                |

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

## 35. There is only one basic segment i.e. Textile Segment.

## Geographical Segments

Rs. in Lakh

| Particulars     | SEGMENTS                                     |  |  |  | Total  |  |
|-----------------|--|--|--|--|--|--|
|                 | Domestic                                     |  | Export                                       |  |  |  |
|                 | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
| Segment Revenue | 17906.84                                     | 14506.14                                     | 13413.34                                     | 22609.05                                     | 31320.18                                     | 37115.19                                     |

## 36. CONTINGENT LIABILITIES AND COMMITMENTS

## A) Contingent liability exists in respect of:

(Rs. in Lakh)

| Particulars   | As at      | As at      |
|---|------------|------------|
|   | 31.03.2020 | 31.03.2019 |
| a) Guarantees issued by banks on behalf of company.                                   | 19.61      | 62.89      |
| b) Claims against the company not acknowledged as debts                               | 263.70     | 1385.89    |
| c) Other Claims against the company not acknowledged as debt<br>:(detailed as under): | 37360.50   | 35577.53   |

(i) DBS Bank Ltd. raised claims amounting to US\$ 91.09 Lakhs and Rs. 667.39 Lakhs (totaling to Rs. 7535.01 lakhs, approx) (P.Y. totaling to Rs. 6968.86 Lakhs approx) against the Company in respect of certain foreign currency derivative transactions, which claims were disputed being per se illegal as not within the regulatory permission of Reserve Bank of India and were entered into by the Company on the basis of incomplete disclosures and details provided by the Bank, and thus, falls in the category of mis-selling by the Bank to the Company. On the basis of legal opinion, the Company has not admitted the claims of Bank & filed a suit before the competent Civil Court of law for declaring these transactions as void-ab-initio being illegal wherein the Hon'ble Civil Court had issued an interim order for maintenance of status quo with regards to recovery towards these transactions. The interim order is continuing and the matter is still pending adjudication. A revision petition filed by Bank against the status-quo order passed by the Hon'ble Civil Court is also pending adjudication before Hon'ble Allahabad High Court. In view of above facts, no provision against the aforesaid claims raised by Bank is considered necessary and therefore, it has been disclosed as part of contingent liabilities of the Company as at March 31, 2020.

(ii) Merrill Lynch Capital Services Inc. raised a claim of US\$ 195.80 Lakhs (Rs. 14760.52 Lakhs approx.) (P.Y. Rs. 13543.70 Lakhs approx.) against the Company in respect of an alleged corporate guarantee of US\$ 100 Lakhs (Rs. 7538.59 Lakhs approx.) (P.Y. Rs. 6917.13 Lakhs approx.) alleged to have been provided by the Company for one of its subsidiary company, M/s Alps USA Inc. These claims relate to derivative transactions and corporate guarantee thereof, which were disputed being per se illegal as not within the regulatory permission of RBI and were entered into by the Company on the basis of incomplete disclosures and details and thus, falls in the category of mis-selling by the bank to the Company. RBI has also refused to take on record the said corporate guarantee. Based on legal opinion, the Company has not admitted aforesaid claim and filed a suit before the competent Civil Court of law. An appeal filed by the Company against the order passed by Hon'ble Civil Court in the matter of withdrawing its jurisdiction and earlier order directing to maintain the status quo as regards the recovery proceedings is pending adjudication before Hon'ble Allahabad High Court. In view of above facts, no provision against above claim is considered necessary and therefore, it has been disclosed as part of contingent liabilities of the Company as at March 31, 2020.

(iii) Workers of the Company at Kashipur and Jaspur units 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 Lakhs, 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 by the Company. The liability, if any, on this account will be accounted for as and when the matter is finally decided.

**B) Commitments:-**

|   |                   | <b>(Rs. In Lakh)</b> |
|---|-------------------|----------------------|
|   | <b>31.03.2020</b> | <b>31.03.2019</b>    |
| i) Estimated amount of capital contracts remaining to be executed not provided for: | <b>62.15</b>      | 45.84                |
| ii) Arrears of preferential dividend  | <b>8872.42</b>    | 8203.72              |

**37.** Kotak Mahindra Bank Limited (KMBL) had raised a total claim of Rs. 2036.11 Lakhs (P.Y. Rs. 2036.11 Lakhs) in respect of certain foreign currency derivative transactions. On the basis of legal opinion, the Company had not admitted these claims of bank and filed a suit in the competent Civil Court of law. The Hon'ble Civil Court in an ex-parte judgment vide its order dated 29.11.2018 declared these derivative transactions as void ab-initio being illegal.

Besides this, KMBL has also filed an Original Application (O.A.) before Hon'ble Debt Recovery Tribunal, Mumbai (DRT) for recovery out of its above claim amounting to Rs. 601.11 Lakhs (P.Y. Rs. 601.11 Lakhs) in respect of these foreign currency derivative transactions which were disputed being per se illegal as not within the regulatory permission of RBI and were entered into by the Company on the basis of incomplete disclosures and details provided by the Bank and thus, falls in the category of mis-selling by the Bank to the Company. The Hon'ble DRT vide an interim order has restrained the Company from selling its certain fixed assets. The Hon'ble Debt Recovery Appellate Tribunal (DRAT), Mumbai, on appeal of the Company directed to return the said OA and set aside the aforesaid restrained order passed by the Hon'ble DRT for want of Jurisdiction of DRT, Mumbai. Initially he 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 & Hon'ble DRT however decided the jurisdiction with DRT, Mumbai. The case is pending for adjudication before the DRT Mumbai.

KMBL had also filed a winding up petition before the Allahabad High Court for the above said claims wherein also the Company contested and objected the maintainability of Petition. The same is under consideration of the Hon'ble Allahabad High Court.

**38.** During earlier last year, the lenders having more than 83% of the secured debts of the Company revoked their consent to the DRS/settlement scheme circulated by erstwhile Hon'ble BIFR, interalia containing the restructuring of the debts of the Company, which was partly implemented. The Company objected to the said revocation of consent being unjustified and beyond terms of the scheme and further submitted an offer for settlement. M/s Edelweiss Assets Reconstruction Company Ltd., (presently holding more than 98% of the total secured debt of the Company) (EARC) in order to recover the dues from the Company has also filed an Original Application before Debts Recovery Tribunal, which application is pending adjudication. In addition to above EARC has under the provisions of SARFAESI auctioned properties located at 58/1, Site IV Industrial Area, Sahibabad, Ghaziabad (U.P.), B-2, Loni Road, Industrial Area, Ghaziabad (UP) and All that Plant & Machineries lying at I A, Sec.-10, IIE, SIDCUL, Haridwar and Lenders having first pari passu charge over these assets have adjusted their dues with the realization made thereof. EARC has also taken over the symbolic possession of 3 properties Viz. Leasehold Land, Building and Plant & Machineries lying at Plot nos. A-2 & A-3, Loni Road, Industrial Area, Ghaziabad (UP) and IA, Sec.-10, IIE, SIDCUL, Haridwar under section 13(4) of the SARFAESI Act and issued a sale notice under Rule 8(6) and Rule 6(2) of the Security Interest (Enforcement) Rules, 2002.

The adjustments as may arise on account of further action of lenders, if any, shall be made in the books of account in the year upon receipt of information from them.

The Company once again submitted revised settlement/restructuring proposal with lenders which are under active consideration with them. Management of the Company expects to get the revised settlement/restructuring proposal approved from lenders and accordingly, the Company would be meeting its revised financial obligations. Accordingly, the financial statements of the Company for the year ended March 31, 2020 have been prepared on going concern assumption basis and continue with the earlier consented restructuring scheme. The impact, arising upon approval of the revised settlement/restructuring proposal, will be given effect in the financial statements of the year of final settlement with lenders. Hence, no provision considered necessary in these accounts towards interest on entire secured loans & part of principal secured loan, waived earlier, and impact on retained earnings thereon totaling to Rs. 146966.65 Lakhs as per provisions of earlier consented scheme, which the Company continues to give effect till the time revised settlement/restructuring proposal is finally approved by its lenders.

**39.** With regard to Impairment of assets of the Company, on assessment, impairment loss on Plant & Machineries lying at 1B, Sec-10, Haridwar and A-2 , Loni Road Ind. Area, Ghaziabad units has been ascertained as on 31.3.2020 and a impairment of Rs. 4665.81 Lakh has been provided in these books. Certain Fixed Assets having the Gross Value of Rs. 1411.77 Lakhs (net carrying value after impairment Rs. 58.65 Lakhs) lying at erstwhile leased units at Kashipur, Jaspur are in the possession of the lessors due to non-payment of lease charges.

**40.** A provision of Rs. 43.73 Lakh towards doubtful of recovery of balances lying in currents accounts with lender banks has been made as these banks have freeze these accounts since their loans accounts have become NPA and company's request for restructuring with waiver's pending with them.

**41.** Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.20 and the same results into the Deferred Tax Assets (net), which has not been recognized in the absence of virtual certainty of its realization in near future by the Company.

**42.** There is no amount outstanding on account of unclaimed dividend as on date, as per Section 124 of the Companies Act, 2013.

**43.** The balances of trade receivable, loans and advances and trade payables are subject to confirmation, reconciliation and consequential adjustment, if any, which in the opinion of the management will not be material.

**44.** Sales are net of Rebate & Discounts amounting to Rs. 95.19 Lakh (Previous Year Rs. 145.76 Lakh).

**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:

| Particulars   | Rs. in Lakh                                  |  |
|---|--|--|
|   | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
| Employers contribution to Provident Fund and Employee's State Insurance Corporation | 202.06                                       | 189.14                                       |

**2. Defined Benefit plans**

I. Gratuity

II. Earned leave

In accordance with the IND AS 19, actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below:

| Particulars   | Gratuity                                     |  | Earned Leave                                 |  |
|---|--|--|--|--|
|   | (Non funded)                                 |  | (Non funded)                                 |  |
|   | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
| Discount Rate ( per annum)  | 6.80%  | 7.65%  | 6.80%  | 7.65%  |
| Future Salary Increase  | 5.00%  | 5.00%  | 5.00%  | 5.00%  |
| In Service Mortality  | Std of LIC (2006-08)                         | Std of LIC (2006-08)                         | Std of LIC (2006-08)                         | Std of LIC (2006-08)                         |
| Retiring Age  | 58 years                                     | 58 years                                     | 58 years                                     | 58 years                                     |
| Withdrawal Rates:   |  |  |  |  |
| Up to 30 years  | 3%   | 3%   | 3%   | 3%   |
| Up to 44 years  | 2%   | 2%   | 2%   | 2%   |
| Above 44 years  | 1%   | 1%   | 1%   | 1%   |
| <b>I. Expenses recognized in Statement Profit &amp; Loss</b>        |  |  |  |  |
| Current Service Cost  | 46.33  | 41.61  | 13.82  | 17.24  |
| Past Service Cost - Vested  | Nil  | Nil  | Nil  | Nil  |
| Interest Cost   | 18.77  | 20.39  | 5.96   | 7.11   |
| Net Actuarial (Gain)/ Loss recognized in the year                   | 13.47  | (0.40)                                       | (15.78)                                      | (19.51)                                      |
| <b>Total Expenses</b>   | <b>78.57</b>                                 | <b>61.60</b>                                 | <b>4.00</b>                                  | <b>4.84</b>                                  |
| <b>II. Net Assets /( Liability) recognized in the Balance Sheet</b> |  |  |  |  |
| Present value of the Defined Benefit obligation                     |  |  |  |  |
| Fund Status ( Deficit)  | 285.37                                       | 244.72                                       | 70.24  | 77.75  |
| <b>Net assets/ ( Liability)</b>                                     | <b>(285.37)</b>                              | <b>(244.72)</b>                              | <b>(70.24)</b>                               | <b>(77.75)</b>                               |
| <b>III. Change in present value of obligation</b>                   | <b>(285.37)</b>                              | <b>(244.72)</b>                              | <b>(70.24)</b>                               | <b>(77.75)</b>                               |
| Present Value of obligation as at the beginning of the period       |  |  |  |  |
| Interest Cost   | 244.72                                       | 264.82                                       | 77.75  | 92.37  |
| Past Service Cost - Vested  | 18.77  | 20.39  | 5.96   | 7.11   |
| Current Service Cost  | Nil  | Nil  | Nil  | Nil  |
| Benefits Paid   | 46.33  | 41.61  | 13.82  | 17.24  |
| Actuarial (gains)/ Loss on obligation                               | (-37.94)                                     | (-81.70)                                     | (11.51)                                      | (19.46)                                      |
| <b>Present Value of obligation as at the end of the period</b>      | <b>13.47</b>                                 | <b>(0.40)</b>                                | <b>(15.78)</b>                               | <b>(19.51)</b>                               |
|   | <b>285.37</b>                                | <b>244.72</b>                                | <b>70.24</b>                                 | <b>77.75</b>                                 |

**46. Directors Remuneration**

Rs. in Lakh

| Particulars  | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
|--------------|--|--|
| Salary       | -  | 4.26   |
| Perquisites  | -  | 0.36   |
| <b>Total</b> | <b>-</b>                                     | <b>4.62</b>                                  |

**47. Particulars of Raw Material Consumption**

Rs. in Lakh

| Particulars  | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
|--------------|--|--|
| Cotton       | 14,423.10                                    | 15,364.50                                    |
| Yarn         | 2,359.25                                     | 4,341.49                                     |
| Fabric       | 731.48                                       | 1,729.51                                     |
| Others       | 2,365.93                                     | 3,005.34                                     |
| <b>Total</b> | <b>19879.76</b>                              | <b>24440.84</b>                              |

**48. Inventories (Work-in-Progress)**

Rs. in Lakh

| Particulars      | Rs. in Lakh                                     |   |
|------------------|---|---|
|                  | For the Year ended 31 <sup>st</sup><br>March 20 | For the Year ended 31 <sup>st</sup><br>March 19 |
| Cotton / Fiber   | 271.21  | 307.26  |
| Fabric / Made up | 359.32  | 377.21  |
| <b>Total</b>     | <b>630.63</b>                                   | <b>684.47</b>                                   |

**49. Inventories (Finished Goods)**

Rs. in Lakh

| Particulars      | Rs. in Lakh                                     |   |
|------------------|---|---|
|                  | For the Year ended 31 <sup>st</sup><br>March 20 | For the Year ended 31 <sup>st</sup><br>March 19 |
| Yarn             | 418.52  | 503.12  |
| Fabric / Made up | 330.94  | 293.37  |
| <b>Total</b>     | <b>749.46</b>                                   | <b>796.49</b>                                   |

**50. Financial risk management****(i) Financial instrument by category:**

a) Investment in equity shares of subsidiaries are measured in accordance with Ind AS 27, "Consolidated and Separate Financial Statements" and investment in equity share of other entities are measured in accordance with Ind AS 103 'Financial Instruments' issued by the "Ministry of Corporate Affairs", Government of India.

b) For amortised cost instruments, carrying value represents the best estimate of fair value except investment in other debentures.

**(ii) Risk management**

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

**A) Credit risk**

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

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

a) Low credit risk

b) Moderate credit risk

c) High credit risk

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

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the

Company maintains adequate liquidity for meeting its obligations by monitoring the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows from the operations.

**C)** In compliance of SEBI Circular dated May 20, 2020, the management has assessed the impact of Covid-19 Pandemic situation on the financial results for the year ended March 31, 2020 and found that there is no material impact on the assets & liabilities and profit & loss account for the year ended on 31.3.2020. However in view of the continuation of Covid-19 pandemic situation, the impact on the future business and assets & liabilities of the company could not be assessed presently.

**D) Market risk**

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

**a) Currency risk**

The Company undertakes transactions denominated in foreign currencies, which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, except the Company's net investments in foreign operations (with a functional currency other than Indian Rupee), are subject to reinstatement risks.

The carrying amount of foreign currency denominated financial assets and liabilities as at March 31, 2020 are as follows:

| Particulars           | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------|----------------------|----------------------|
|                       | Amount in Rs. Lakh   | Amount in Rs. Lakh   |
| Financial Assets      | 1464.15              | 2247.57              |
| Financial Liabilities | 215.00               | 61.70                |

**b) Interest risk**

i) **Assets:** The Company's fixed deposits are carried at fixed rate. Since the fixed deposits are very nominal & not material, therefore to that extent, the Company is at risk on account of interest rate

ii) **Liabilities:** The Company had borrowings from banking institutions, majorly whereof are assigned to an Asset Reconstruction Company (ARC). The Company has recognized the liability on account of borrowings as per scheme consented by lenders during BIFR proceedings. However, the outstanding of banks and ARC has since been classified as Non-Performing assets and action for possession of assets charged to lenders/ARC has since been initiated, the Company's liability towards interest will be accounted based on the approval of revised restructuring/settlement proposal submitted by the Company and to that extent, the Company is at risk on account of interest rate.

