

Limited Review Report

To,
The Board of Directors,
Alps Industries Limited,
57/2, Site IV, Industrial Area,
Sahibabad, Ghaziabad-201010 (U.P.)

1. We have reviewed the accompanying statement of Standalone & Consolidated Unaudited Financial Results of **Alps Industries Limited** (CIN: L51109UP1972PLC003544) ("the Company") and its Subsidiaries (hereinafter referred to as the "Group") for the quarter ended on June 30, 2019 together with the notes thereon (the 'Statement'). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialed by us for identification purposes. The statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards-34 "Interim Financial" prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by Independent Auditor of the entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company & Group Companies personnel and analytical procedures applied to financial data and thus provide less assurance than audit. We have not performed an audit and accordingly, we do not express an audit opinion.



3. **Basis for Qualified Opinion**

Refer to note no. 7 to the notes on accounts, the Company has not provided for the 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. 135056.50 lakh, accordingly the loss for the quarter and loan liability would have been increased and shareholder's fund would have been reduced to that extent.

4. **Emphasis of Matters**

We draw attention to the following matters in the Notes to Financial Statements: The note no 7 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 thereof and continuation of giving effect to earlier consented scheme though now revoked.

Our conclusion is not modified in respect of this matter.

5. **Other matters**

We did not review the financial results of wholly owned overseas subsidiary namely; M/s. Alps USA Inc., considered in the consolidation of the financial statements whose financial results reflect total revenue of Nil for the quarter ended on June 30, 2019. These financial results have been furnished to us by the management as adopted, and our report on the statement in so far as it relates in respect of this subsidiary is based solely on statement prepared by the management.

6. Based on our review conducted as above, except for the effects/possible effects to our observation stated in para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of Standalone & Consolidated Unaudited Financial Results prepared in all material respect in

R.K.GOVIL & CO,
CHARTERED ACCOUNTANTS

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accordance with Ind AS 2015 and other recognized practices and polices has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Ghaziabad

Date: August 14, 2019

UDIN: 19013632 AAAACV4385

For R. K. Govil & Co.,
Chartered Accountants
(Firm Regn. No. 000748C)



(Rajesh K. Govil)
(Partner)

Membership No. 013632

'STANDALONE AND CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH JUNE 2019.
UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

(Rs. in Lakh)

Particulars	3 months ended		3 months ended	Preceding 3 months ended in current year	Preceding 3 months ended in current year (Consolidated)	Corresponding 3 months ended in the previous year (Standalone)	Corresponding 3 months ended in the previous year (Consolidated)	Financial year ended	Financial year ended
	(Standalone)	(Consolidated)							
	30.06.2019	30.06.2019	30.06.2019	31.03.2019	31.03.2019	30.06.2018	30.06.2018	31.03.2019	31.03.2019
	Unaudited	Unaudited	Unaudited	Audited (Refer to Note No. 2)	(Consolidated)	Unaudited	Unaudited	Audited	Audited
I Revenue									
(a) Income from operations	9,143.96	9,143.96	8,291.96	8,291.96	8,470.17	8,470.17	8,470.17	37,115.19	37,115.19
(b) Other income	126.61	126.61	242.55	242.55	148.50	148.50	154.07	630.58	636.15
IV Total Revenue (I+ II)	9,270.57	9,270.57	8,534.51	8,534.51	8,618.67	8,618.67	8,624.24	37,745.77	37,751.34
V Expenditure									
(a) Cost of Material consumed	5,987.59	5,987.59	5,253.19	5,253.19	5,052.40	5,052.40	5,052.40	24,440.84	24,440.84
(b) Purchase of stock-in-trade	-	-	-	-	-	-	-	-	-
(c) Excise Duty	-	-	-	-	-	-	-	0.03	0.03
(d) Goods and service Tax(GST)	-	-	-	-	-	-	-	-	-
(e) Changes in inventories of finished goods, Work in progress & stock in trade	34.46	34.46	184.96	184.96	239.82	239.82	239.82	(273.41)	(273.41)
(f) Employee Benefit expense	1,222.27	1,222.27	1,103.50	1,103.50	1,202.34	1,202.34	1,202.34	4,722.36	4,722.36
(g) Finance cost	1,415.84	1,415.83	1,454.58	1,460.14	1,425.06	1,423.05	1,423.05	5,784.20	5,783.60
(h) Depreciation & Amortisation expenses	684.97	686.16	833.23	834.40	851.42	852.60	852.60	3,378.92	3,383.66
(i) Impairment of Assets	-	-	-	-	-	-	-	-	-
(j) Other expenses	1,951.35	1,951.81	1,940.23	1,942.70	2,022.99	2,023.23	2,023.23	8,256.95	8,260.16
Total Expenses	11,296.48	11,298.12	10,769.70	10,778.89	10,794.03	10,793.44	10,793.44	46,309.89	46,317.24
VI (Loss)/Profit before exceptional items and tax (IV- V)	(2,025.91)	(2,027.55)	(2,235.19)	(2,244.38)	(2,175.36)	(2,175.36)	(2,169.20)	(8,564.12)	(8,565.90)
VII Exceptional items	(2,541.53)	(2,541.53)	-	-	-	-	-	2,239.07	2,239.07
VIII (Loss)/Profit before tax (VI- VII)	(4,567.44)	(4,569.08)	(2,235.19)	(2,244.38)	(2,175.36)	(2,175.36)	(2,169.20)	(6,325.05)	(6,326.83)
IX Tax expense	-	-	-	-	-	-	-	-	-
(a) Current tax	-	-	-	-	-	-	-	-	-
(b) Deferred tax	-	-	-	-	-	-	-	-	-
X (Loss)/Profit after tax (VIII-IX)	(4,567.44)	(4,569.08)	(2,235.19)	(2,244.38)	(2,175.36)	(2,175.36)	(2,169.20)	(6,325.05)	(6,326.83)
XI Other comprehensive income	-	-	-	-	-	-	-	-	-
XII Total comprehensive income (X+XI)	(4,567.44)	(4,569.08)	(2,235.19)	(2,244.38)	(2,175.36)	(2,175.36)	(2,169.20)	(6,325.05)	(6,326.83)
Attributable to :									
Owners	(4,567.44)	(4,568.59)	(2,235.19)	(2,241.60)	(2,175.36)	(2,175.36)	(2,171.06)	(6,325.05)	(6,326.29)
Non Controlling Interest	(0.50)	(0.50)	(2.78)	(2.78)	(2.78)	(2.78)	1.86	(0.54)	(0.54)
Profit for the period attributable to :									
Owners	(4,567.44)	(4,568.59)	(2,235.19)	(2,241.60)	(2,175.36)	(2,175.36)	(2,171.06)	(6,325.05)	(6,326.29)
Non Controlling Interest	(0.50)	(0.50)	(2.78)	(2.78)	(2.78)	(2.78)	1.86	(0.54)	(0.54)
Other comprehensive income for the period attributable to :									
Owners	-	-	-	-	-	-	-	-	-
Non Controlling Interest	-	-	-	-	-	-	-	-	-
XIII Paid up equity share capital (face value of Re. 10/- each)	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41	3,911.41
XIV Earnings per share (face value of Rupee 10/- each) (not annualised)	(11.68)	(11.68)	(5.71)	(5.73)	(5.56)	(5.55)	(5.55)	(16.17)	(16.18)
Basic and Diluted earnings per share (in Rs.)									