**51.** The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

As per our separate report of even date attached

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

For and on behalf of the Board

**Sandeep Agarwal**  
Managing Director

**(Rajesh Kumar Govil)**

Partner  
Membership No. 013632  
Place: Ghaziabad  
Dated: July 31, 2020

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

**Ajay Gupta**  
Company Secretary

**P. K. Rajput**  
Executive Director



**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020 IN TERMS OF REGULATION 33 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AS AMENDED ON 9<sup>TH</sup> MAY, 2018 AND CIR/CFD/CMD/56/2016 DATED MAY 30, 2016 (STANDALONE)**

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

| <b>STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020.</b> |               |   |   |  |
|---|---------------|---|---|--|
| <b>(See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016)</b>                     |               |   |   |  |
|   |               |   |   | <b>Rs. in Lakh</b>   |
| <b>I.</b>   | <b>SI No.</b> | <b>particulars</b>  | <b>Audited Figures<br/>(as reported before adjusting<br/>for qualification)</b> | <b>Adjusted Figures<br/>(audited figures after adjusting for<br/>qualifications)</b> |
|   | 1.            | Turnover/Total Income   | 33189.64  | 33189.64   |
|   | 2.            | Total Expenditure   | 44699.22  | 191665.87  |
|   | 3.            | Net Profit/(Loss)   | (11509.58)  | (158476.23)  |
|   | 4.            | Earnings per share (in Rs.)   | (29.43)   | (405.06)   |
|   | 5.            | Total Assets  | 22833.19  | 22833.19   |
|   | 6.            | Total Liabilities   | 78202.85  | 225169.50  |
|   | 7.            | Net Worth   | (55369.66)  | (202336.31)  |
|   | 8.            | Any other financial item(s)(as felt appropriate by the management) – Contingent Liability towards Derivative Contracts & Corporate Guarantee Etc. | -   | -  |

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

|    |   |   |
|----|---|---|
| a. | Detail of Audit Qualification   | <i>'Refer to note no. 38 to the notes on accounts, the Company has not provided for its liability towards interest &amp; part of principal loan, waived earlier, and impact of retained earnings in terms of draft rehabilitation scheme and now revoked by its consented lenders amounting to Rs. 146966.65 lakh, accordingly the loss for the year and loan liability would have been increased and shareholder's fund would have been reduced to that extent.'</i> |
| b. | Type of Audit qualification<br>(Qualified opinion/Disclaimer of Opinion/<br>Adverse Opinion )       | Qualified Opinion   |
| c. | Frequency of qualification<br>(Whether appeared first<br>time/repetitive/since hoe long continuing) | Since Financial Year 2017-18  |

|    |  |   |
|----|--|---|
| d. | <p>Audit Qualification where the impact quantified by the Auditor, Management's Views:</p> | <p>During earlier year, the lenders having more than 83% of the secured debts of the Company revoked their consent to the DRS/settlement scheme circulated by erstwhile Hon'ble BIFR, interalia containing the restructuring of the debts of the Company, which was partly implemented. The Company objected to the said revocation of consent being unjustified and beyond terms of the scheme and further submitted an offer for settlement. M/s Edelweiss Assets Reconstruction Company Ltd., (presently holding more than 98% of the total secured debt of the Company) (EARC) in order to recover its dues from the Company has also filed an Original Application before Debts Recovery Tribunal, Lucknow Bench, which application is pending adjudication. In addition to above EARC, under the provisions of SARFAESI, has auctioned properties located at 58/1, Site IV Industrial Area, Sahibabad, Ghaziabad (U.P.), B-2, Loni Road, Industrial Area, Ghaziabad (UP) and All that Plant &amp; Machineries lying at I A, Sec.-10, IIE, SIDCUL, Haridwar and Lenders having first pari passu charge over these assets have adjusted their dues with the realization made thereof. EARC has also taken over the symbolic possession of 3 properties Viz. Leasehold Land, Building and Plant &amp; Machineries lying at Plot nos. A-2 &amp; A-3, Loni Road, Industrial Area, Ghaziabad (UP) and IA, Sec.-10, IIE, SIDCUL, Haridwar under section 13(4) of the SARFAESI Act and issued a sale notice under Rule 8(6) and Rule 6(2) of the Security Interest (Enforcement) Rules, 2002. The adjustments as may arise on account of further action of lenders, if any, shall be made in the books of account in the year upon receipt of information from them.</p> <p>The Company once again submitted a revised settlement/restructuring proposal with lenders which is under active consideration with them. Management of the Company expects to get the revised settlement/restructuring proposal approved from lenders and accordingly, the Company would be meeting its revised financial obligations. Accordingly, the financial statements of the Company for year ended on March 31, 2020 have been prepared on going concern assumption basis and continue with the earlier consented restructuring scheme. The impact, arising upon approval of the revised settlement/ restructuring proposal, will be given effect in the financial statements of the year of final settlement with lenders.</p> |
|----|--|---|

|           |   |  |
|-----------|---|--|
|           |   | Hence, no provision considered necessary in these accounts towards interest on entire secured loans & part of principal secured loan, waived earlier, and impact on retained earnings thereon totaling to Rs. 146966.65 Lakh as per provisions of earlier consented scheme, which the Company continues to give effect till the time revised settlement/restructuring proposal is finally approved by its lenders. |
| <b>e.</b> | <b>Audit Qualification where the impact is not quantified by the Auditor :-</b> |  |
| (i)       | Management's Estimation on the impact of audit qualification                    | N.A  |
| (ii)      | If management is unable to estimate the impact, reasons for the same            | NA   |
| (iii)     | Auditor's Comments on (i) or (ii) above:  | NA   |

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

**(Rajesh Kumar Govil)**  
**Partner**  
**Membership No.013632**  
**Firm Regn No. – 000748C**

**Sandeep Agarwal**  
Managing Director  
DIN : 00139439

**Prabhat Krishna**  
(Audit Committee  
Chairman)  
DIN: 02569624

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

Place: Ghaziabad  
Dated: July 31, 2020.

# **FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES**

# **ALPS USA INC.**

**Financial statement for the  
year ended March 31, 2020.**

**ALPS USA INC.****Financial Statements for the year ended 31<sup>st</sup> March, 2020**

|  |   |   |
|--|---|---|
| Incorporation                              | : | April 25, 2007  |
| Number                                     | : | 070478097-4341527   |
| Reserve Bank of India's Identification No. | : | NDWAZ20070455   |
| Directors                                  | : | Mr. K.K. Agarwal<br>Mr. Sandeep Agarwal   |
| Business Address                           | : | Regd. Office: 508, Main Street, Wilmington,<br>New Castle, 19804 USA.<br><br>Mailing Address in USA:<br>303, Fifth Ave., Suite 1608, New York, N.Y. 10016<br><br>Mailing Address in India:<br>57/2, Site-IV, Industrial Area, Sahibabad,<br>Ghaziabad. Uttar Pradesh - 201010, INDIA. |

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| Notes Forming Part of Accounts            | 131            |

**The Members of  
Alps USA Inc.  
Delaware, U.S.A.**

Your Directors have pleasure in presenting the Eleventh Annual Report, together with the accounts compiled by the management of the Company for the financial year ended 31st March, 2020.

**FINANCIAL RESULTS**

The Financial Statements for the financial year ended on 31st March, 2020 has been prepared. Due to no activity, there is no profit/loss during the year.

**PROJECT AND PERFORMANCE**

There are no project/business activities in the company.

**FINANCIAL ARRANGEMENT**

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

**SECURITIES**

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

**PARENT COMPANY**

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

**PUBLIC RELATIONS**

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

**DIVIDEND**

Due to the operational losses, no Dividend has been proposed for the year.

**DIRECTORS**

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

**MEETING OF BOARD OF DIRECTORS**

During the year, the board of the company met four times on consecutively.

**STATUS OF INDEPENDENT DIRECTOR**

As per the SEBI Circular SEBI/LAD-NRO/GN/2015-16/013 dated 2.9.2015, w.e.f. April 1 2019 and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 related to Corporate Governance applicable to the holding company namely; Alps Industries Limited, A listed entity has to appoint one of its independent director in materials subsidiary company incorporated in India or not. In compliance of the same, Mr. Prabhat Krishna has been appointed in the Board of Alps USA inc. being representative of your company at the meeting of Board of Directors held on May 30, 2019 As the Alps USA Inc. is a material subsidiary company.

**FIXED DEPOSITS**

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

**AUDITORS' OBSERVATIONS**

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

**ACKNOWLEDGMENTS**

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

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

Place: Ghaziabad, U.P., India  
Date : July 8, 2020

|   |  |
|---|--|
| <b>K.K. Agarwal</b><br>Director<br>DIN:00139252 | <b>Sandeep Agarwal</b><br>Director<br>DIN:00139439 |
|---|--|



**BALANCE SHEET AS AT MARCH 31, 2020**

|  | AMOUNT (IN US\$)<br>As at<br>31.03.20 | MOUNT (IN US\$)<br>As at<br>31.03.19 |
|--|---------------------------------------|--------------------------------------|
| <b>ASSETS</b>                                      |                                       |                                      |
| Current Assets                                     |                                       |                                      |
| Cash & Cash Equivalents ( see schedules attached ) | -                                     | -                                    |
| Total Current assets                               | -                                     | -                                    |
|  |                                       |                                      |
| Investments ( see schedules attached )             | 529,000.00                            | 529,000.00                           |
|  |                                       |                                      |
| Intangible Assets                                  | 1,354.00                              | 1,354.00                             |
| Less : Accumulated Amortisation                    | (1,354.00)                            | (1,354.00)                           |
| Net Intangible Assets                              | -                                     | -                                    |
|  |                                       |                                      |
| <b>Total Assets</b>                                | <b>529,000.00</b>                     | <b>529,000.00</b>                    |
| <b>LIABILITIES AND SHARE HOLDERS EQUITY</b>        |                                       |                                      |
| Current Liabilities                                |                                       |                                      |
| Accounts Payable ( see schedules attached )        | 15,500.19                             | 15,500.19                            |
| Total Current Liabilites                           | 15,500.19                             | 15,500.19                            |
|  |                                       |                                      |
| Shareholders Equity                                |                                       |                                      |
| (Authorised to issue 200 shares at No par value)   |                                       |                                      |
| Issued and Subscribed 15 share at No par value     | -                                     | -                                    |
| Additional paid in Capital                         | 1,225,000.00                          | 1,225,000.00                         |
| Retained Earnings                                  | (711,500.19)                          | (711,500.19)                         |
| Total Shareholders equity                          | 513,499.81                            | 513,499.81                           |
|  |                                       |                                      |
| <b>Total Liabilities and Shareholders equity</b>   | <b>529,000.00</b>                     | <b>529,000.00</b>                    |

For and on behalf of the Board  
Alps USA Inc.

Place : Ghaziabad, U.P., India  
Date : July 08, 2020

K. K. Agarwal      Sandeep Agarwal  
Director              Director  
DIN-00139252      DIN-00139439

**STATEMENT OF INCOME AND RETAINED EARNINGS**

For the year ended March 31, 2020

|                                     | AMOUNT (IN US\$) | AMOUNT (IN US\$) |
|-------------------------------------|------------------|------------------|
|                                     | 31.03.20         | 31.03.19         |
| Revenue                             |                  |                  |
| Gross Profit                        |                  |                  |
| Operating Expenses                  |                  |                  |
| Amortisation expense                | -                | -                |
| Bank service Charges                | -                | -                |
| Total Expenses                      | -                | -                |
| Profit/(Loss) Before Interest & Tax | -                | -                |
| Profit/(Loss) Before Tax            | -                | -                |
| Provision For Tax                   | -                | -                |
| Profit/(Loss) after Interest & Tax  | -                | -                |
| Retained Earnings - Opening Balance | (711,500.19)     | (711,500.19)     |
| Retained Earnings - Closing Balance | (711,500.19)     | (711,500.19)     |

For and on behalf of the Board  
Alps USA Inc.

Place : Ghaziabad, U.P., India  
Date : July 08, 2020

|              |                 |
|--------------|-----------------|
| K.K.Agarwal  | Sandeep Agarwal |
| Director     | Director        |
| DIN-00139252 | DIN-00139439    |

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

|  | <b>As at<br/>31.03.20</b> | <b>As at<br/>31.03.19</b> |
|--|---------------------------|---------------------------|
|  | AMOUNT (IN US\$)          | AMOUNT (IN US\$)          |
| Operating activities                               | <b>0.00</b>               | <b>0.00</b>               |
| Depreciation and Amortisation                      | <b>0.00</b>               | <b>0.00</b>               |
| Changes in Working Capital                         |                           |                           |
| Increase( Decrease) in Current Liabilites          | <b>0.00</b>               | <b>0.00</b>               |
| Cash provided by (used in) operating activities    | <b>0.00</b>               | <b>0.00</b>               |
| Investing activities                               |                           |                           |
| (Increase)/ Decrease in Investments                | <b>0.00</b>               | <b>0.00</b>               |
| Cash provided by/ ( used in ) investing activities | <b>0.00</b>               | <b>0.00</b>               |
| Financing Activities                               |                           |                           |
| Cash provided by/ ( used in ) financing activities | <b>0.00</b>               | <b>0.00</b>               |
| Net Changes in cash during the period              | <b>0.00</b>               | <b>0.00</b>               |
| Cash at beginning                                  | <b>0.00</b>               | <b>0.00</b>               |
| Cash at end  | <b>0.00</b>               | <b>0.00</b>               |
| Changes in cash                                    | <b>0.00</b>               | <b>0.00</b>               |

Place : Ghaziabad, U.P., India  
Date : July 08, 2020

|              |                 |
|--------------|-----------------|
| K.K.Agarwal  | Sandeep Agarwal |
| Director     | Director        |
| DIN-00139252 | DIN-00139439    |

## NOTES FORMING PART OF ACCOUNTS

|  | AMOUNT (IN US\$<br>31.03.20 | AMOUNT (IN US\$)<br>31.03.19 |
|--|-----------------------------|------------------------------|
| 1. CASH & CASH EQUIVALENTS   |                             |                              |
| RBS  | -                           | -                            |
| CHASE  | -                           | -                            |
|  | <u>-</u>                    | <u>-</u>                     |
| 2. INVESTMENTS   |                             |                              |
| ALPS ENERGY PVT LTD  | 264,500.00                  | 264,500.00                   |
| RANVIJAY FURNISHING PVT LTD ( FORMERLY KNOWN<br>AS SNOWFLAKES MEDITECH PVT LTD | 264,500.00                  | 264,500.00                   |
|  | <u>529,000.00</u>           | <u>529,000.00</u>            |
| 3. ACCOUNTS PAYABLE  |                             |                              |
| ALPS INDUSTRIES LTD  | 14,146.19                   | 14,146.19                    |
| PRADEEP K GUPTA, CPA, PC   | 1,185.00                    | 1,185.00                     |
| STATE OF DELAWARE  | 169.00                      | 169.00                       |
|  | <u>15,500.19</u>            | <u>15,500.19</u>             |

**NOTES TO FINANCIAL STATEMENTS**

**1. Organization and Operations**

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

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

**2. Significant Accounting Policies**

**•Accounting Principles**

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

**•Use of Estimates in Financial Statements**

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

**•Cash, Cash Equivalents**

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

**•Pre-operating Expenses**

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

**•Investment**

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

**3. Affiliates and Transactions with Affiliates**

The Company is affiliated through common ownership with Alps Industries Limited. During the year ended March 31, 2020 the Company had the following transactions with affiliates: Nil

**4. Contingent Liabilities and Assets**

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

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

**Place: Ghaziabad, U.P., India  
Date: July 08, 2020**

**K.K. Agarwal  
Director  
DIN:00139252**

**Sandeep Agarwal  
Director  
DIN: 00139439**

# **ALPS ENERGY PRIVATE LIMITED**

**Financial statement for the  
year ended March 31, 2020.**

**ALPS ENERGY PRIVATE LIMITED****Financial Statements for the year ended 31<sup>st</sup> March, 2020**

|   |  |
|---|--|
| <b>Date of incorporation</b>                        | : October 30, 2007   |
| <b>CIN</b>  | : U40109DL2007PTC169994  |
| <b>Directors</b>                                    | : Mr. Mahen Kaushik<br>(DIN:08071910),<br><br>Mr. Arun Kumar Agarwal<br>(DIN:06436816)<br><br>Mr. Prabhat Krishna<br>(DIN: 02569624)   |
| <b>Business Address</b>                             | : <b>Regd. Office:</b><br>F- 228, Ground Floor, Lado<br>Sarai, New Delhi-110 030<br><br><b>Corporate Address:</b><br>57/2, Site-IV, Industrial<br>Area, Sahibabad, Ghaziabad<br>Uttar Pradesh - 201 010, |
| <b>Name &amp; Address of the Statutory Auditors</b> | : R.K. Govil & Co.,<br>Chartered Accountants,<br>4, Kiran Enclave, Ghaziabad- 201001   |

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To,  
The Members of  
ALPS ENERGY PVT. LTD.,  
New Delhi.

Your Directors have pleasure in presenting the ~~Thirteenth~~ <sup>Ten</sup> Annual Report along with Audited Accounts of the Company for the period ended on 31st March, 2020.

**FINANCIAL RESULTS**

The financial accounts for the financial year 2019-20 have been compiled. The company has earned a loss of Rs. (95.09) Lakh during the year under review.

**PROJECT AND PERFORMANCE**

The company is exploring identifying more viable business projects.

**STATUS OF HOLDING OF PARENT COMPANY**

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

**FINANCIAL ARRANGEMENTS**

Company has not availed any financial assistance during the year.

**ISSUE & TRANSFER OF SECURITIES**

The company has not issued any further capital and during the year there is no any request received for transfer of shares.

**HUMAN RESOURCES**

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

**PARTICULARS OF EMPLOYEES**

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

**DIVIDEND**

Due to operational losses, your company is unable to declare any dividend for the year under review

**INTER CORPORATE LOANS, GUARANTEES AND INVESTMENTS**

During the year under review company had not given Loan, Guarantees/ Investments made during the year which may be covered under section 186 of the Companies Act, 2013.



## RELATED PARTY TRANSACTIONS

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

## DIRECTORS

During the year under review, there is no changes in the Board of Directors of the company.

## MEETING OF BOARD OF DIRECTORS

During the year, the board of the company met Five times on 20.04.2019, 09.05.2019, 30.08.2019, 10.12.2019 and 15.03.2020 consecutively.

## STATUS OF INDEPENDENT DIRECTOR

In terms of Section 149, 152 and 161 of the Companies Act 2013 and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 related to Corporate Governance applicable to the holding company namely; Alps Industries Limited, Mr. Prabhat Krishna (DIN:02729624) was appointed as Independent Director of the Company by the Board being representative of holding company as it comes under the Material Subsidiary category and he continues to be as Representative of Holding Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively which means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **FIXED DEPOSITS**

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

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

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

#### **EXTRACT OF THE ANNUAL RETURN**

In terms of section 92 of the Companies Act 2013 the extract of the Annual Return as on it stood on the close of the financial year 2019-20 being attached with the Directors Report as Annexure-I.

#### **STATUTORY AUDITORS**

M/s. R.K. Govil & Co., Chartered Accountants, (Firm Registration No. 000748C), the Statutory Auditors of the Company, has completed its one year out of five years tenure duly appointed in the Annual General Meeting held in last year.

#### **SECRETARIAL AUDITORS**

In terms of the compliance of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended on 8th May, 2018 in regard to the Secretarial Audit of the Material Unlisted subsidiary Company of the Holding Listed company. M/s Nisha Choudhary & Associates, Company Secretaries Ghaziabad has been appointed as Secretarial Auditor of the company for the financial year ending on 31st March, 2021 for the compliance of the said provisions as the company meet the criteria as Material unlisted subsidiary Company of the Listed company i.e. Alps Industries Ltd.

#### **SECRETARIAL AUDIT REPORT**

The duly signed secretarial audit report for the year ended on 31.03.2020 as received from the M/s. D.K. Chawla & Co. Company Secretaries, Ghaziabad, Secretarial Auditor has been enclosed herewith as Annexure-II to the said report.

#### **AUDITORS' OBSERVATIONS**

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

#### **INFORMATION IN TERMS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

| <b>Sl. No.</b> | <b>Particulars</b>   | <b>Amount<br/>(Rs. in Lacs)</b> | <b>Maximum amount<br/>outstanding during the<br/>year.</b> |
|----------------|--|---------------------------------|--|
| i.             | Loans and advances in the nature of loans to subsidiaries (by name and amount) | NIL                             | NIL  |
| ii.            | Loans and advances in the nature of loans to associates -by name and amount    | NIL                             | NIL  |

|      |  |     |     |
|------|--|-----|-----|
| iii. | Loans and advances in the nature of loans where there is<br>c) no repayment schedule or repayment beyond seven years or<br>d) no interest or interest below section 186 of the Companies Act 2013 by name and amount | NIL | NIL |
| iv.  | Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount.  | NIL | NIL |
| v.   | Investments by the loanee in the shares of parent company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.   | NIL | NIL |
| vii. | Transactions of the company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity   | NIL | NIL |

**ACKNOWLEDGMENTS**

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

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

Place : Ghaziabad  
Date : July 31, 2020

**Arun Kumar Agarwal**  
Director  
DIN: 06436816

**Mahen Kaushik**  
Director  
DIN: 0807191

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31.03.2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN : U40109DL2007PTC169994

Registration Date : 30/10/2007

Name of the Company : AlpsEnergyPrivateLimited

Category/Sub-Category of the Company : CompanyLimitedbyShares

Address of the registered office and contact details : F-228, Ground Floor, Lado Sarai New Delhi-110030

Whether listed company : No

Name, Address and Contact details of Registrar : Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| S. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1      | Fabrics*                                       | 513                             | 100                                |

\*Ancillary Business Activities

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

\* As per Section 2(87) of the Companies Act, 2013 as amended via Notification No. S.O. 1833(E) dated 8<sup>th</sup> May, 2018.

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

**(i) Category wise Shareholding**

| Category of Shareholders                                 | No. of Shares held at the beginning of the year |           |           |                   | No. of Shares held at the End of the year |           |           |                   | % Change during the year |
|--|---|-----------|-----------|-------------------|---|-----------|-----------|-------------------|--------------------------|
|  | Demat   | Physical  | Total     | % of Total Shares | Demat                                     | Physical  | Total     | % of Total Shares |                          |
| <b>A. Promoters</b>                                      |   |           |           |                   |   |           |           |                   |                          |
| <b>(1) Indian</b>  |   |           |           |                   |   |           |           |                   |                          |
| a) Individuals/HUF                                       | 0   | 10        | 10        | 0.01              | 0   | 10        | 10        | 0.01              | 0.00                     |
| b) Central Government                                    | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| c) State Governments                                     | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| d) Bodies Corporate                                      | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| e) Banks/FI  | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| f) Any Others (Specify)                                  | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| <b>Sub Total(A)(1)</b>                                   | <b>0</b>  | <b>10</b> | <b>10</b> | <b>0.01</b>       | <b>0</b>                                  | <b>10</b> | <b>10</b> | <b>0.01</b>       | <b>0.00</b>              |
| <b>(2) Foreign</b>                                       |   |           |           |                   |   |           |           |                   |                          |
| a) NRIs-Individuals                                      | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| b) Other –Individuals                                    | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| c) Bodies Corporate                                      | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| d) Banks/FI  | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| e) Any Others (Specify)                                  | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| <b>Sub Total(A)(2)</b>                                   | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>0.00</b>       | <b>0</b>                                  | <b>0</b>  | <b>0</b>  | <b>0.00</b>       | <b>0.00</b>              |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b> | <b>0</b>  | <b>10</b> | <b>10</b> | <b>0.01</b>       | <b>0</b>                                  | <b>10</b> | <b>10</b> | <b>0.01</b>       | <b>0.00</b>              |
| <b>B. Public shareholding</b>                            |   |           |           |                   |   |           |           |                   |                          |
| <b>(1) Institutions</b>                                  |   |           |           |                   |   |           |           |                   |                          |
| a) Mutual Funds/ UTI                                     | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| b) Banks/FI  | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| c) Central Government                                    | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| d) State Governments                                     | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| e) Venture Capital Funds                                 | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| f) Insurance Companies                                   | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| g) FIs   | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| h) Foreign Venture Capital fund                          | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| i) Other (specify)                                       | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| <b>Sub-Total (B)(1)</b>                                  | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>0.00</b>       | <b>0</b>                                  | <b>0</b>  | <b>0</b>  | <b>0.00</b>       | <b>0.00</b>              |
| <b>(2) Non-institutions</b>                              |   |           |           |                   |   |           |           |                   |                          |
| a) Bodies Corporate                                      |   |           |           |                   |   |           |           |                   |                          |
| i) Indian  | 0   | 3240030   | 3240030   | 99.99             | 0   | 3240030   | 3240030   | 99.99             | 0.00                     |
| ii) Overseas   | 0   | 0         | 0         | 0.00              | 0   | 0         | 0         | 0.00              | 0.00                     |
| b) Individuals   |   |           |           |                   |   |           |           |                   |                          |

|   |          |                |                |               |          |                |                |               |             |
|---|----------|----------------|----------------|---------------|----------|----------------|----------------|---------------|-------------|
| i.) Individual shareholders holding nominal share capital up to Rs 2 lakh           | 0        | 0              | 0              | 0.00          | 0        | 0              | 0              | 0.00          | 0.00        |
| ii.) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh. | 0        | 0              | 0              | 0.00          | 0        | 0              | 0              | 0.00          | 0.00        |
| c)Any Other (specify)   |          |                |                |               |          |                |                |               |             |
| ii)NRI  | 0        | 0              | 0              | 0.00          | 0        | 0              | 0              | 0.00          | 0.00        |
| <b>Sub-Total (B)(2)</b>   | <b>0</b> | <b>3240030</b> | <b>3240030</b> | <b>99.99</b>  | <b>0</b> | <b>3240030</b> | <b>3240030</b> | <b>99.99</b>  | <b>0.00</b> |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                 | <b>0</b> | <b>3240030</b> | <b>3240030</b> | <b>99.99</b>  | <b>0</b> | <b>3240030</b> | <b>3240030</b> | <b>99.99</b>  | <b>0.00</b> |
| <b>C. Shares held by Custodians for GDRs &amp;ADRs</b>                              | 0        | 0              | 0              | 0.00          | 0        | 3240030        | 3240030        | 99.99         | 0.00        |
| <b>GRAND TOTAL (A)+(B)+(C)</b>  | <b>0</b> | <b>3240040</b> | <b>3240040</b> | <b>100.00</b> | <b>0</b> | <b>3240040</b> | <b>3240040</b> | <b>100.00</b> | <b>0.00</b> |

## (ii) Shareholding of Promoters

| S.No. | Name of Shareholders | Shareholding at the beginning of the year |                             |  | Shareholding at the beginning of the year |                             |  | % change in shares holding during the year |
|-------|----------------------|---|-----------------------------|--|---|-----------------------------|--|--|
|       |                      | Shares                                    | Total Shares of the company | % of Shares Pledged/encumbered to total Shares | No. of Shares                             | Total Shares of the company | % of Shares Pledged/encumbered to total Shares |  |
| 1.    | Sandeep Agarwal      | 10  | 0.01                        | 0  | 10  | 0.01                        | 0  | 0  |

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

| S. No. | Particulars  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|        | At the beginning of the year   | N.A.                                      | N.A.                             | N.A.                                    | N.A.                             |
|        | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweatequityetc). | N.A.                                      | N.A.                             | N.A.                                    | N.A.                             |
|        | At the End of the year   | N.A.                                      | N.A.                             | N.A.                                    | N.A.                             |

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

| S. No | Particulars  | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|-------|--|---|----------------------------------|-------------------------------------|----------------------------------|
|       |  | No. of shares                             | % of total shares of the company | No. of shares                       | % of total shares of the company |
| 1     | Alps Industries Limited<br>57/2, Site IV, Industrial Area,<br>Sahibabad, Ghaziabad -201010                             | 22,59,990                                 | 69.75                            | 22,59,990                           | 69.75                            |
| 2     | Prraneta Industries Limited<br>574/577 Belgium Square, Opp.Liner<br>BusStand Ring Road, Surat, Gujrat                  | 140,000                                   | 4.32                             | 140,000                             | 4.32                             |
| 3     | Bhumiputra India Limited<br>Room No. 211, Triveni Complex,<br>E-10, Laxmi Nagar, Delhi-110092                          | 60,000                                    | 1.85                             | 60,000                              | 1.85                             |
| 4     | SSJ Foods Limited<br>B-3D, Phase-I, AshokVihar,<br>Delhi-110092  | 53,340                                    | 1.65                             | 53,340                              | 1.65                             |
| 5     | Dhanus Technologies Limited<br>No6B Mena Kampala Arcade,<br>113/114 Theyagarya Road, T.Nagar,<br>Chennai, Tamil Nadu   | 60,000                                    | 1.85                             | 60,000                              | 1.85                             |
| 6     | PAN INDIA CORPORATION Limited<br>1111, 11th Floor, New Delhi House<br>27, Barakhamba Road, Delhi                       | 1,00,000                                  | 3.09                             | 1,00,000                            | 3.09                             |
| 7     | Ujjwal Limited<br>4/18, 2nd Floor, Asaf Ali Road,<br>New Delhi-110002.   | 41700                                     | 1.29                             | 41700                               | 1.29                             |
| 8     | Tactfull Investments Limited<br>711, 7th Floor, New Delhi 27,<br>Barakhamba Road, Connaught<br>Place, New Delhi-110001 | 370000                                    | 11.42                            | 370000                              | 11.42                            |
| 9     | Amorphos Industries Limited<br>2nd Floor, E1/15, Sector-7, Rohini,<br>Delhi-110085.                                    | 155000                                    | 4.78                             | 155000                              | 4.78                             |

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

| S.No. | For Each of the Directors and KMP | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------|-----------------------------------|---|----------------------------------|---|----------------------------------|
|       |                                   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1.    | <b>Mr. Mahen Kaushik</b>          | -   |                                  | -                                       | -                                |
|       | At the beginning of the year      | -   | -                                | -                                       | -                                |

|           |   |   |   |   |   |
|-----------|---|---|---|---|---|
|           | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc). | - | - | - | - |
|           | At the End of the year  | - | - | - | - |
| <b>2.</b> | <b>Mr. Arun Kumar Agarwal</b>   |   |   |   |   |
|           | At the beginning of the year  | - | - | - | - |
|           | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc). | - | - | - | - |
|           | At the End of the year  | - | - | - | - |
| <b>3.</b> | <b>Mr. Prabhat Krishna</b>  |   |   |   |   |
|           | At the beginning of the year  | - | - | - | - |
|           | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc). | - | - | - | - |
|           | At the End of the year  | - | - | - | - |

**V. INDEBTEDNESS:****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

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



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

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

**B. Remuneration to other directors:**

| S. No. | Particulars of Remuneration  | Name of Directors |                    |                 | Total       |
|--------|--|-------------------|--------------------|-----------------|-------------|
|        |  | Mahen Kaushik     | Arun Kumar Agarwal | Prabhat Krishna |             |
| 1.     | Independent Directors <ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>         | NA                | NA                 | NA              | NA          |
|        | <b>Total (1)</b>   | <b>N.A.</b>       | <b>N.A.</b>        | <b>N.A.</b>     | <b>N.A.</b> |
| 2.     | Other Non-Executive Directors <ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul> | NIL               | NIL                | NIL             | NIL         |
|        | <b>Total (2)</b>   | <b>NIL</b>        | <b>NIL</b>         | <b>NIL</b>      | <b>NIL</b>  |
|        | <b>Total (B)=(1+2)</b>   | <b>NIL</b>        | <b>NIL</b>         | <b>NIL</b>      | <b>NIL</b>  |
|        | <b>Total Managerial Remuneration</b>   | <b>NIL</b>        | <b>NIL</b>         | <b>NIL</b>      | <b>NIL</b>  |
|        | Overall Ceiling as per the Act   | N.A.              | N.A.               | N.A.            | N.A.        |

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

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

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

To,

The Members,

**ALPS ENERGY PRIVATE LIMITED**

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Alps Energy Private Limited (CIN: U40109DL2007PTC169994) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Alps Energy Private Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Alps Energy Private Limited ("the company") for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (vii) The Companies Act, 2013 (the Act) and the rules made there under;
- (viii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **Not Applicable**
- (ix) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **Not Applicable**
- (x) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (xi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not Applicable**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not Applicable**
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not Applicable**

- e) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008- **Not Applicable**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable**
  - g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; **Not Applicable**
  - h) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998- **Not Applicable**
  - i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (xii) As per information provided by the management, there are no such laws as applicable specifically to the company.-

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreements entered into by the company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. **Not Applicable**

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

**We further report that**

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

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

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

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

**We further report that** during the audit period the company has no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. referred to above.

The content and information provided in the above mentioned report is true and the best of my knowledge on the basis of details given by the concerned company officials.

For **D. K. Chawla & CO.**  
(Company Secretaries)

PLACE : Ghaziabad  
DATE : July 08, 2020

**Dasvinder Kaur**  
CP.NO. 15232

To,  
The Members,  
**ALPS ENERGY PRIVATE LIMITED**

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

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

For **D. K. Chawla & CO.**  
Company Secretaries

Dasvinder Kaur  
CP.NO. 15232

**Place : Delhi**  
**Date : July 08, 2020**

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

To  
The Members of  
ALPS Energy Private Limited

### Report on Financial Statements

We have audited the accompanying financial statements of **ALPS ENERGY PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2020 and loss, changes in equity and its cash flows for the year ended on that date.

### Key Audit Matters - Meaning

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

### Other Matter

Due to continuous spreading of COVID-19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India and still going on with relaxations in parts. This has resulted in restriction on physical visit to client locations and the need for carrying alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

In view of above stated situation, the entire audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of users that the audit of the financial statements has been performed in the aforesaid conditions.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

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

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

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

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

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

As required by Section 143(3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year and complied with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. As confirmed by the management there is no pending litigations with the company.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**(Rajesh Kumar Govil)**  
Partner  
Membership No : 013632

**Place: Ghaziabad**  
**Date: July 31, 2020**



**ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

1) (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, the management has physically verified all the fixed assets during the year which in our opinion is reasonable having regard to the size of the Company. We have been informed that no material discrepancies were noticed on such physical verification during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no immovable property with the Company.

(2) There is no inventory held by the company during the year accordingly paragraph 2 of the order is not applicable.

(3) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under section 189 of the Act except unsecured loan to its holding company.

(a) As per information and explanation given to us, the company is taking steps to recover its overdue principal (refer note no. 15 of the financial statement).

(4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.

(6) According to the information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013.

(7) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Service Tax, Sales-tax, Duty of Custom, Duty of Excise, Cess, Goods and Service Tax and other aforesaid statutory dues were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.

(8) The company has not taken any loans from banks or financial institutions nor issued any debentures.

(9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(10) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration during the year and complied with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**(Rajesh Kumar Govil)**  
Partner  
Membership No : 013632

**Place: Ghaziabad**  
**Date: July 31, 2020**

## **ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **ALPS ENERGY PRIVATE LIMITED** (the Company) as of **31 March' 2020** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(Rajesh Kumar Govil)**  
Partner  
Membership No : 013632

**Place: Ghaziabad**  
**Date: July 31, 2020**

BALANCE SHEET AS AT MARCH 31, 2020

|                                     |       | Rs. in Lakh       |                   |
|-------------------------------------|-------|-------------------|-------------------|
|                                     | Notes | As At<br>31.03.20 | As At<br>31.03.19 |
| <b>ASSETS</b>                       |       |                   |                   |
| <b>Non-Current Assets</b>           |       |                   |                   |
| Property, Plant and Equipment       | 2     | 10.24             | 14.95             |
| <b>Financial Assets</b>             |       |                   |                   |
| Loans                               | 3     | 89.75             | 89.75             |
|                                     |       | <b>99.99</b>      | <b>104.70</b>     |
| <b>Current Assets</b>               |       |                   |                   |
| <b>Financial Assets</b>             |       |                   |                   |
| Cash and cash equivalents           | 4     | 4.19              | 37.27             |
| Current Tax Assets                  | 5     | 11.70             | 12.14             |
| Other Current Assets                | 6     | 8.87              | 0.44              |
|                                     |       | <b>24.76</b>      | <b>49.84</b>      |
| <b>TOTAL ASSETS</b>                 |       | <b>124.75</b>     | <b>154.54</b>     |
| <b>EQUITY AND LIABILITIES</b>       |       |                   |                   |
| <b>Equity</b>                       |       |                   |                   |
| Share capital                       | 7     | 324.00            | 324.00            |
| Other equity                        |       | (265.19)          | (170.11)          |
|                                     |       | <b>58.82</b>      | <b>153.90</b>     |
| <b>Current liabilities</b>          |       |                   |                   |
| <b>Financial liabilities</b>        |       |                   |                   |
| Trade Payables                      | 8     | -                 | 0.59              |
| Other financial liabilities         | 9     | 64.23             | 0.05              |
| Other current liabilities           | 10    | 1.71              | -                 |
|                                     |       | <b>65.93</b>      | <b>0.64</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>124.75</b>     | <b>154.54</b>     |

**SIGNIFICANT ACCOUNTING POLICIES**

1

**NOTES TO THE FINANCIAL STATEMENTS**

2-20

The accompanying notes are an integral part of the unaudited standalone financial statements.

As per our report of even date

For R.K.Govil & Co.

Chartered Accountants

(Firm Registration No. 000748C)

Rajesh Kumar Govil

Partner

Membership No. 013632

**Mahen Kaushik**

Director

DIN-08071910

Place : Ghaziabad

Date : July 31, 2020

**Rahul Sharma**

Dy.Manager(Accounts)

**Arun Kumar**

Agarwal

Director

DIN-06436816

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020

|   |       | Rs. in Lakh            |                        |
|---|-------|------------------------|------------------------|
|   | Notes | YEAR ENDED<br>31.03.20 | YEAR ENDED<br>31.03.19 |
| <b>INCOME</b>   |       |                        |                        |
| Revenue from operations                                 |       | -                      | -                      |
| Other income  | 11    | 0.29                   | 6.16                   |
| <b>Total Income</b>                                     |       | <b>0.29</b>            | <b>6.16</b>            |
| <b>EXPENSES</b>   |       |                        |                        |
| Cost of Material Consumed                               |       | -                      | -                      |
| Change In Inventories                                   |       | -                      | -                      |
| Employees benefit expenses                              |       | -                      | -                      |
| Depreciation  | 12    | 4.70                   | 4.73                   |
| Other expenses  | 13    | 5.24                   | 3.22                   |
| <b>Total Expense</b>                                    |       | <b>9.94</b>            | <b>7.95</b>            |
| <b>Profit before exceptional items and tax</b>          |       | <b>(9.65)</b>          | <b>(1.78)</b>          |
| Add/(Less): Exceptional items                           |       | -                      | -                      |
| <b>Profit before tax</b>                                |       | <b>(9.65)</b>          | <b>(1.78)</b>          |
| Less/(-Add): Tax expense                                |       | 85.43                  | -                      |
| <b>Profit after tax</b>                                 |       | <b>(95.08)</b>         | <b>(1.78)</b>          |
| Other comprehensive income                              |       | -                      | -                      |
| <b>Total After Tax &amp; Other Comprehensive Income</b> |       | <b>(95.08)</b>         | <b>(1.78)</b>          |
| <b>Earnings per equity share</b>                        |       |                        |                        |
| <b>1. Basic</b>   |       | (2.93)                 | (0.05)                 |
| <b>2. Diluted (refer to note no. 14)</b>                |       | (2.93)                 | (0.05)                 |

|                                   |      |
|-----------------------------------|------|
| SIGNIFICANT ACCOUNTING POLICIES   | 1    |
| NOTES TO THE FINANCIAL STATEMENTS | 2-20 |

The accompanying notes are an integral part of the unaudited standalone financial statements.

As per our report of even date

For R.K.Govil & Co.

Chartered Accountants

(Firm Registration No. 000748C)

**Mahen Kaushik**

Director

DIN-08071910

Rajesh Kumar Govil

Partner

Membership No. 013632

**Place : Ghaziabad**

Date : July 31, 2020

**Rahul Sharma**

Dy.Manager(Accounts)

**Arun Kumar Agarwal**

Director

DIN-06436816

'STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MAR 31, 2020

|                                  | Equity share capital (A) |              | Securities premium reserve |                  | Equity component of Compound financial Instrument |              | Retained earnings |     | Total Other Equity (B) |     | Total equity attributable to equity holders of the Company (A)+(B) |  |
|----------------------------------|--------------------------|--------------|----------------------------|------------------|---|--------------|-------------------|-----|------------------------|-----|--|--|
|                                  | Rs.                      | Rs.          | Rs.                        | Rs.              | Rs.   | Rs.          | Rs.               | Rs. | Rs.                    | Rs. | Rs.  |  |
|                                  |                          |              |                            |                  |   |              |                   |     |                        |     |  |  |
| Balance as at Mar.31,2019        | 324.00                   | 1,372        | 125.94                     | -1,668.10        |   | 153.90       |                   |     |                        |     |  |  |
| Ind AS adjustments               | -                        | -            |                            | -                |   | -            |                   |     |                        |     |  |  |
| Profit for the year              | -                        | -            |                            | -95.08           |   | -95.08       |                   |     |                        |     |  |  |
| <b>Balance as at Mar.31,2020</b> | <b>324.00</b>            | <b>1,372</b> | <b>125.94</b>              | <b>-1,763.18</b> |   | <b>58.82</b> |                   |     |                        |     |  |  |

For R.K.Govil & Co.