(Sandeep Agarwal)
Managing Director
For Alps Industries Ltd.

-:NOTES:-

1. The Unaudited Financial Results for the Quarter ended on June 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 14, 2019.
2. The figures of 4th quarter of FY 2018-19, are balancing figures between audited figures in respect of full financial year and published year-to-date upto third quarter of the relevant financial year.
3. In terms of the Ind AS, there is only one reportable segment i.e. Textile Segment. Hence the segment wise reporting is not applicable.
4. Effective from April 1, 2019, the Company adopted Ind-AS 116 -Leases, using the Modified retrospective Approach. The effect on adoption of Ind-AS 116 is insignificant on these financial statements.
5. The equity shares of the Company are listed at National Stock Exchange India Limited (NSE) under Scrip Code ALPSINDUS-EQ and Bombay Stock Exchange Limited (BSE) under Scrip Code 530715/ALPSIND. In terms of the resolution passed by the Board of Directors at their meeting held on May 30, 2016, and in pursuant to Regulations 6 and 7 of the SEBI (Delisting of Equity Shares) Regulations 2009, as amended from time to time, the Company has submitted an application dated 9.6.2016 for Voluntary Delisting of its 39114100 Equity Shares from Bombay Stock Exchange Limited which is still pending with Bombay Stock Exchange Limited. The company has filled the Writ Petition before Allahabad High Court for necessary directions in this regard which is pending adjudication.
6. Company has settled with Syndicate Bank w.r.t. their dues, secured by way of pari-passu charge on the fixed assets and current assets of the company along with the Promoter Directors Personal Guarantee. Accordingly the impact of same has been given effect in these accounts.
7. 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

For Alps Industries Ltd.



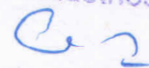
(Sandeep Agarwal)
Managing Director

Assets Reconstruction Company Ltd., (presently holding more than 96% 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. Further, EARC issued a Notice u/s 13(2) of SARFAESI Act to which the Company objected and also submitted a settlement proposal which has been denied. EARC has also taken over the symbolic possession of 5 properties Viz. Leasehold Land, Building and Plant & Machineries lying at Plot nos. A-2, A-3 & B-2, Loni Road, Industrial Area, Ghaziabad (UP), 58/1, Site IV Industrial Area, Sahibabad (UP) and 1A, 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. EARC further 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 1A, Sec.-10, IIE, SIDCUL, Haridwar and accordingly Lenders having first pari passu charge over these assets have adjusted their dues with the realization made thereof and also the impact of same given effect in these accounts. 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. 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 quarter ended June 30, 2019 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. 135056.50 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.

8. In the audit report dated 30.05.2019 on the financial statements of the company for the year ended on March 31, 2019, the auditors have given the following qualification:

"Refer to note no. 38 to the notes on accounts, the Company has not provided for its liability towards interest & part of principal loan, waived earlier, and impact of retained earnings in terms of draft rehabilitation scheme and now revoked by its consented lenders amounting to

For Alps Industries Ltd.



(Sandeep Agarwal)
Managing Director

Rs. 133933.35 lakh, accordingly the loss for the year and loan liability would have been increased and shareholder's fund would have been reduced to that extent."

In case, company would have considered this as liability, its standalone net loss for the quarter ending on 30.06.2019 would have been amount to Rs. 138500.79 lakh (Consolidated net loss Rs. 138502.43 lakh) as against already stated standalone net Loss of Rs. 4567.44 lakh (Consolidated net loss of Rs. 4569.08 Lakh) and the accumulated loss and loan liabilities at the end of the quarter ended on June 30, 2019 would have been higher by Rs. 133933.35 lakh.

The management's view is detailed in para 7 above. The impact, if any, of the revised settlement/restructuring which is under active consideration with the lenders, will be given effect in the financial statements of the year of final settlement with them.

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

DATE : AUGUST 14, 2019

PLACE : GHAZIABAD

For Alps Industries Ltd.

BY ORDER OF THE BOARD

(Sandeep Agarwal)
Managing Director

(SANDEEP AGARWAL)

MANAGING DIRECTOR

DIN: 00139439