Chartered Accountants

(Firm Registration No. 000748C)

Rajesh Kumar Govil  
Partner

Membership No. 013632

**Mahen Kaushik**  
Director  
DIN-08071910

**Place : Ghaziabad**

Date : July 31, 2020

**Rahul Sharma**  
Dy.Manager(Accounts)

**Arun Kumar Agarwal**  
Director  
DIN-06436816

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2020**

|   |                                |               | Rs. in Lakh                    |              |
|---|--------------------------------|---------------|--------------------------------|--------------|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>                | <b>Period Ended 31.03.2020</b> |               | <b>Period Ended 31.03.2019</b> |              |
| <b>Net Profit/ ( Loss) Before Tax and Extraordinary items</b> |                                | <b>-9.65</b>  |                                | <b>-1.78</b> |
| Adjustment for :  |                                |               |                                |              |
| Depreciation/Amortization                                     | 4.70                           |               | 4.73                           |              |
| Interest Received   | -                              |               | 0.60                           |              |
| Other Income  | 0.29                           | 4.99          | 5.56                           | 10.89        |
| <b>Operating Profit/Loss Before Working Capital Changes</b>   |                                | <b>-4.65</b>  |                                | <b>9.11</b>  |
| Adjustment for Working Capital Changes                        |                                |               |                                |              |
| <b>Increase/(Decrease) in Financial Liabilities</b>           |                                |               |                                |              |
| Trade Payables  | -0.59                          |               | 0.06                           |              |
| Other financial liabilities                                   | 64.18                          |               | -0.09                          |              |
| Other current liabilities                                     | 1.71                           |               | -                              |              |
| Increase/(Decrease) in Provisions                             | -                              |               | -                              |              |
| <b>Decrease/(Increase) in Financial Assets</b>                |                                |               |                                |              |
| Trade receivables   | -                              |               | 8.11                           |              |
| Current Tax Assets  | 0.44                           |               | -                              |              |
| Other financial assets  | -                              |               | -                              |              |
| Decrease/(Increase) in Other Current Assets                   | -8.43                          |               | 0.05                           |              |
| Decrease/(Increase) in Other Non Current Assets               | -                              |               | -                              |              |
| Decrease/(Increase) in Inventories                            | -                              |               | -                              |              |
| Direct taxes received/(paid)                                  | -85.43                         | -28.13        | 6.38                           | 14.52        |
| <b>Cash Flow Before Extraordinary Items</b>                   |                                | <b>-32.78</b> |                                | <b>23.63</b> |
| <b>Net Cash Generated by Operating Activities</b>             |                                | <b>-32.78</b> |                                | <b>23.63</b> |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>                |                                |               |                                |              |
| Expenditure on Property, Plant and Equipment                  | -                              |               | -                              |              |
| Proceeds from Property, Plant and Equipment                   | -                              |               | -                              |              |
| Interest Received   | -                              |               | -0.60                          |              |
| Other Income  | -0.29                          |               | -5.56                          |              |
| <b>Net Cash from/ (used in) Investing Activities</b>          |                                | <b>-0.29</b>  |                                | <b>-6.16</b> |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>                |                                |               |                                |              |
| <b>Decrease/(Increase) in Financial Assets</b>                |                                |               |                                |              |
| Increase/(Decrease) in Loans                                  | -                              |               | -0.60                          |              |
| <b>Net Cash from/ (used in) Financing Activities</b>          |                                | <b>-</b>      |                                | <b>-0.60</b> |
| Net Increase(Decrease) in Cash & Cash Equivalents             |                                | -33.08        |                                | 16.87        |
| Opening Balance of Cash and Cash Equivalents                  |                                | 37.27         |                                | 20.40        |
| Closing Balance of Cash and Cash Equivalents (refer note 7)   |                                | <b>4.19</b>   |                                | <b>37.27</b> |

**Notes:**

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

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

Rajesh Kumar Govil  
Partner  
Membership No. 013632

Place : Ghaziabad  
Date : July 31, 2020

Rahul Sharma  
Dy. Manager(Accounts)

Mahen Kaushik  
Director  
DIN-08071910

Arun Kumar Agarwal  
Director  
DIN-06436816



Notes to the financial statements as at and for the year ended March 31, 2020

**Corporate Information**

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

**1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****A) Basis of preparation of financial statements****(a) Statement of Compliance with Ind AS**

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

Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards', with April 1, 2016, as the transition date. The transition was carried out from Indian Accounting Principles Generally Accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

**(b) Functional and presentation currency**

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

**(c) Basis of Measurement**

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

**Determining the Fair Value**

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

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

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

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

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

**(d) Use of Estimate**

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

**(e) Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements issued by the

Ministry of Corporate Affairs based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

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

### **C) Significant accounting policies**

#### **(a) Property, Plant and Equipment**

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

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

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

#### **Financial Assets:**

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

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

#### **In case of Other Assets:**

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

#### **Financial Liabilities**

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

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

#### **Offsetting Financial Instruments**

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

**Claims, Provisions, Contingent assets and Liabilities:**

Claims lodged by and lodged against the Company are accounted in the year of payment or settlement thereof.

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

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

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

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

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

**Recognition of revenue and expenditure**

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

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

**(ii) Interest and dividend income**

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

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

**Borrowing Cost**

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

**Employee benefits**

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

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

**Taxes on income**

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

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

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

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

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

#### **Foreign currency transactions and translation**

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

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

Non-monetary foreign currency items are carried at cost.

#### **Prior period errors**

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

#### **Earnings per share**

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

#### **Cash flow statement**

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

#### **Amendment to Ind AS-7**

Effective April 1, 2017, the Company adopted the amendment to Ind AS7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

#### **Cash and cash equivalents**

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

Notes forming part of financial statements

**2 Property, plant and equipment**

| Particulars                           | Office equipments<br>Rs. | Plant & Machinery<br>Rs. | Vehicles<br>Rs. | Total<br>Rs. |
|---------------------------------------|--------------------------|--------------------------|-----------------|--------------|
| <b>Gross carrying value</b>           |                          |                          |                 |              |
| <b>As at Mar.31, 2019</b>             | 0.35                     | 0.19                     | 39.59           | 40.12        |
| -Additions                            | -                        | -                        | -               | -            |
| -Disposals                            | 0.35                     | 0.19                     | -               | 0.53         |
| <b>As at Mar.31, 2020</b>             | -                        | -                        | <b>39.59</b>    | <b>39.59</b> |
| <b>Depreciation</b>                   |                          |                          |                 |              |
| <b>As at Mar.31, 2019</b>             | 0.35                     | 0.19                     | 24.64           | 25.18        |
| Depreciation charge during the period | -                        | -                        | 4.70            | 4.70         |
| Depreciation on deduction             | 0.35                     | 0.19                     | -               | 0.53         |
| <b>As at Mar.31, 2020</b>             | -                        | -                        | <b>29.34</b>    | <b>29.34</b> |
| <b>Net Book Value</b>                 |                          |                          |                 |              |
| <b>As at Mar.31, 2020</b>             | -                        | -                        | <b>10.24</b>    | <b>10.24</b> |
| <b>As at Mar.31, 2019</b>             | -                        | -                        | 14.95           | <b>14.95</b> |

| Notes forming part of financial statements |   | Rs. in Lakh            |                        |
|--|---|------------------------|------------------------|
|  |   | Year Ended<br>31.03.20 | Year Ended<br>31.03.19 |
| 3  | Loans<br>Unsecured, Considered Good   | 89.75                  | 89.75                  |
|  | <b>Total</b>  | <b>89.75</b>           | <b>89.75</b>           |
| 4  | <b>Cash and cash equivalents</b><br>Balances with banks<br>- on current account<br>Cash on hand   | 3.72<br>0.47           | 36.62<br>0.65          |
|  | <b>Total</b>  | <b>4.19</b>            | <b>37.27</b>           |
| 5  | Current Tax assets<br>Advance Income Tax including TDS  | 11.70                  | 12.14                  |
|  | <b>Total</b>  | <b>11.70</b>           | <b>12.14</b>           |
| 6  | Other current assets<br>Other Receivables   | 8.87                   | 0.44                   |
|  | <b>Total</b>  | <b>8.87</b>            | <b>0.44</b>            |
| 7  | Equity share capital<br><b>Authorized Share Capital</b><br>(a) 37,00,000 March 31, 2020 (37,00,000, March 31, 2019)<br>Equity shares of Rs.10<br>(b) 13,00,000 March 31, 2020 (13,00,000, March 31, 2019)<br>Preference shares of Rs.10 | 370.00<br>130.00       | 370.00<br>130.00       |
|  |   | <b>500.00</b>          | <b>500.00</b>          |
|  | <b>Issued Share Capital</b><br>32,40,040 Mar, 2020 (Mar, 2019: 32,40,040)<br>Equity Shares Rs.10  | 324.00                 | 324.00                 |
|  |   | <b>324.00</b>          | <b>324.00</b>          |
|  | <b>Subscribed and paid up Capital</b><br>32,40,040 Mar, 2020 (Mar, 2019: 32,40,040)<br>Equity Shares Rs.10  | 324.00                 | 324.00                 |
|  |   | <b>324.00</b>          | <b>324.00</b>          |
| a)   | <b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>  |                        |                        |
|  | <b>Equity shares</b>  |                        |                        |
|  | Outstanding at the beginning of the year  | 3240040                | 3240040                |
|  | Outstanding at the end of the period/year   | 3240040                | 3240040                |
| b)   | <b>Details of shareholders holding more than 5% shares in the Company</b>   |                        |                        |
|  | Equity shares   |                        |                        |
|  | Alps Industries Limited No.   | 2259990                | 2259990                |
|  | Alps Industries Limited %age  | 69.75%                 | 69.75%                 |
|  | BITS Ltd. No.   | 566700                 | 566700                 |
|  | BITS Ltd. %age  | 17.49%                 | 17.49%                 |
|  | Zero Coupon Non Redeemable Convertible Preference Shares  |                        |                        |
|  | Alps USA Inc. No.   | 1259360                | 1259360                |
|  | Alps USA Inc. %age  | 100.00%                | 100.00%                |

|  |  | Rs. in Lakh            |                        |
|--|--|------------------------|------------------------|
| Notes forming part of financial statements |  | Year Ended<br>31.03.20 | Year Ended<br>31.03.19 |
| <b>8</b>                                   | <b>Trade Payable</b>                                       |                        |                        |
|  | (a) Micro, Small & Medium Enterprises (Refer Note No. 7.1) |                        |                        |
|  | (b) Others   | -                      | 0.59                   |
|  | <b>Total</b>   | <b>-</b>               | <b>0.59</b>            |
| <b>9</b>                                   | <b>Other financial liabilities</b>                         |                        |                        |
|  | Expenses Payable   | 64.23                  | 0.05                   |
|  | <b>Total</b>   | <b>64.23</b>           | <b>0.05</b>            |
| <b>10</b>                                  | <b>Other Current liabilities</b>                           |                        |                        |
|  | Revenue Received in Advance                                | 1.71                   | -                      |
|  | <b>Total</b>   | <b>1.71</b>            | <b>-</b>               |
| <b>11</b>                                  | <b>Other income</b>  |                        |                        |
|  | Interest Income from fair Valuation                        | -                      | 0.60                   |
|  | Others   | 0.29                   | 5.56                   |
|  | <b>Total</b>   | <b>0.29</b>            | <b>6.16</b>            |
| <b>12</b>                                  | <b>Depreciation Expenses</b>                               |                        |                        |
|  | Depreciation   | 4.70                   | 4.73                   |
|  | <b>Total</b>   | <b>4.70</b>            | <b>4.73</b>            |
| <b>13</b>                                  | <b>Other Expenses</b>                                      |                        |                        |
|  | Insurance  | 0.54                   | 0.64                   |
|  | Legal & Professional Charges                               | 0.29                   | 0.02                   |
|  | General Expenses   | 0.00                   | 1.22                   |
|  | Bank Charges   | 0.00                   | -                      |
|  | Payment to Auditors  | 4.27                   | 0.59                   |
|  | Vehicle Running Expenses                                   | 0.10                   | 0.57                   |
|  | Fees & Subscription  | 0.04                   | 0.18                   |
|  | <b>Total</b>   | <b>5.24</b>            | <b>3.22</b>            |

**14. Basic & Diluted Earnings Per Share :**

| Particulars  | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
|--|--|--|
| Profit/(Loss) attributable to the Equity shareholders (A)<br>(Rs. in Lacs) | <b>(95.08)</b>                               | (1.78)                                       |
| Weighted average number of equity shares outstanding during the year - (B) | <b>3240040</b>                               | 3240040                                      |
| Potential Equity Share (Preference Share)                                  | <b>1259360</b>                               | 1259360                                      |
| Nominal value of equity shares (Rs.)                                       | <b>10</b>                                    | 10   |
| Basic Earnings per share (Rs.)   | <b>(2.93)</b>                                | (0.05)                                       |
| Diluted Earnings per share (Rs.)*  | <b>(2.93)</b>                                | (0.05)                                       |

\*Diluted earnings per share have not been calculated since it is anti diluted earnings per share.

15. The company had settled the unsecured loans including interest thereon granted to Alps Industries Limited at a total value of Rs. 89.75 Lac receivable interest free by end of March' 2019. However the company has reserved its right to reinstate the waivers granted in case of breach of terms of repayment of settled amount by the borrower. Company is taking initiative for recovery but yet to realize the same.

16. In the opinion of the Management, all current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.

**17. AUDITORS REMUNERATION****(Rs in Lac)**

| Particulars           | For the year ended March, 2020 | For the year ended March, 2019 |
|-----------------------|--------------------------------|--------------------------------|
| Audit Fees            | <b>0.29</b>                    | <b>0.29</b>                    |
| Other Consultancy Fee | <b>3.98</b>                    | <b>0.30</b>                    |

**18. Related Party Transactions**

**Name of related parties and description of relationship as required by Ind As 24:**

**Holding Company :** Alps Industries Ltd.

**Key Managerial Personnel:** 1. Mr. Mahen Kaushik  
2. Mr. Arun Kumar Agarwal

**(Rs. in Lacs)**

| Nature of Transaction         | Transactions with Holding Company            |  | Transactions with Key Managerial Personnel, Entities controlled by them, and their relatives |  |
|-------------------------------|--|--|--|--|
|                               | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 | For the Year ended 31 <sup>st</sup> March 20   | For the Year ended 31 <sup>st</sup> March 19 |
| 1. Sale of Goods              | <b>NIL</b>                                   | <b>NIL</b>                                   | <b>NIL</b>   | <b>NIL</b>                                   |
| 2. Purchase of Goods          | <b>NIL</b>                                   | <b>NIL</b>                                   | <b>NIL</b>   | <b>NIL</b>                                   |
| 3. Allotment of equity shares | <b>NIL</b>                                   | <b>NIL</b>                                   | <b>NIL</b>   | <b>NIL</b>                                   |
| 4. Interest Paid              | <b>NIL</b>                                   | <b>NIL</b>                                   | <b>NIL</b>   | <b>NIL</b>                                   |
| 5. Interest Received          | <b>NIL</b>                                   | <b>NIL</b>                                   | <b>NIL</b>   | <b>NIL</b>                                   |
| 6. Advances/Loans given       | <b>NIL</b>                                   | <b>NIL</b>                                   | <b>NIL</b>   | <b>NIL</b>                                   |
| 7. Advances/Loans taken       | <b>NIL</b>                                   | <b>NIL</b>                                   | <b>NIL</b>   | <b>NIL</b>                                   |
| 8. Remuneration & Sitting Fee | <b>NIL</b>                                   | <b>NIL</b>                                   | <b>NIL</b>   | <b>NIL</b>                                   |
| 9. Commission Paid            | <b>NIL</b>                                   | <b>NIL</b>                                   | <b>NIL</b>   | <b>NIL</b>                                   |
| 10. Balance at year end (Dr.) | <b>89.75</b>                                 | <b>89.75</b>                                 | <b>NIL</b>   | <b>NIL</b>                                   |



## 19. Financial risk management

### (i) Financial instrument by category:

The Company does not carry any investments or similar instruments.

### (ii) Risk management

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

#### A) Credit risk

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

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

- a) Low credit risk
- b) Moderate credit risk
- c) High credit risk

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

#### B) Liquidity risk

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

#### C) Market risk

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

##### a) Currency risk

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

**b) Interest risk**

- i) **Assets:** The Company's deposits are maintained in current account, therefore the company is not at any risk on account of interest rate
- ii) **Liabilities:** The Company does not have any borrowings hence the Company is not at any risk on account of interest rate.

**20.** 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 **R.K Govil & Co.**  
Chartered Accountants  
Firm Registration N o. 000748C

For and on behalf of the Board

**Rajesh K Govil**  
Partner  
Membership No. 013632

**Mahen Kaushik**  
Director  
DIN-08071910

Place : Ghaziabad  
Dated : 31 July, 2020

**Rahul Sharma**  
Dy. Manager( Accounts)

**Arun Kumar Agarwal**  
Director  
DIN-06436816

# CONSOLIDATED

**Financial Statements for the year  
ended 31 March, 2020.**

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To  
The Members of  
ALPS INDUSTRIES LIMITED

## Report on the Consolidated Financial Statements

### Qualified Opinion

We have audited the accompanying consolidated financial statements of **ALPS INDUSTRIES LIMITED** (hereinafter referred to as "the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except, for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

*Refer to note no. 38 to the notes on accounts, the Company has not provided for its liability towards interest & part of principal loan, waived earlier, and impact of retained earnings in terms of draft rehabilitation scheme and now revoked by its consented lenders amounting to Rs. 146966.65 lakh, accordingly the loss for the year and loan liability would have been increased and shareholder's fund would have been reduced to that extent.*

### Emphasis of Matters

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

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

### Key Audit Matters- Meaning

Key audit matters are those matters that, in our professional judgment, were of *most significance in the audit of the financial statements of the current period*. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. In addition to the matter described below to be the key audit matters to be communicated in our report. Key audit matters are selected from matters communicated with those charged with governance.

### Other Matters

1. We have relied upon the unaudited financial statements of M/s Alps USA Inc., the subsidiary company, whose financial statements reflect total assets of Rs. 398.79 Lac as at 31st March, 2020, total expense of Nil, cash flows amounting to nil for the year then ended. These unaudited financial statements, as approved by the Board of Directors of this company and translated from US\$ into INR have been furnished to us by the Management and our report insofar as it relates to the amounts included in respect of this subsidiary is based solely on such approved unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to 'the Group'.

2. Our opinion on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, except, for the effects of the matter described in the Basis for Qualified Opinion paragraph above, is not qualified in respect of the above Emphasis of Matters and Other Matters.

3. Due to continuous spreading of COVID-19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India and still going on with relaxations in parts. This has

resulted in restriction on physical visit to client locations and the need for carrying alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

In view of above stated situation, the entire audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/Remote Audit/ Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of users that the audit of the financial statements has been performed in the aforesaid conditions.

#### **Management’s Responsibility for the Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

The Holding Company’s Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the financial statements, management is responsible for assessing the company’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company’s financial reporting process.

#### **Auditor’s Responsibility**

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company.

(c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors of the Holding Company and of its subsidiary companies, none of the directors of the Group companies, is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group (Refer Note No. 36 & 37).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Chartered Accountants**

(Firm Reg. No. : 000748C)

**(Rajesh Kumar Govil)**

Partner

Membership No : 013632

**Place: Ghaziabad**

**Date: July 31, 2020**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Alps Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**



In our opinion, the Holding Company, its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(Rajesh Kumar Govil)**  
Partner  
Membership No : 013632

**Place: Ghaziabad**  
**Date: July 31, 2020**

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020**

Rs. In Lakh

|                                     | Notes | AS AT<br>31.03.2020 | AS AT<br>31.03.2019 |
|-------------------------------------|-------|---------------------|---------------------|
| <b>ASSETS</b>                       |       |                     |                     |
| <b>Non-current assets</b>           |       |                     |                     |
| Property, plant and equipment       | 2a    | 15,064.84           | 28,747.00           |
| Capital Work In Progress            |       | -                   | 5.29                |
| Other Intangibles Assets            | 2b    | 141.47              | 195.21              |
| <b>Financial assets</b>             |       |                     |                     |
| Investments                         | 3     | 128.78              | 129.00              |
| Loans                               | 4     | 423.46              | 338.13              |
| Other Non- Current assets           | 5     | 1,065.90            | 1,141.02            |
|                                     |       | <b>16,824.45</b>    | <b>30,555.65</b>    |
| <b>Current assets</b>               |       |                     |                     |
| Inventories                         | 6     | 2,565.00            | 2,963.07            |
| <b>Financial assets</b>             |       |                     |                     |
| Trade receivables                   | 7     | 2,181.89            | 3,005.52            |
| Cash and cash equivalents           | 8     | 131.43              | 299.27              |
| Other bank Balance                  | 9     | 250.28              | 86.39               |
| Other financial assets              | 10    | 7.19                | 11.70               |
| Current tax Assets                  | 11    | 180.38              | 178.51              |
| Other current assets                | 12    | 474.84              | 668.45              |
|                                     |       | <b>5,791.01</b>     | <b>7,213.41</b>     |
| <b>TOTAL ASSETS</b>                 |       | <b>22,615.46</b>    | <b>37,768.56</b>    |
| <b>EQUITY AND LIABILITIES</b>       |       |                     |                     |
| <b>Equity</b>                       |       |                     |                     |
| Share capital                       | 13    | 3,911.41            | 3,911.41            |
| Other equity                        |       | (59,459.75)         | (48,234.97)         |
| Non Controlling Interest            |       | -20.30              | 8.46                |
|                                     |       | <b>-55,568.64</b>   | <b>-44,315.09</b>   |
| <b>Liabilities</b>                  |       |                     |                     |
| <b>Non-current liabilities</b>      |       |                     |                     |
| <b>Financial Liability</b>          |       |                     |                     |
| Borrowings                          | 14    | 39,566.56           | 39,966.26           |
| Provision                           | 15    | 315.42              | 282.61              |
|                                     |       | <b>39,881.98</b>    | <b>40,248.87</b>    |
| <b>Current liabilities</b>          |       |                     |                     |
| <b>Financial liabilities</b>        |       |                     |                     |
| Borrowings                          | 16    | 33,446.76           | 37,227.40           |
| Trade Payables                      | 17    | 2,461.66            | 2,313.02            |
| Other financial liabilities         | 18    | 2,141.41            | 2,000.01            |
| Other current liabilities           | 19    | 212.11              | 254.48              |
| Provisions                          | 15    | 40.18               | 39.87               |
|                                     |       | <b>38,302.12</b>    | <b>41,834.78</b>    |
| <b>TOTAL LIABILITIES</b>            |       | <b>78,184.10</b>    | <b>82,083.65</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>22,615.46</b>    | <b>37,768.56</b>    |

SIGNIFICANT ACCOUNTING POLICIES 1  
NOTES TO THE FINANCIAL STATEMENTS 2-52  
The accompanying notes are an integral part of the financial statements.  
As per our report of even date

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

For and on behalf of Board

**Sandeep Agarwal**  
Managing Director

**RAJESH KUMAR GOVIL**  
Partner  
Membership No. 13632

Place : Ghaziabad  
Date : July 31, 2020

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

**Ajay Gupta**  
Company Secretary

**P.K Rajput**  
Executive Director

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MAR 31, 2020**

|  | Notes | YEAR ENDED<br>31.03.20 | Rs. In Lakh<br>YEAR ENDED<br>31.03.19 |
|--|-------|------------------------|---------------------------------------|
| <b>INCOME</b>                                  |       |                        |                                       |
| Revenue from operations                        | 20    | 31,320.18              | 37,115.19                             |
| Other income                                   | 21    | 874.14                 | 636.15                                |
| <b>Total Income</b>                            |       | <b>32,194.32</b>       | <b>37,751.34</b>                      |
| <b>EXPENSES</b>                                |       |                        |                                       |
| Cost of Material Consumed                      | 22    | 19,879.76              | 24,440.84                             |
| Change In Inventories                          | 23    | 100.87                 | -273.41                               |
| Excise Duty                                    |       | -                      | 0.03                                  |
| Employees benefit expenses                     | 24    | 4,655.93               | 4,722.36                              |
| Finance costs                                  | 25    | 5,753.17               | 5,783.60                              |
| Depreciation                                   | 26    | 1,486.52               | 3,383.66                              |
| Impairment of Assets                           |       | 4,665.81               | -                                     |
| Other expenses                                 | 27    | 7,815.01               | 8,260.16                              |
| <b>Total Expense</b>                           |       | <b>44,357.07</b>       | <b>46,317.24</b>                      |
| <b>Profit before exceptional items and tax</b> |       | <b>-12,162.75</b>      | <b>-8,565.90</b>                      |
| Add/(Less): Exceptional items                  |       | 995.61                 | 2,239.07                              |
| <b>Profit before tax</b>                       |       | <b>-11,167.14</b>      | <b>-6,326.83</b>                      |
| Less/(-Add): Tax expense                       |       | 85.43                  | -                                     |
| <b>Profit after tax</b>                        |       | <b>-11,252.57</b>      | <b>-6,326.83</b>                      |
| Other comprehensive income                     |       | -                      | -                                     |
| <b>Total Comprehensive Income</b>              |       | <b>-11,252.57</b>      | <b>-6,326.83</b>                      |
| <b>Attributable to :</b>                       |       |                        |                                       |
| <b>Out of Total Comprehensive Income above</b> |       |                        |                                       |
| Owners   |       | -11,223.83             | -6,326.29                             |
| Non Controlling Interest                       |       | -28.76                 | -0.54                                 |
| Profit for the period attributable to :        |       |                        |                                       |
| Owners   |       | -11,223.83             | -6,326.29                             |
| Non Controlling Interest                       |       | -28.76                 | -0.54                                 |
| <b>Earnings per equity share</b>               |       |                        |                                       |
| <b>1. Basic</b>                                |       | <b>(28.77)</b>         | <b>(16.18)</b>                        |
| <b>2. Diluted (Refer to Note No. 28)</b>       |       | <b>(28.77)</b>         | <b>(16.18)</b>                        |
| SIGNIFICANT ACCOUNTING POLICIES                | 1     |                        |                                       |
| NOTES TO THE FINANCIAL STATEMENTS              | 2-52  |                        |                                       |

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

For and on behalf of Board

**RAJESH KUMAR GOVIL**  
Partner  
Membership No. 13632

**Sandeep Agarwal**  
Managing Director

**Place : Ghaziabad**  
Date : July 31, 2020

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

**Ajay Gupta**  
Company Secretary

**P.K Rajput**  
Executive Director

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-MARCH'2020**

|   | Rs. In Lakh           |                       |
|---|-----------------------|-----------------------|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>                | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
| <b>Net Profit/ ( Loss) Before Tax and Extraordinary items</b> | <b>(12,162.76)</b>    | <b>(8,565.91)</b>     |
| Adjustment for :  |                       |                       |
| Transition Adjustment   | <b>(0.02)</b>         | <b>(0.00)</b>         |
| Depreciation/Amortization                                     | <b>1,486.52</b>       | <b>3,383.66</b>       |
| Interest Received   | <b>(26.94)</b>        | <b>(36.33)</b>        |
| Finance Cost  | <b>5,753.17</b>       | <b>5,783.60</b>       |
| Loss on Disposal of Assets                                    | <b>133.94</b>         | <b>162.77</b>         |
| Exceptional Items   | <b>995.61</b>         | <b>2,239.07</b>       |
| Provision for diminution in Value on Investment               | <b>0.22</b>           |                       |
| Impairment of Assets  | <b>4,665.81</b>       | -                     |
| Exchange Fluctuation  | <b>(0.96)</b>         | <b>(0.64)</b>         |
| <b>Operating Profit/Loss Before Working Capital Changes</b>   | <b>844.59</b>         | <b>2,966.23</b>       |
| Adjustment for Working Capital Changes                        |                       |                       |
| <b>Increase/(Decrease) in Financial Liabilities</b>           |                       |                       |
| Borrowings  | <b>(3,780.65)</b>     | <b>4,940.26</b>       |
| Trade Payables  | <b>148.64</b>         | <b>343.44</b>         |
| Other financial liabilities                                   | <b>141.39</b>         | <b>(2,946.30)</b>     |
| Increase/(Decrease) in Other Current Liabilities              | <b>(42.36)</b>        | <b>117.03</b>         |
| Increase/(Decrease) in Provisions                             | <b>33.13</b>          | <b>(34.72)</b>        |
| <b>Decrease/(Increase) in Financial Assets</b>                |                       |                       |
| Trade receivables   | <b>823.63</b>         | <b>24.20</b>          |
| Other financial assets  | <b>4.51</b>           | <b>31.87</b>          |
| Decrease/(Increase) in Other Current Assets                   | <b>193.62</b>         | <b>236.27</b>         |
| Decrease/(Increase) in Other Non Current Assets               | <b>75.12</b>          | <b>178.06</b>         |
| Decrease/(Increase) in Inventories                            | <b>398.07</b>         | <b>350.31</b>         |
| Direct taxes received/(paid)                                  | <b>(87.31)</b>        | <b>(47.16)</b>        |
| <b>Cash Flow Before Extraordinary Items</b>                   | <b>(1,247.62)</b>     | <b>6,159.49</b>       |
| <b>Net Cash Generated by Operating Activities</b>             | <b>(1,247.62)</b>     | <b>6,159.49</b>       |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>                |                       |                       |
| Expenditure on Property, Plant and Equipment                  | <b>(24.48)</b>        | <b>(461.11)</b>       |
| Proceeds from Property, Plant and Equipment                   | <b>7,479.41</b>       | <b>69.18</b>          |
| Interest Received   | <b>26.94</b>          | <b>36.33</b>          |
| (Increase)/Decrease in Fixed Deposits                         | <b>(163.88)</b>       | <b>35.98</b>          |
| Change in Minority of Snowflakes                              | -                     | -                     |
| <b>Decrease/(Increase) in Financial Assets</b>                |                       |                       |
| Decrease/(Increase) in Investment                             | -                     | <b>0.30</b>           |
| <b>Net Cash from/ (used in) Investing Activities</b>          | <b>7,317.99</b>       | <b>-319.32</b>        |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>                |                       |                       |
| Finance Cost  | <b>(5,753.17)</b>     | <b>(5,783.60)</b>     |
| <b>Decrease/(Increase) in Financial Assets</b>                | -                     | -                     |
| Increase/(Decrease) in Loans                                  | <b>(85.34)</b>        | <b>98.31</b>          |
| <b>Increase/(Decrease) in Financial Liabilities</b>           | -                     | -                     |
| Increase/(Decrease) in Long Terms Borrowing                   | <b>(399.70)</b>       | <b>(9.82)</b>         |
| <b>Net Cash from/ (used in) Financing Activities</b>          | <b>(6,238.21)</b>     | <b>(5,695.11)</b>     |
| Net Increase(Decrease) in Cash & Cash Equivalents             | <b>(167.84)</b>       | <b>145.06</b>         |
| Opening Balance of Cash and Cash Equivalents                  | <b>299.27</b>         | <b>154.21</b>         |
| Closing Balance of Cash and Cash Equivalents (refer note 8)   | <b>131.43</b>         | <b>299.27</b>         |

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

For and on behalf of the Board

**RAJESH KUMAR GOVIL**

Partner  
Membership No. 13632  
Place : Ghaziabad  
Date : July 31, 2020

A.K. Singhal  
President (F&A)

**Ajay Gupta**  
Company Secretary

Sandeep Agarwal  
Managing Director

P.K. Rajput  
Executive Director

**ALPS INDUSTRIES LIMITED**  
57/2, Site IV Industrial Area, Sahibabad, Ghaziabad -201010  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

|                                     | OTHER EQUITY             |                  |                   |                 |   |                |                           |                   |                        |                   | Total equity attributable to equity holders of the Company (A)+(B) |
|-------------------------------------|--------------------------|------------------|-------------------|-----------------|---|----------------|---------------------------|-------------------|------------------------|-------------------|--|
|                                     | Equity share capital (A) |                  | Reserve & Surplus |                 | Equity component of Compound financial Instrument |                | Retained earnings (A)+(B) |                   | Total Other Equity (B) |                   |  |
|                                     | Rs.                      | Rs.              | Rs.               | Rs.             | Rs.   | Rs.            | Rs.                       | Rs.               | Rs.                    | Rs.               | Rs.  |
| Capital Reserve                     | 290.00                   |                  |                   |                 |   |                |                           |                   |                        |                   |  |
| Securities premium reserve          |                          | 16,668.93        |                   |                 |   |                |                           |                   |                        |                   |  |
| General Reserve                     |                          |                  | 2,232.01          | 7,999.30        |   |                |                           |                   |                        |                   |  |
| Exchange Fluctuation Reserve        |                          |                  |                   |                 |   |                |                           |                   |                        |                   |  |
| Retained earnings                   |                          |                  |                   |                 |   |                |                           |                   |                        |                   |  |
| Equity Instrument through OCI       |                          |                  |                   |                 |   |                |                           |                   |                        |                   |  |
|                                     |                          |                  |                   |                 |   |                |                           |                   |                        |                   |  |
| <b>Balance as at March 31, 2019</b> | 3,911.41                 | 16,668.93        | 2,232.01          | 7,999.30        |   |                |                           |                   |                        |                   |  |
| Ind AS adjustments                  | -                        | -                | -                 | -               |   |                |                           |                   |                        |                   |  |
| Profit for the year 2019-20         | -                        | -                | -                 | -               |   |                |                           |                   |                        |                   |  |
| <b>Balance as at March 31, 2020</b> | <b>3,911.41</b>          | <b>16,668.93</b> | <b>2,232.01</b>   | <b>7,999.30</b> | <b>2,232.01</b>                                   | <b>-256.98</b> | <b>-11,223.82</b>         | <b>-86,471.21</b> | <b>79.17</b>           | <b>-59,459.74</b> | <b>-55,548.33</b>  |

Notes to the **consolidated financial statements** as at and for the year ended March 31, 2020

## **1. SIGNIFICANT ACCOUNTING POLICIES :**

### **1. Corporate Information**

Alps Industries Limited (the Company) is a public Limited Company. The Company and its Subsidiaries collectively referred to as “The Group” and is primarily engaged into Textile business. Holding company having CIN L51109UP1972PLC003544 is listed on the Bombay Stock Exchange and National Stock Exchange engaged into Textile business.

## **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **A) Basis of preparation of financial statements**

#### **(a) Statement of Compliance**

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

With effect from 1st April, 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The group has adopted **Ind AS 116 using the modified retrospective approach**. The application of Ind AS 116 has resulted into recognition of ‘**Right-of-Use**’ asset with a corresponding Lease Liability in the Balance Sheet.

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

The consolidated financial statements are prepared by applying uniform accounting policies in use at the group. Non controlling interest has been excluded. Non controlling interests represent that part of the assets of subsidiaries that are not owned by the parent company.

#### **(b) Functional and presentation currency**

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

#### **(c) Basis of Measurement**

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

#### **Determining the Fair Value**

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

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

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

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

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient then the same has been valued at Rs. 1/- per share.

#### **(d) Use of Estimate**

The preparation of financial statements in conformity with the IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of the contingent asset and contingent liability at the date of the financial

statements and reported amount of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from the estimates. Appropriate changes in estimate are made as the management becomes aware of the change in circumstances surrounding the estimates. Changes in the estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to financial statements.

**(e) Operating Cycle**

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

**B) Significant accounting policies****(a) Property, Plant and Equipment**

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

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

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

**(b) Leases**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**(c) Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Specialized Software is amortised over an estimated useful period of five year. Amortisation is done on straight line basis.

**(d) Impairment of non financial assets**

Property, Plant and Equipment are evaluated for recoverability, whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**(e) Inventories**

(i) Inventories are valued at lower of cost or net realisable value except for scrap and by-products which are valued at net realisable value.

(ii) Cost of inventories of finished goods and work-in-process includes material cost, cost of conversion and other related overhead costs.

(iii) Cost of inventory of cotton is determined on weighted Average Cost Basis and other raw material on FIFO basis.

**(f) Financial instruments**

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the group commits to purchase or sell the asset.

**Financial Assets:**

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

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

**Financial assets are classified as those measured at:**

- (a.) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- (b.) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c.) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

**In case of investment in equity shares**

For Investments in equity instruments are measured at FVTOCI where "Available for Sale and at FVTPL where "Held for Trade".



**Other:**

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

**Impairment:** The group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since its initial recognition.

**Reclassification:** When and only when the business model is changed, the group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the IND AS relating to Financial Instruments.

**De-recognition:** Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the group has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a.) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b.) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

**Financial Liabilities**

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

**De-recognition:** Financial liabilities are de-recognised when the liability is extinguished, that is, when the contractual obligation in respect of the liabilities is discharged, cancelled and settled on expiry by the group.

**Offsetting Financial Instruments**

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

**Equity Instruments**

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

**(g) Government Grants**

Government grants are recognised when there is reasonable assurance that the grant will be received, and the group will comply with the conditions attached to the grant. Accordingly, government grants:

- (a.) related to or used for assets are accounted for and deducted from the respective assets in the year of receipt. (b.) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c.) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

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

Claims lodged by and lodged against the group are accounted in the year of payment or settlement thereof.

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

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

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

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

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

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

(i) Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods. The Company is generally the principal as it typically controls the goods before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Difference between final settlement price and provisional price is recognised subsequently.

#### **Contract balances:**

**Trade receivables:**-A receivable represents the Group's right to an amount of consideration that is unconditional.

**Contract Liabilities**-A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Company performs under the contract.

### **(ii) Interest and dividend income**

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

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

### **(j) Borrowing Cost**

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

### **(k) Employee Benefits**

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

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

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

**(l) Taxes on Income**

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

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

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

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

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

**(m) Foreign currency Transactions and Translation**

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

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

Non-monetary foreign currency items are carried at cost.

The translation of financial statement of foreign subsidiary from the respective local currency to functional currency of the company is performed for the balance sheet accounts using the exchange rate in effect at the balance sheet date and the resulting difference is presented as Foreign currency Translation Reserves included in Reserves & Surplus.

**(n) Prior Period Errors**

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

**(o) Earnings Per Share**

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

**(p)Cash flow statement**

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

**(q)Cash and cash equivalents**

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

(Rs. in lakhs)

Notes forming part of consolidated financial statements

2

## 2(a) Property, plant and equipment

| Particulars                           | Land          |                  | Buildings        |               | Plant & Machinery |               | Furniture & Fixtures |                  | Office equipments |     | Vehicles |     | Computers |     | Total |     |
|---------------------------------------|---------------|------------------|------------------|---------------|-------------------|---------------|----------------------|------------------|-------------------|-----|----------|-----|-----------|-----|-------|-----|
|                                       | Rs.           | Rs.              | Rs.              | Rs.           | Rs.               | Rs.           | Rs.                  | Rs.              | Rs.               | Rs. | Rs.      | Rs. | Rs.       | Rs. | Rs.   | Rs. |
| <b>Gross carrying value</b>           |               |                  |                  |               |                   |               |                      |                  |                   |     |          |     |           |     |       |     |
| As at March 31, 2019                  | 649.83        | 14,820.43        | 60,351.92        | 369.44        | 285.11            | 247.39        | 787.10               | 77,511.22        |                   |     |          |     |           |     |       |     |
| -Additions                            | -             | -                | 9.48             | 9.82          | 5.84              | -             | 4.63                 | 29.77            |                   |     |          |     |           |     |       |     |
| -Disposals                            | -             | 670.71           | 23,879.26        | 82.07         | 113.58            | 62.71         | 232.10               | 25,040.43        |                   |     |          |     |           |     |       |     |
| <b>As at March 31, 2020</b>           | <b>649.83</b> | <b>14,149.72</b> | <b>36,482.14</b> | <b>297.19</b> | <b>177.37</b>     | <b>184.68</b> | <b>559.63</b>        | <b>52,500.56</b> |                   |     |          |     |           |     |       |     |
| <b>Depreciation</b>                   |               |                  |                  |               |                   |               |                      |                  |                   |     |          |     |           |     |       |     |
| As at March 31, 2019                  | -             | 5,869.44         | 39,012.30        | 310.92        | 254.68            | 211.31        | 739.24               | 46,397.89        |                   |     |          |     |           |     |       |     |
| Depreciation charge during the period | -             | 308.64           | 1,058.65         | 28.00         | 12.70             | 7.29          | 17.50                | 1,432.78         |                   |     |          |     |           |     |       |     |
| Depreciation on deduction             | -             | 370.62           | 16,595.62        | 75.40         | 95.85             | 59.23         | 230.36               | 17,427.08        |                   |     |          |     |           |     |       |     |
| <b>As at March 31, 2020</b>           | <b>-</b>      | <b>5,807.46</b>  | <b>23,475.33</b> | <b>263.52</b> | <b>171.53</b>     | <b>159.37</b> | <b>526.38</b>        | <b>30,403.59</b> |                   |     |          |     |           |     |       |     |
| <b>Impairment</b>                     |               |                  |                  |               |                   |               |                      |                  |                   |     |          |     |           |     |       |     |
| As at March 31, 2019                  | -             | 142.48           | 2,219.01         | 2.45          | 2.13              | -             | 0.26                 | 2,366.33         |                   |     |          |     |           |     |       |     |
| Impairment charge during the period   | -             | -                | 4,665.81         | -             | -                 | -             | -                    | 4,665.81         |                   |     |          |     |           |     |       |     |
| <b>As at March 31, 2020</b>           | <b>-</b>      | <b>142.48</b>    | <b>6,884.82</b>  | <b>2.45</b>   | <b>2.13</b>       | <b>-</b>      | <b>0.26</b>          | <b>7,032.14</b>  |                   |     |          |     |           |     |       |     |
| <b>Net Book Value</b>                 |               |                  |                  |               |                   |               |                      |                  |                   |     |          |     |           |     |       |     |
| As at March 31, 2019                  | 649.83        | 8,808.51         | 19,120.61        | 56.07         | 28.30             | 36.08         | 47.60                | 28,747.00        |                   |     |          |     |           |     |       |     |
| As at March 31, 2020                  | 649.83        | 8,199.78         | 6,121.99         | 31.22         | 3.72              | 25.31         | 32.99                | 15,064.84        |                   |     |          |     |           |     |       |     |

Notes forming part of consolidated financial statements

## 2(b) Other Intangibles Assets

| Particulars                    | Computer (Software) |               | Total         |               |
|--------------------------------|---------------------|---------------|---------------|---------------|
|                                | Rs.                 | Rs.           | Rs.           | Rs.           |
| <b>Gross carrying value</b>    |                     |               |               |               |
| As at March 31, 2019           | 312.38              | 312.38        | 312.38        | 312.38        |
| -Additions                     | -                   | -             | -             | -             |
| -Disposals                     | -                   | -             | -             | -             |
| <b>As at March 31, 2020</b>    | <b>312.38</b>       | <b>312.38</b> | <b>312.38</b> | <b>312.38</b> |
| <b>Amortization</b>            |                     |               |               |               |
| As at March 31, 2019           | 117.17              | 117.17        | 117.17        | 117.17        |
| Amortization during the period | 53.74               | 53.74         | 53.74         | 53.74         |
| Amortization on deduction      | -                   | -             | -             | -             |
| <b>As at March 31, 2020</b>    | <b>170.91</b>       | <b>170.91</b> | <b>170.91</b> | <b>170.91</b> |
| <b>Net Book Value</b>          |                     |               |               |               |
| As at March 31, 2019           | 195.21              | 195.21        | 195.21        | 195.21        |
| As at March 31, 2020           | 141.47              | 141.47        | 141.47        | 141.47        |

| <b>Notes forming part of consolidated financial statements</b> | <b>As At<br/>31.03.20</b> | <b>As At<br/>31.03.19</b> |
|--|---------------------------|---------------------------|
| 3 Investments  |                           |                           |
| Investment in Equity Instruments                               |                           |                           |
| Investment in Non - Subsidiary Companies                       |                           |                           |
| (A) Quoted Shares  |                           |                           |
| Kay Power and Paper Ltd.                                       | 0.17                      | 0.39                      |
| 13,400 (March 31, 2019: 13,400)                                |                           |                           |
| Equity shares of Rs. 10 (March 31, 2019: Rs. 10) each          |                           |                           |
| (B) Unquoted Shares  |                           |                           |
| Colombine Cody Corp. N.P.V.                                    | 0.02                      | 0.02                      |
| 2450 (March 31, 2019: 24500)                                   |                           |                           |
| (A) Unquoted Shares  |                           |                           |
| Snowflakes Meditech Pvt. Ltd.                                  |                           |                           |
| 1285910 Zero Coupem Non - Redeemable Convertible               |                           |                           |
| Preference Shares of Rs. 10/- each                             | 128.59                    | 128.59                    |
| <b>Total</b>   | <b>128.78</b>             | <b>129.00</b>             |
| 4 Loans  |                           |                           |
| Unsecured, considered good                                     |                           |                           |
| Security deposits  | 423.46                    | 338.13                    |
| <b>Total</b>   | <b>423.46</b>             | <b>338.13</b>             |
| 5 Other Non - current assets                                   |                           |                           |
| Capital Advance  | 63.52                     | 63.50                     |
| Advance against Leasing of Land                                | 1,002.38                  | 1,077.52                  |
| <b>Total</b>   | <b>1,065.90</b>           | <b>1,141.02</b>           |

| <b>Notes forming part of consolidated financial statements</b> |  | <b>AS AT<br/>31.03.20</b> | <b>AS AT<br/>31.03.19</b> |
|--|--|---------------------------|---------------------------|
| <b>6</b>   | <b>Inventory</b>                                 |                           |                           |
|  | Production Supplies                              | 1,074.59                  | 1,284.01                  |
|  | Stores & Spares                                  | 110.32                    | 198.10                    |
|  | Work in Progress                                 | 630.63                    | 684.47                    |
|  | Finished Goods                                   | 749.46                    | 796.49                    |
|  | <b>Total</b>                                     | <b>2,565.00</b>           | <b>2,963.07</b>           |
| <b>7</b>   | <b>Trade receivables (Unsecured)</b>             |                           |                           |
|  | Considered good                                  | 2,181.89                  | 3,005.52                  |
|  | Doubtful   | 530.80                    | 378.68                    |
|  | Less: Provision for doubtful Assets              | 530.80                    | 378.68                    |
|  | <b>Total</b>                                     | <b>2,181.89</b>           | <b>3,005.52</b>           |
| <b>8</b>   | <b>Cash and cash equivalents</b>                 |                           |                           |
|  | Balances with banks                              |                           |                           |
|  | - on current account                             | 117.78                    | 266.38                    |
|  | Cheques , drafts on hand                         | -                         | 2.09                      |
|  | Cash on hand                                     | 13.65                     | 30.80                     |
|  | <b>Total</b>                                     | <b>131.43</b>             | <b>299.27</b>             |
| <b>9</b>   | <b>Other bank balance</b>                        |                           |                           |
|  | - Fixed Deposit Account (Pledged against margin) | 21.59                     | 86.39                     |
|  | - Fixed Deposit Account                          | 228.69                    | -                         |
|  | <b>Total</b>                                     | <b>250.28</b>             | <b>86.39</b>              |
| <b>10</b>  | <b>Other financial assets</b>                    |                           |                           |
|  | Interest accrued but not due                     | 7.19                      | 11.70                     |
|  | <b>Total</b>                                     | <b>7.19</b>               | <b>11.70</b>              |
| <b>11</b>  | <b>Current Tax assets</b>                        |                           |                           |
|  | Advance Income Tax including TDS                 | 168.69                    | 166.37                    |
|  | Minimum Alternate Tax                            | 11.69                     | 12.14                     |
|  | <b>Total</b>                                     | <b>180.38</b>             | <b>178.51</b>             |
| <b>12</b>  | <b>Other current assets</b>                      |                           |                           |
|  | Insurance and other Claims Receivable            | 6.21                      | 6.01                      |
|  | Balance With Govt Authority                      | 193.76                    | 295.46                    |
|  | Export Incentive Receivable                      | 165.56                    | 238.90                    |
|  | Advance against Leasing of Land                  | 6.72                      | 11.26                     |
|  | Other Receivables                                | 102.59                    | 116.82                    |
|  | <b>Total</b>                                     | <b>474.84</b>             | <b>668.45</b>             |

| <b>Notes forming part of consolidated financial statements</b>                                       | <b>AS AT<br/>31.03.20</b> | <b>AS AT<br/>31.03.19</b> |
|--|---------------------------|---------------------------|
| 13 Equity share capital  |                           |                           |
| Authorized Share Capital   |                           |                           |
| 4,00,00,000 (March 31, 2018: 4,00,00,000)  | 4,000.00                  | 4,000.00                  |
| equity shares of Rs.10 (March 31, 2018: Rs.10) each  |                           |                           |
| 3,05,00,000 (March 31, 2018: 3,05,00,000)  | 30,500.00                 | 30,500.00                 |
| Preference shares of Rs.10 (March 31, 2018: Rs.10) each  |                           |                           |
|  | <b>34,500.00</b>          | <b>34,500.00</b>          |
| <b>Issued Share Capital</b>  |                           |                           |
| 3,91,14,100 Mar, 2019 (Mar, 2018: 3,91,14,100)   | 3,911.41                  | 3,911.41                  |
| Equity Shares Rs. 10 Mar'2019 (Mar'2018: Rs.10) each   |                           |                           |
| <b>Subscribed and paid up Capital</b>  |                           |                           |
| 3,91,14,100 Mar, 2019 (Mar, 2018: 3,91,14,100)   |                           |                           |
| Equity Shares Rs. 10 Mar'2019 (Mar'2018: Rs.10) each   | 3,911.41                  | 3,911.41                  |
| a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period: |                           |                           |
| Equity shares  |                           |                           |
| Outstanding at the beginning of the year   | 391.14                    | 391.14                    |
| Outstanding at the end of the period/year  | 391.14                    | 391.14                    |
| b) Details of shareholders holding more than 5% shares in the Company                                |                           |                           |
| Equity shares  |                           |                           |
| Pacific Texmark Pvt. Ltd. No.  | 28.36                     | 28.36                     |
| Pacific Texmark Pvt. Ltd. %age   | 7.25%                     | 7.25%                     |



| Notes forming part of consolidated financial statements |  | AS AT<br>31.03.20 | AS AT<br>31.03.19 |
|---|--|-------------------|-------------------|
| 14  | Borrowings                             |                   |                   |
|   | Loans & Borrowing                      |                   |                   |
|   | <b>Secured</b>                         |                   |                   |
|   | Amount Due to EARC                     | 26,879.95         | 26,880.03         |
|   | <b>Unsecured</b>                       |                   |                   |
|   | Amount Due to Others                   | 360.63            | 18.63             |
|   | Pref Share due to Banks                | 12,325.98         | 13,067.60         |
|   | <b>Total</b>                           | <b>39,566.56</b>  | <b>39,966.26</b>  |
| 15  | Provisions                             |                   |                   |
|   | Non-current                            |                   |                   |
|   | Provision for employee benefit         | 315.42            | 282.61            |
|   | <b>Total</b>                           | <b>315.42</b>     | <b>282.61</b>     |
|   | Current                                |                   |                   |
|   | Provision for Tax                      |                   |                   |
|   | Provision for employee benefit         | 40.18             | 39.87             |
|   | <b>Total</b>                           | <b>40.18</b>      | <b>39.87</b>      |
| 16  | Loans & Borrowing                      |                   |                   |
|   | Amount payable on Demand to banks      | 24,627.36         | 24,627.36         |
|   | Current Maturity of amount due to EARC | 8,819.40          | 12,600.04         |
|   | <b>Total</b>                           | <b>33,446.76</b>  | <b>37,227.40</b>  |
| 17  | Trade Payable                          |                   |                   |
|   | (a) Micro, Small & Medium Enterprises  | 72.48             | 61.06             |
|   | (b) Others                             | 2,389.18          | 2,251.96          |
|   | <b>Total</b>                           | <b>2,461.66</b>   | <b>2,313.02</b>   |
| 18  | Other financial liabilities            |                   |                   |
|   | Expenses Payable                       | 2,136.39          | 1,995.38          |
|   | Creditors for Fixed Assets             | 0.97              | 1.46              |
|   | Others                                 | 4.05              | 3.17              |
|   | <b>Total</b>                           | <b>2,141.41</b>   | <b>2,000.01</b>   |
| 19  | Other Current liabilities              |                   |                   |
|   | Provision for Tax                      | -                 | -                 |
|   | Revenue received in Advance            | 212.11            | 254.48            |
|   | <b>Total</b>                           | <b>212.11</b>     | <b>254.48</b>     |

| <b>Notes forming part of consolidated financial statements</b>                      | <b>Rs. in Lakh</b>             |                                |
|---|--------------------------------|--------------------------------|
|   | <b>Year Ended<br/>31.03.20</b> | <b>Year Ended<br/>31.03.19</b> |
| <b>20 Revenue from operations</b>   |                                |                                |
| Sale of Products<br>(Including Traded Goods)  |                                |                                |
| - Export  | 12,882.28                      | 21,856.11                      |
| - Domestic  | 16,788.52                      | 12,516.14                      |
| <b>Total (A)</b>  | <b>29,670.80</b>               | <b>34,372.25</b>               |
| Other operating revenue   |                                |                                |
| Scrap/ Waste Sale   | 849.67                         | 826.68                         |
| Export Incentives   | 531.06                         | 752.94                         |
| Job Work Receipt  | 268.65                         | 1,163.32                       |
| <b>Total (B)</b>  | <b>1,649.38</b>                | <b>2,742.94</b>                |
| <b>Net Revenue from operations Total (A+B)</b>                                      | <b>31,320.18</b>               | <b>37,115.19</b>               |
| <b>21 Other income</b>  |                                |                                |
| Interest received   | 26.94                          | 36.33                          |
| Other income  | 551.64                         | 112.14                         |
| Prov. For doubtful Debts written off  | -                              | 104.09                         |
| Foreign Currency exchange fluctuation(net)  | 294.14                         | 376.99                         |
| Profit on Disposal of Assets  | 1.42                           | 6.60                           |
| <b>Total</b>  | <b>874.14</b>                  | <b>636.15</b>                  |
| <b>22 Cost of material consumed</b>   |                                |                                |
| Opening Stock   | 1,284.01                       | 1,852.33                       |
| Add: Purchases  | 19,670.34                      | 23,872.51                      |
| <b>Total</b>  | <b>20,954.35</b>               | <b>25,724.84</b>               |
| Less: Closing Stock   | 1,074.59                       | 1,284.00                       |
| <b>Total</b>  | <b>19,879.76</b>               | <b>24,440.84</b>               |
| <b>23 CHANGE IN INVENTORIES OF FINISHED GOODS,<br/>WIP STOCK AND STOCK IN TRADE</b> |                                |                                |
| <b>Closing Stock</b>  |                                |                                |
| Finished Goods  | 749.46                         | 796.49                         |
| Work-in-Progress  | 630.63                         | 684.47                         |
| <b>Total (A)</b>  | <b>1,380.09</b>                | <b>1,480.96</b>                |
| <b>Less : Opening Stock</b>   | -                              | -                              |
| Finished Goods  | 796.49                         | 768.08                         |
| Work-in-Progress  | 684.47                         | 439.48                         |
| <b>Total (B)</b>  | <b>1,480.96</b>                | <b>1,207.56</b>                |
| <b>Total (B-A)</b>  | <b>100.87</b>                  | <b>-273.41</b>                 |
| <b>Total Rawmaterial Consumption</b>  |                                |                                |
| <b>24 Employee benefit expenses</b>   |                                |                                |
| Salaries including other Benefits   | 2,181.50                       | 2,279.60                       |
| Wages including other Benefits  | 2,142.94                       | 2,125.54                       |
| Contribution to Provident & Other Funds - Wages                                     | 139.44                         | 119.50                         |
| Contribution to Provident & Other Funds - Salary                                    | 62.62                          | 69.64                          |
| Gratuity  | 78.84                          | 61.61                          |
| Employees Welfare   | 50.59                          | 61.86                          |
| Managerial Remuneration   | -                              | 4.62                           |
| <b>Total</b>  | <b>4,655.93</b>                | <b>4,722.36</b>                |

| Notes forming part of consolidated financial statements      | Year Ended<br>31.03.20 | Year Ended<br>31.03.19 |
|--|------------------------|------------------------|
| 25 Finance Cost  |                        |                        |
| Interest paid on   |                        |                        |
| Borrowings as per Effective Intt method                      |                        |                        |
| ARC/Bank   | 4,445.92               | 4,599.60               |
| Others   | 25.32                  | 7.92                   |
| Dividend on Pref Shares                                      | 1,281.93               | 1,176.08               |
| <b>Total</b>   | <b>5,753.17</b>        | <b>5,783.60</b>        |
| 26 Depreciation & Amortisation Expenses                      |                        |                        |
| Depreciation   | 1,486.52               | 3,383.66               |
| Amortisation   | 6.81                   | 11.26                  |
| Less : Amortising of Lease Rent                              | 6.81                   | 11.26                  |
| <b>Total</b>   | <b>1,486.52</b>        | <b>3,383.66</b>        |
| 27 Other expenses  |                        |                        |
| <b>Manufacturing Expenses</b>                                |                        |                        |
| Production Expenses  | 854.08                 | 713.87                 |
| Security & Vigilance   | 18.97                  | 30.62                  |
| Consumption of Stores & Spares                               | 682.04                 | 645.42                 |
| Power & Fuel   | 3,626.00               | 3,850.01               |
| Carriage & Cartage   | 8.98                   | 14.61                  |
| <b>Administrative Expenses</b>                               |                        |                        |
| Rent   | 33.05                  | 35.69                  |
| Amortization of lease advance                                | 6.81                   | 11.26                  |
| Insurance  | 59.89                  | 73.86                  |
| Rates & Taxes  | 29.22                  | 24.85                  |
| Postage, Telegrams and Telephones                            | 5.51                   | 6.56                   |
| Printing , Stationary & Computer Expenses                    | 17.34                  | 27.82                  |
| Legal & Professional Charges                                 | 215.63                 | 377.39                 |
| Travelling & Conveyance- Others                              | 178.85                 | 247.76                 |
| Travelling & Conveyance- Directors                           | 25.22                  | 23.56                  |
| Telephone, Fax & Internet Exp.                               | 21.64                  | 27.65                  |
| Books & Periodicals  | 0.47                   | 0.26                   |
| Fees & Subscription  | 43.48                  | 26.04                  |
| General Expenses   | 7.84                   | 9.84                   |
| Bank Charges   | 43.36                  | 75.92                  |
| Payment to Auditors  | 33.27                  | 31.56                  |
| Vehicle Running Expenses                                     | 55.97                  | 64.03                  |
| Hank Yarn Obligation   | -                      | 0.01                   |
| Loss on Assets Discarded                                     | 133.94                 | 162.77                 |
| Diminution in the value of Investment                        | 0.22                   | 0.26                   |
| W/off Investment   | -                      | 0.03                   |
| <b>Repairs &amp; Maintenance</b>                             |                        |                        |
| -Building  | 16.04                  | 9.27                   |
| -Machinery   | 98.85                  | 131.85                 |
| -Others  | 27.15                  | 49.13                  |
| <b>Selling &amp; Distribution Expenses</b>                   |                        |                        |
| Freight on Domestic  | 217.02                 | 160.88                 |
| Sales Promotion & Incentives                                 | 523.35                 | 435.05                 |
| Bad Debts W/Off  | 28.19                  | 51.01                  |
| Prov. For doubtful Debts                                     | 134.88                 | -                      |
| Prov. For doubtful of recovery of balance in Current Account | 43.73                  | -                      |
| Advertisement & Publicity                                    | 48.68                  | 69.64                  |
| Excise/ Vat /TCS Expenses                                    | 7.13                   | 5.74                   |
| Freight on Exports   | 568.21                 | 865.94                 |
| <b>Total</b>   | <b>7,815.01</b>        | <b>8,260.16</b>        |

**28. Basic & Diluted Earnings Per Share**

| Particulars  | For the Year ended<br>31 <sup>st</sup><br>March 20 | For the Year<br>ended 31 <sup>st</sup><br>March 19 |
|--|--|--|
| Profit (Loss) for the Year before Preference Dividend and attributable tax thereon (Rs. in Lakh) | <b>(11252.57)</b>                                  | (6326.83)  |
| Weighted average number of equity shares outstanding during the year - (B)                       | <b>39114100</b>                                    | 39114100   |
| Nominal value of equity shares (Rs.)   | <b>10.00</b>                                       | 10.00  |
| Basic Earnings per share (Rs.)   | <b>(28.77)</b>                                     | (16.18)  |
| Diluted Earnings per share (Rs.)*  | <b>(28.77)</b>                                     | (16.18)  |

\*Diluted earnings per share have not been calculated since it is anti diluted earnings per share.

**Note :** As per the restructuring scheme being part of DRS which was consented by then secured lenders (representing more than 83% of total outstanding secured debts of the company) & circulated by erstwhile Hon'ble BIFR and partly implemented but subsequently withdrawn which company continue to recognize in view of pendency of its revised proposal with lenders (refer note no. 38 hereinafter), the company is under an obligation to issue fresh equity to the tune of Rs. 26.51 crore (approx.) to its lenders upon its sanction.

**29. Earnings in Foreign Exchange**

Rs. (in Lakh)

| Particulars             | For the year ended 31 <sup>st</sup><br>March 20 | For the year ended 31 <sup>st</sup><br>March 19 |
|-------------------------|---|---|
| F.O.B. Value of Exports | <b>12827.73</b>                                 | <b>21847.37</b>                                 |

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

Rs. (in Lakh)

| Particulars         | For the Year<br>ended 31 <sup>st</sup><br>March 20 | % of<br>consumption | For the Year<br>ended 31 <sup>st</sup><br>March 19 | % of<br>consumption |
|---------------------|--|---------------------|--|---------------------|
| <b>Raw Material</b> |  |                     |  |                     |
| Imported            | <b>880.97</b>                                      | <b>4.43%</b>        | 1145.50  | 4.68%               |
| Indigenous          | <b>18998.79</b>                                    | <b>95.57%</b>       | 23295.34   | 95.32%              |
| <b>Total</b>        | <b>19879.76</b>                                    | <b>100.00%</b>      | 24440.84   | 100.00%             |
| <b>Stores</b>       |  |                     |  |                     |
| Imported            | <b>105.58</b>                                      | <b>15.48%</b>       | 129.88   | 20.12%              |
| Indigenous          | <b>576.46</b>                                      | <b>84.52%</b>       | 515.54   | 79.88%              |
| <b>Total</b>        | <b>682.04</b>                                      | <b>100.00%</b>      | 645.42   | 100.00%             |

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

Rs (in Lakh)

| Particulars              | For the Year ended 31 <sup>st</sup><br>March 20 | For the Year ended<br>31 <sup>st</sup> March 19 |
|--------------------------|---|---|
| Raw Materials            | <b>676.18</b>                                   | 1041.76   |
| Capital Goods            | <b>1.03</b>                                     | -   |
| Components & Spare Parts | <b>102.99</b>                                   | 160.61  |

**32. Payment to Auditor's**

| Particulars       | Rs (in Lakh)                                 |  |
|-------------------|--|--|
|                   | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
| a. Audit Fee      | 14.29  | 14.29  |
| b. Other Services | 18.98  | 17.27  |

**33. Expenditure in Foreign Currency**

| Particulars     | Rs. (in Lakh)                                |  |
|-----------------|--|--|
|                 | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
| Foreign Travels | 13.91  | 37.35  |
| Others          | 254.16                                       | 265.89                                       |

**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 IND AS-24:-**

|              |   |  |
|--------------|---|--|
| <b>a.</b>    | <b>Subsidiary</b>   | : Alps Energy Pvt. Ltd.  |
| <b>b.</b>    | <b>Wholly owned Subsidiary</b>                                      | : Alps USA INC.  |
| <b>c.</b>    | <b>Entities Controlled by subsidiaries, KMP and their relatives</b> | : Narad Fabric Pvt. Ltd. (Formely known Alps Processors Pvt. Ltd.<br>: Careen Fintec (P) Ltd<br>: Coronation Spinning India (P) Ltd<br>: Pacific Texmark Pvt. Ltd.<br>: Padam Precision Dies & Component pvt. Ltd<br>: Peek Finvest (P) Ltd<br>: Perfect Finmen Services (P) Ltd<br>: Roseate Finevest Pvt.Ltd.<br>: Saurabh Floriculture (P) Ltd<br>: Supreme Finvest Pvt. Ltd<br>: Peek Texfab Limited |
| <b>(ii)</b>  | <b>Key Management Personnel</b>                                     |  |
|              | Non-Executive Chairman  | a. Mr. K.K Agarwal   |
|              | Managing Director   | b. Mr. Sandeep Agarwal   |
|              | Executive Director (WTD)  | c. Mr. P.K. Rajput   |
|              | President Accounts and Finance                                      | d. Mr. Ashok Kumar Singhal   |
|              | Company Secretary   | e. Mr. Ajay Gupta  |
| <b>(iii)</b> | <b>Relatives of Key Management Personnel</b>                        |  |
|              |   | a. Mrs. Indu Singhal   |

Transactions with Related Parties for the year ended 31<sup>st</sup> March 2020 are as follows:

|         |                                   | Rs. (in Lakh)  |                                       |
|---------|-----------------------------------|--|---------------------------------------|
|         |                                   | Entities Controlled by subsidiaries, KMP and their relatives | Remuneration to Directors / Relatives |
| Sl. No. | Nature of Transaction             | Peek Texfab Limited  |                                       |
| a.      | Sale of Goods                     | NIL  |                                       |
|         |                                   | (NIL)  | -                                     |
| b.      | Rent Paid                         | 10.80  |                                       |
|         |                                   | (10.80)  | -                                     |
| c.      | Interest Paid                     | NIL  |                                       |
|         |                                   | (NIL)  | -                                     |
| d.      | Interest Received                 | NIL  |                                       |
|         |                                   | (NIL)  | -                                     |
| e.      | Advance/Loans taken               | NIL  |                                       |
|         |                                   | (NIL)  | -                                     |
| f.      | Repayment of Advance /Loans       | NIL  |                                       |
|         |                                   | (NIL)  | -                                     |
| g.      | <b><u>Sitting fee to KMP</u></b>  |  |                                       |
|         | - Non-Executive Chairman          | -  | 0.20                                  |
|         |                                   | -  | (0.40)                                |
|         | <b><u>Remuneration to KMP</u></b> |  |                                       |
|         | - Managing Director               | -  | Nil                                   |
|         |                                   | -  | (Nil)                                 |
|         | - Executive Director(WTD)         | -  | Nil                                   |
|         |                                   | -  | (4.62)                                |
|         | - President Account and Finance   | -  | 18.26                                 |
|         |                                   | -  | (18.96)                               |
|         | - Company Secretary               | -  | 8.67                                  |
|         |                                   | -  | (8.56)                                |
| h.      | Salary to relative of KMP         |  |                                       |
|         | - Mrs. Indu Singhal               | -  | 7.00                                  |
|         |                                   | -  | (8.00)                                |
| i.      | Balance at the yearend (cr.)      | NIL  | -                                     |
|         |                                   | NIL  | -                                     |
| j.      | Balance at the yearend (dr.)      | NIL  | -                                     |
|         |                                   | NIL  | -                                     |

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

35. There is only one segment i.e. Textile Segment.

#### Geographical Segments

Rs.(in Lakh)

| Particulars            | SEGMENTS                                     |  |  |  | Total  |  |
|------------------------|--|--|--|--|--|--|
|                        | Domestic                                     |  | Export                                       |  |  |  |
|                        | For the Year ended 31 <sup>st</sup> March'20 | For the Year ended 31 <sup>st</sup> March'19 | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
| <b>Segment Revenue</b> | <b>17906.84</b>                              | 14506.14                                     | <b>13413.34</b>                              | 22609.05                                     | <b>31320.18</b>                              | 37115.19                                     |

**36. CONTINGENT LIABILITIES AND COMMITMENTS****A) Contingent liability exists in respect of:**

| Particulars   | Rs.(in Lakh)        |                     |
|---|---------------------|---------------------|
|   | As at<br>31.03.2020 | As at<br>31.03.2019 |
| a) Guarantees issued by banks on behalf of company.                                   | 19.61               | 62.89               |
| b) Claims against the company not acknowledged as debts                               | 263.70              | 1385.89             |
| c) Other Claims against the company not acknowledged as debt<br>:(detailed as under): | 37360.50            | 35577.53            |

(i) DBS Bank Ltd. raised claims amounting to US\$ 91.09 Lakhs and Rs. 667.39 Lakhs (totaling to Rs. 7535.01 lakhs, approx) (P.Y. totaling to Rs. 6968.86 Lakhs approx) against AIL in respect of certain foreign currency derivative transactions, which claims were disputed being per se illegal as not within the regulatory permission of Reserve Bank of India and were entered into by AIL on the basis of incomplete disclosures and details provided by the Bank, and thus, falls in the category of mis-selling by the Bank to AIL. On the basis of legal opinion, AIL has not admitted the claims of Bank & filed a suit before the competent Civil Court of law for declaring these transactions as void-ab-initio being illegal wherein the Hon'ble Civil Court had issued an interim order for maintenance of status quo with regards to recovery towards these transactions. The interim order is continuing and the matter is still pending adjudication. A revision petition filed by Bank against the status-quo order passed by the Hon'ble Civil Court is also pending adjudication before Hon'ble Allahabad High Court. In view of above facts, no provision against the aforesaid claims raised by Bank is considered necessary and therefore, it has been disclosed as part of contingent liabilities of the Company as at March 31, 2020.

(ii) Merrill Lynch Capital Services Inc. raised a claim of US\$ 195.80 Lakhs (Rs. 14760.52 Lakhs approx.) (P.Y. Rs. 13543.70 Lakhs approx.) against the Company in respect of an alleged corporate guarantee of US\$ 100 Lakhs (Rs. 7538.59 Lakhs approx.) (P.Y. Rs. 6917.13 Lakhs approx.) alleged to have been provided by AIL for one of its subsidiary company, M/s Alps USA Inc. These claims relate to derivative transactions and corporate guarantee thereof, which were disputed being per se illegal as not within the regulatory permission of RBI and were entered into on the basis of incomplete disclosures and details and thus, falls in the category of mis-selling by the bank to the Company. RBI has also refused to take on record the said corporate guarantee. Based on legal opinion, the Company has not admitted aforesaid claim and filed a suit before the competent Civil Court of law. An appeal filed by the Company against the order passed by Hon'ble Civil Court in the matter of withdrawing its jurisdiction and earlier order directing to maintain the status quo as regards the recovery proceedings is pending adjudication before Hon'ble Allahabad High Court. In view of above facts, no provision against above claim is considered necessary and therefore, it has been disclosed as part of contingent liabilities of the Company as at March 31, 2020.

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

**B) Commitments:-**

|   | (Rs. In Lakh) |            |
|---|---------------|------------|
|   | 31.03.2020    | 31.03.2019 |
| i) Estimated amount of capital contracts remaining to be executed not provided for: | 62.15         | 45.84      |
| ii) Arrears of preferential dividend  | 8872.42       | 8203.72    |

**37.** Kotak Mahindra Bank Limited (KMBL) had raised a total claim of Rs. 2036.11 Lakhs (P.Y. Rs. 2036.11 Lakhs) in respect of certain foreign currency derivative transactions. On the basis of legal opinion, the Company had not admitted these claims of bank and filed a suit in the competent Civil Court of law. The Hon'ble Civil Court in an ex-parte judgment vide its order dated 29.11.2018 declared these derivative transactions as void ab-initio being illegal.

Besides this, KMBL has also filed an Original Application (O.A.) before Hon'ble Debt Recovery Tribunal, Mumbai (DRT) for recovery out of its above claim amounting to Rs. 601.11 Lakhs (P.Y. Rs. 601.11 Lakhs) in respect of these foreign currency derivative transactions which were disputed being per se illegal as not within the regulatory permission of RBI and were entered into by the Company on the basis of incomplete disclosures and details provided by the Bank and thus, falls in the category of mis-selling by the Bank to the Company. The Hon'ble DRT vide an interim order has restrained the Company from selling its certain fixed assets. The Hon'ble Debt Recovery Appellate Tribunal (DRAT), Mumbai, on appeal of the Company directed to return the said OA and set aside the aforesaid restrained order passed by the Hon'ble DRT for want of Jurisdiction of DRT, Mumbai. Initially 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 & Hon'ble DRT however decided the jurisdiction with DRT, Mumbai. The case is pending for adjudication before the DRT Mumbai.

KMBL had also filed a winding up petition before the Allahabad High Court against the AIL for the above said claims wherein also the AIL contested and objected the maintainability of Petition. The same is under consideration of the Hon'ble Allahabad High Court.

**38.** During earlier last year, the lenders having more than 83% of the secured debts of AIL revoked their consent to the DRS/settlement scheme circulated by erstwhile Hon'ble BIFR, interalia containing the restructuring of the debts of the Company, which was partly implemented. The Company objected to the said revocation of consent being unjustified and beyond terms of the scheme and further submitted an offer for settlement. M/s Edelweiss Assets Reconstruction Company Ltd., (presently holding more than 98% of the total secured debt of the Company) (EARC) in order to recover the dues from the Company has also filed an Original Application before Debts Recovery Tribunal, which application is pending adjudication. In addition to above EARC has under the provisions of SARFAESI auctioned properties located at 58/1, Site IV Industrial Area, Sahibabad, Ghaziabad (U.P.), B-2, Loni Road, Industrial Area, Ghaziabad (UP) and All that Plant & Machineries lying at I A, Sec.-10, IIE, SIDCUL, Haridwar and Lenders having first pari passu charge over these assets have adjusted their dues with the realization made thereof. EARC has also taken over the symbolic possession of 3 properties Viz. Leasehold Land, Building and Plant & Machineries lying at Plot nos. A-2 & A-3, Loni Road, Industrial Area, Ghaziabad (UP) and IA, Sec.-10, IIE, SIDCUL, Haridwar under section 13(4) of the SARFAESI Act and issued a sale notice under Rule 8(6) and Rule 6(2) of the Security Interest (Enforcement) Rules, 2002.

The adjustments as may arise on account of further action of lenders, if any, shall be made in the books of account in the year upon receipt of information from them.

AIL once again submitted revised settlement/restructuring proposal with lenders which are under active consideration with them. Management of the Company expects to get the revised settlement/restructuring proposal approved from lenders and accordingly, the Company would be meeting its revised financial obligations. Accordingly, the financial statements of the Company for the year ended March 31, 2020 have been prepared on going concern assumption basis and continue with the earlier consented restructuring scheme. The impact, arising upon approval of the revised settlement/restructuring proposal, will be given effect in the financial statements of the year of final settlement with lenders. Hence, no provision considered necessary in these accounts towards interest on entire secured loans & part of principal secured loan, waived earlier, and impact on retained earnings thereon totaling to Rs. 146966.65 Lakhs as per provisions of earlier consented scheme, which the Company continues to give effect till the time revised settlement/restructuring proposal is finally approved by its lenders.

**39. Holding of Alps Industries Limited in its Subsidiaries:**

| Name of the Subsidiary | Country of Incorporation | Holding as on 31 <sup>st</sup> March 20 | Holding as on 31 <sup>st</sup> March 19 |
|------------------------|--------------------------|---|---|
| Alps Energy Pvt. Ltd.  | India                    | 69.75%                                  | 69.75%                                  |
| Alps USA INC           | USA                      | 100.00%                                 | 100.00%                                 |



- 40.** With regard to Impairment of assets of the Company, on assessment, impairment loss on Plant & Machineries lying at 1B, Sec-10, Haridwar and A-2, Loni Road Ind. Area, Ghaziabad units of AIL, has been ascertained as on 31.3.2020 and a impairment of Rs. 4665.81 Lakh has been provided in these books. Certain Fixed Assets of AIL having the Gross Value of Rs. 1411.77 Lakhs (net carrying value after impairment Rs. 58.65 Lakhs) lying at erstwhile leased units at Kashipur, Jaspur are in the possession of the lessors due to non-payment of lease charges.
- 41.** A provision of Rs. 43.73 Lakh towards doubtful of recovery of balances lying in currents accounts with lender banks has been made as these banks have freeze these accounts since their loans accounts have become NPA and company's request for restructuring with waiver's pending with them.
- 42.** Deferred Tax adjustments resulting from items of timing differences have been measured using the rates and tax laws enacted or substantially enacted as on 31.03.20 and the same results into the Deferred Tax Assets (net), which has not been recognized in the absence of virtual certainty of its realization in near future by the Company.
- 43.** There is no amount outstanding on account of unclaimed dividend as on date, as per Section 124 of the Companies Act, 2013.
- 44.** The balances of trade receivable, loans and advances and trade payables are subject to confirmation, reconciliation and consequential adjustment, if any, which in the opinion of the management will not be material.
- 45.** Sales are net of Rebate & Discounts amounting to Rs. 95.19 Lakh (Previous Year Rs. 145.76 Lakh).

**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:

| Particulars   | Rs. in Lakh                                     |   |
|---|---|---|
|   | For the Year ended<br>31 <sup>st</sup> March 20 | For the Year ended<br>31 <sup>st</sup> March 19 |
| Employers contribution to Provident Fund and Employee's State Insurance Corporation | <b>202.06</b>                                   | 189.14  |

**2. Defined Benefit plans**

I. Gratuity

II. Earned leave

In accordance with the IND AS 19, actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below:

Rs. in Lakh

| Particulars   | Gratuity                                     |  | Earned Leave                                 |  |
|---|--|--|--|--|
|   | (Non funded)                                 |  | (Non funded)                                 |  |
|   | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
| Discount Rate ( per annum)  | 6.80%  | 7.65.%                                       | 6.80%  | 7.65%  |
| Future Salary Increase  | 5.00%  | 5.00%  | 5.00%  | 5.00%  |
| In Service Mortality  | Std of LIC (2006-08)                         | Std of LIC (2006-08)                         | Std of LIC (2006-08)                         | Std of LIC (2006-08)                         |
| Retiring Age  | 58 years                                     | 58 years                                     | 58 years                                     | 58 years                                     |
| Withdrawal Rates:   |  |  |  |  |
| Up to 30 years  | 3%   | 3%   | 3%   | 3%   |
| Up to 44 years  | 2%   | 2%   | 2%   | 2%   |
| Above 44 years  | 1%   | 1%   | 1%   | 1%   |
| <b>I. Expenses recognized in Statement Profit &amp; Loss</b>        |  |  |  |  |
| Current Service Cost  | 46.33  | 41.61  | 13.82  | 17.24  |
| Past Service Cost - Vested  | Nil  | Nil  | Nil  | Nil  |
| Interest Cost   | 18.77  | 20.39  | 5.96   | 7.11   |
| Net Actuarial (Gain)/ Loss recognized in the year                   | 13.47  | (0.40)                                       | (15.78)                                      | (19.51)                                      |
| <b>Total Expenses</b>   | <b>78.57</b>                                 | <b>61.60</b>                                 | <b>4.00</b>                                  | <b>4.84</b>                                  |
| <b>II. Net Assets /( Liability) recognized in the Balance Sheet</b> |  |  |  |  |
| Present value of the Defined Benefit obligation                     |  |  |  |  |
| Fund Status ( Deficit)  | 285.37                                       | 244.72                                       | 70.24  | 77.75  |
| <b>Net assets/ ( Liability)</b>                                     | <b>(285.37)</b>                              | <b>(244.72)</b>                              | <b>(70.24)</b>                               | <b>(77.75)</b>                               |
| <b>III. Change in present value of obligation</b>                   | <b>(285.37)</b>                              | <b>(244.72)</b>                              | <b>(70.24)</b>                               | <b>(77.75)</b>                               |
| Present Value of obligation as at the beginning of the period       |  |  |  |  |
| Interest Cost   | 244.72                                       | 264.82                                       | 77.75  | 92.37  |
| Past Service Cost - Vested  | 18.77  | 20.39  | 5.96   | 7.11   |
| Current Service Cost  | Nil  | Nil  | Nil  | Nil  |
| Benefits Paid   | 46.33  | 41.61  | 13.82  | 17.24  |
| Actuarial (gains)/ Loss on obligation                               | (-37.94)                                     | (81.70)                                      | (11.51)                                      | (19.46)                                      |
| <b>Present Value of obligation as at the end of the period</b>      | <b>13.47</b>                                 | <b>(0.40)</b>                                | <b>(15.78)</b>                               | <b>(19.51)</b>                               |
|   | <b>285.37</b>                                | <b>244.72</b>                                | <b>70.24</b>                                 | <b>77.75</b>                                 |

## 47. Directors Remuneration

Rs. in Lakh

| Particulars  | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
|--------------|--|--|
| Salary       | -  | 4.26   |
| Perquisites  | -  | 0.36   |
| <b>Total</b> | <b>-</b>                                     | <b>4.62</b>                                  |

## 48. Particulars of Raw Material Consumption

Rs. in Lakh

| Particulars | For the Year ended 31 <sup>st</sup> March 20 | For the Year ended 31 <sup>st</sup> March 19 |
|-------------|--|--|
| Cotton      | 14,423.10                                    | 15,364.50                                    |
| Yarn        | 2,359.25                                     | 4,341.49                                     |

|              |                 |          |
|--------------|-----------------|----------|
| Fabric       | <b>731.48</b>   | 1,729.51 |
| Others       | <b>2,365.93</b> | 3,005.34 |
| <b>Total</b> | <b>19879.76</b> | 24440.84 |

**49. Inventories (Work-in-Progress)**

Rs. in Lakh

| Particulars      | For the Year ended           | For the Year ended           |
|------------------|------------------------------|------------------------------|
|                  | 31 <sup>st</sup><br>March 20 | 31 <sup>st</sup><br>March 19 |
| Cotton / Fiber   | <b>271.21</b>                | 307.26                       |
| Fabric / Made up | <b>359.32</b>                | 377.21                       |
| <b>Total</b>     | <b>630.63</b>                | 684.47                       |

**50. Inventories (Finished Goods)**

| Particulars      | For the Year ended           | For the Year ended           |
|------------------|------------------------------|------------------------------|
|                  | 31 <sup>st</sup><br>March 20 | 31 <sup>st</sup><br>March 19 |
| Yarn             | <b>418.52</b>                | 503.12                       |
| Fabric / Made up | <b>330.94</b>                | 293.37                       |
| <b>Total</b>     | <b>749.46</b>                | 796.49                       |

**51. Financial risk management****(i) Financial instrument by category:**

- Investment in equity shares of subsidiaries are measured in accordance with Ind AS 27, "Consolidated and Separate Financial Statements" and investment in equity share of other entities are measured in accordance with Ind AS 103 'Financial Instruments' issued by the "Ministry of Corporate Affairs", Government of India.
- For amortised cost instruments, carrying value represents the best estimate of fair value except investment in other debentures.

**(ii) Risk management**

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

**A) Credit risk**

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

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

- a) Low credit risk
- b) Moderate credit risk
- c) High credit risk

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

## **B) Liquidity risk**

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

C) In compliance of SEBI Circular dated May 20, 2020, the management has assessed the impact of Covid-19 Pandemic situation on the financial results for the year ended March 31, 2020 and found that there is no material impact on the assets & liabilities and profit & loss account for the year ended on 31.3.2020. However in view of the continuation of Covid-19 pandemic situation, the impact on the future business and assets & liabilities of the company could not be assessed presently.

## **D) Market risk**

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

### **a) Currency risk**

The Company undertakes transactions denominated in foreign currencies, which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, except the Company's net investments in foreign operations (with a functional currency other than Indian Rupee), are subject to reinstatement risks.

The carrying amount of foreign currency denominated financial assets and liabilities as at March 31, 2020 are as follows:

| Particulars                  | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|----------------------|----------------------|
|                              | Amount in Rs. Lakh   | Amount in Rs. Lakh   |
| <b>Financial Assets</b>      | <b>1464.15</b>       | <b>2247.57</b>       |
| <b>Financial Liabilities</b> | <b>215.00</b>        | <b>61.70</b>         |

### **b) Interest risk**

i) **Assets:** The Company's fixed deposits are carried at fixed rate. Since the fixed deposits are very nominal & not material, therefore to that extent, the Company is at risk on account of interest rate

ii) **Liabilities:** The Company had borrowings from banking institutions, majorly whereof are assigned to an Asset Reconstruction Company (ARC). The Company has recognized the liability on account of borrowings as per scheme consented by lenders during BIFR proceedings. However, the outstanding of banks and ARC has since been classified as Non-Performing assets and action for possession of assets charged to lenders/ARC has since been initiated, the

Company's liability towards interest will be accounted based on the approval of revised restructuring/settlement proposal submitted by the Company and to that extent, the Company is at risk on account of interest rate.

**52.** The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of IND AS and Schedule III.

As per our separate report of even date attached

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

For and on behalf of the Board

**Sandeep Agarwal**  
Managing Director

**(Rajesh Kumar Govil)**  
Partner  
Membership No. 13632  
Place: Ghaziabad  
Dated: Jul 31, 2020

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

**Ajay Gupta**  
Company Secretary

**P. K. Rajput**  
Executive Director

## ALPS INDUSTRIES LIMITED

DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND JOINT VENTURES UNDER SCHEDULE III OF COMPANIES ACT 2013.

Rs. in Lakh

| S. NO. | NAME OF THE ENTITY   | Net Assets (Total Assets - Total Liabilities) as on 31.03.2020 |             | Net Assets (Total Assets - Total Liabilities) as on 31.03.2019 |             | Share in Profit or Loss             |   | Share in Profit or Loss             |   |
|--------|--|--|-------------|--|-------------|-------------------------------------|---|-------------------------------------|---|
|        |  | As % of Consolidated Net Assets                                | Net Assets  | As % of Consolidated Net Assets                                | Net Assets  | As % of Consolidated Profit or Loss | Profit/ (Loss) Year Ended on 31.03.2020 | As % of Consolidated Profit or Loss | Profit/ (Loss) Year Ended on 31.03.2019 |
|        | <b>Parent Company</b>  |  |             |  |             |                                     |   |                                     |   |
|        | Alps Industries Limited  | 99.64%   | (55,369.66) | 98.97%   | (43,860.08) | 99.16%                              | (11,157.49)                             | 99.97%                              | (6,325.05)                              |
|        | <b>Subsidiary Indian</b>                                       |  |             |  |             |                                     |   |                                     |   |
|        | Alps Energy Pvt. Ltd.  | -0.11%   | 58.82       | -0.35%   | 153.90      | 0.84%                               | (95.08)                                 | 0.03%                               | (1.78)                                  |
|        | <b>Subsidiary Foreign</b>                                      |  |             |  |             |                                     |   |                                     |   |
|        | Alps USA Inc.  | 0.46%  | (252.87)    | 0.57%  | (252.87)    | 0.00%                               | -                                       | 0.00%                               | -                                       |
|        | <b>Sub Total</b>   | 99.99%   | (55,563.71) | 99.20%   | (43,959.05) | 100.00%                             | (11,252.57)                             | 100.00%                             | (6,326.83)                              |
|        | <b>Inter Company Eliminations and consolidation Adjustment</b> |  |             |  |             |                                     |   |                                     |   |
|        |  | -0.03%   | 15.37       | 0.82%  | (364.51)    | 0.00%                               | 0.00                                    | 0.00%                               | 0.00                                    |
|        | <b>Total</b>   | 99.96%   | (55,548.34) | 100.02%  | (44,323.56) | 99.74%                              | (11,223.81)                             | 99.99%                              | (6,326.29)                              |
|        | <b>Minority Interest in all Subsidiaries</b>                   | 0.04%  | (20.30)     | -0.02%   | 8.46        | 0.26%                               | (28.76)                                 | 0.01%                               | (0.54)                                  |
|        | <b>Total Consolidation</b>                                     | 100.00%  | (55,568.64) | 100.02%  | (44,315.10) | 100.00%                             | (11,252.57)                             | 100.00%                             | (6,326.83)                              |

As per report of even date

For R.K.Govil & Co.

Chartered Accountants

(Firm Registration No. 000748C)

Rajesh Kumar Govil

Partner

Membership No. 013632

Place : Ghaziabad

Date : Jul 31, 2020

A.K. Singhal

President (F & A)

For and on behalf of Board

**Sandeep Agarwal**

Managing Director

**Ajay Gupta**

Company Secretary

**P.K Rajput**

Executive Director

**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 2020, The statement has been prepared by the Company in accordance with the requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock exchange and is based on and in agreement with the corresponding Profit and Loss Account and the Balance sheet of the Company covered by our report of July 31, 2020 to the members of the Company.

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

**Rajesh Kumar Govil**  
Partner  
Membership No. : 013632

**Place : Ghaziabad**  
**Date : July 31, 2020**

**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020 IN TERMS OF REGULATION 33 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AS AMENDED ON 9<sup>TH</sup> MAY, 2018 AND CIR/CFD/CMD/56/2016 DATED MAY 30, 2016 (CONSOLIDATED)**

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

| <b>STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020.</b><br>(See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016) |               |  |  |   |
|--|---------------|--|--|---|
| <b>1.</b>  | <b>SI No.</b> | <b>Particulars</b>   | <b>Audited Figures(as reported before adjusting for qualification)</b> | <b>Adjusted Figures(audited figures after adjusting for qualifications)</b> |
|  | 1.            | Turnover/Total Income  | 33189.93   | 33189.93  |
|  | 2.            | Total Expenditure  | 44442.50   | 191409.15   |
|  | 3.            | Net Profit/(Loss)  | (11252.57)   | (158219.22)   |
|  | 4.            | Earnings per share (in Rs.)  | (28.77)  | (405.51)  |
|  | 5.            | Total Assets   | 22615.46   | 22615.46  |
|  | 6.            | Total Liabilities  | 78184.10   | 225150.75   |
|  | 7.            | Net Worth  | (55568.64)   | (202535.29)   |
|  | 8.            | Any other financial item(s) (as felt appropriate by the management) – Contingent Liability towards Derivative Contracts & Corporate Guarantee Etc. |  |   |

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

|    |  |   |
|----|--|---|
| a. | Detail of Audit Qualification  | <i>'Refer to note no. 38 to the notes on accounts, the Company has not provided for its liability towards interest &amp; part of principal loan, waived earlier, and impact of retained earnings in terms of draft rehabilitation scheme and now revoked by its consented lenders amounting to Rs. 146966.65 lakh, accordingly the loss for the year and loan liability would have been increased and shareholder's fund would have been reduced to that extent.'</i> |
| b. | Type of Audit qualification<br>(Qualified opinion/Disclaimer of Opinion/ Adverse Opinion ) | Qualified Opinion   |



|    |  |   |
|----|--|---|
| c. | Frequency of qualification<br>(Whether appeared first time/repetitive/since hoe long continuing) | Since Financial Year 2017-18  |
| d. | Audit Qualification where the impact quantified by the Auditor, Management's Views:              | <p>During earlier year, the lenders having more than 83% of the secured debts of the Company revoked their consent to the DRS/settlement scheme circulated by erstwhile Hon'ble BIFR, interalia containing the restructuring of the debts of the Company, which was partly implemented. The Company objected to the said revocation of consent being unjustified and beyond terms of the scheme and further submitted an offer for settlement. M/s Edelweiss Assets Reconstruction Company Ltd., (presently holding more than 98% of the total secured debt of the Company) (EARC) in order to recover its dues from the Company has also filed an Original Application before Debts Recovery Tribunal, Lucknow Bench, which application is pending adjudication. In addition to above EARC, under the provisions of SARFAESI, has auctioned properties located at 58/1, Site IV Industrial Area, Sahibabad, Ghaziabad (U.P.), B-2, Loni Road, Industrial Area, Ghaziabad (UP) and All that Plant &amp; Machineries lying at I A, Sec.-10, IIE, SIDCUL, Haridwar and Lenders having first pari passu charge over these assets have adjusted their dues with the realization made thereof. EARC has also taken over the symbolic possession of 3 properties Viz. Leasehold Land, Building and Plant &amp; Machineries lying at Plot nos. A-2 &amp; A-3, Loni Road, Industrial Area, Ghaziabad (UP) and IA, Sec.-10, IIE, SIDCUL, Haridwar under section 13(4) of the SARFAESI Act and issued a sale notice under Rule 8(6) and Rule 6(2) of the Security Interest (Enforcement) Rules, 2002. The adjustments as may arise on account of further action of lenders, if any, shall be made in the books of account in the year upon receipt of information from them.</p> <p>The Company once again submitted a revised settlement/restructuring proposal with lenders which is under active consideration with them. Management of the Company expects to get the revised settlement/restructuring proposal approved from lenders and</p> |

|           |   |  |
|-----------|---|--|
|           |   | <p>accordingly, the Company would be meeting its revised financial obligations. Accordingly, the financial statements of the Company for year ended on March 31, 2020 have been prepared on going concern assumption basis and continue with the earlier consented restructuring scheme. The impact, arising upon approval of the revised settlement/ restructuring proposal, will be given effect in the financial statements of the year of final settlement with lenders.</p> <p>Hence, no provision considered necessary in these accounts towards interest on entire secured loans &amp; part of principal secured loan, waived earlier, and impact on retained earnings thereon totaling to Rs. 146966.65 Lakh as per provisions of earlier consented scheme, which the Company continues to give effect till the time revised settlement/restructuring proposal is finally approved by its lenders.</p> |
| <b>e.</b> | <b>Audit Qualification where the impact is not quantified by the Auditor :-</b> |  |
| (i)       | Management's Estimation on the impact of audit qualification                    | N.A  |
| (ii)      | If management is unable to estimate the impact, reasons for the same            | NA   |
| (iii)     | Auditor's Comments on (i) or (ii) above:  | NA   |

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

**(Rajesh Kumar Govil)**  
**Partner**  
**Membership No.013632**  
**Firm Regn No. – 000748C**

Place: Ghaziabad  
Dated July 31, 2020

**Sandeep Agarwal**  
Managing Director  
DIN : 00139439

**Prabhat Krishna**  
(Audit Committee  
Chairman)  
DIN: 02569624

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

**IMPORTANT AND USEFUL LINKS :**

1. Board Of Directors and Updates : [http://alpsindustries.com/board\\_of\\_directors.php](http://alpsindustries.com/board_of_directors.php).
2. Financial Performance [http://alpsindustries.com/financial\\_performance.php](http://alpsindustries.com/financial_performance.php).
3. Annual Report : [http://alpsindustries.com/details\\_of\\_reports.php](http://alpsindustries.com/details_of_reports.php).
4. Shareholding Pattern: <http://alpsindustries.com/shareholding.php>.
5. Corporate Governance :[http://alpsindustries.com/corporate\\_governance.php](http://alpsindustries.com/corporate_governance.php).
6. Investors News : [http://alpsindustries.com/investor\\_news.php](http://alpsindustries.com/investor_news.php).
7. Code of Conduct of the Company:  
<http://alpsindustries.com/images/pdf-img/Code-of-conduct.pdf>.
8. Nomination & Remuneration, Evaluation And Board Diversity Policy :  
[http://alpsindustries.com/images/pdfimg/Remuneration\\_Policy\\_ALPS.pdf](http://alpsindustries.com/images/pdfimg/Remuneration_Policy_ALPS.pdf).
9. Whistle Blower Policy:  
[http://alpsindustries.com/images/pdfimg/Vigil%20mechanism\\_ALPS.pdf](http://alpsindustries.com/images/pdfimg/Vigil%20mechanism_ALPS.pdf).
10. Related Party Policy:  
<http://alpsindustries.com/images/pdf-img/related-party-transction-policy.pdf>.
11. Risk Management Policy:.
12. Code of Conduct under SEBI(Insider Trading) Regulations, 2015 :  
<http://alpsindustries.com/images/pdf-img/CODE-OF-CONDUCT.pdf>.
13. Material Information's in terms of regulation 30 of under SEBI (LODR) Regulations, 2015 : [www.alpsindustries.com](http://www.alpsindustries.com)
14. all the relevant information's in terms of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements)2015 : [www.alpsindustries.com](http://www.alpsindustries.com)



## **Alps Industries Limited**

Registered & Corporate Office: 57/2, Site IV, Industrial Area, Sahibabad, Ghaziabad-201010 (U.P.)

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