



Corporate Directory	1
Board of Directors	2
Directors' Report	3
Annexure to the Directors' Report	16
Management Discussion & Analysis	21
Corporate Governance	26
Statement of Subsidiary Companies	67
Auditors' Report	68
Balance Sheet	74
Statement of Profit and Loss	75
Cash Flow Statement	76
Significant Accounting Policies	77
Notes Forming Part of Accounts	79
Financial Statements of Subsidiary Companies	
1. Alps USA Inc.	97
2. Alps Energy Pvt. Ltd.	107
3. Snowflakes Meditech Pvt. Ltd.	137
<b>Consolidated</b>	<b>166</b>
Independent Auditors' Report	169
Balance Sheet	174
Statement Profit and Loss	175
Cash Flow Statement	176
Significant Accounting Policies	177
Notes Forming Part of Accounts	180
Statement Pursuant of additional information as per requirement of Schedule III under Section 129 of the Companies Act, 2013	199
Auditors' Certificate for Cash Flow Statement	199
Useful Links	200

## CORPORATE DIRECTORY

### Manufacturing Facilities / Offices

#### Unit I

##### Eco-Friendly Yarn Spinning & Dying Mill

Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar,  
Uttarakhand- 249403  
Ph.: 01334-239169  
Email – admharidwar@alpsindustries.com

#### Unit IV

##### Vista Window Covering , Awnings & Floor Covering Division

A-2 & A-3 Loni Road Industrial Area, Opp.  
Mohan Nagar, Ghaziabad – 201 007 (U.P.)  
Ph.: 0120-2657574  
Email –sales@alpsindustries.com

#### Showroom

B-2, Loni Road Industrial Area, Opp. Mohan  
Nagar, Ghaziabad – 201 007 (U.P.)  
Ph : 0120-2657 649

#### R&T AGENCY

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

#### COST AUDITORS

Neeraj Sharma & Co., Cost Accountants

#### Unit II

##### High Quality Compact Yarn Spinning Mill

Plot No. 1B, Sec. 10, I.I.E., SIDCUL, Haridwar,  
Uttarakhand- 249403  
Ph.: 01334-239169  
Email – admharidwar@alpsindustries.com

#### Unit V

##### Vista Window Covering Division

B -160-161, Industrial Estate, Mettupalayam,  
Puducherry - 605009  
Ph.: 0413-2271464

#### Yarn & Fabric Marketing office

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

#### COMPANY SECRETARY & COMPLIANCE OFFICER

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

#### SECRETARIAL AUDITORS

CSK & Co., Company Secretaries

#### Unit III

##### Automotive, Technical & Decorative Fabric Weaving and Processing Mill

Village –Aminagar, Bhoor Baral, Meerut Delhi  
Road, Meerut – 250103 (U.P.)  
Ph.: 0121-4014600

#### Unit VI

##### Home Furnishing Made ups Division

57/2 & 58/1, Site-IV Industrial Area, Sahibabad,  
Ghaziabad – 201010 (U.P.)  
Ph.: 0120-4161700  
Fax.: 0120-2896041  
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

#### STATUTORY AUDITORS

R.K. Govil & Co., Chartered Accountants

#### COMPANY IDENTIFICATION NUMBER (CIN)

L51109UP1972PLC003544

### REGIONAL & MARKETING OFFICES - VISTA DIVISION

**BANGALORE** : 303, Ahuja Chambers of  
Commerce, 3rd Floor, Kumara Krupa Road,  
Bangalore – 560 001  
Ph.: 080-40914620  
Telefax: 080-40936070  
Email : vista-bangalore@alpsindustries.com

**CHENNAI** : No. 42, Sindhur Plaza, 1st Floor,  
Montieth Road, Egmore, Chennai - 600008.  
Ph: 044-42122753  
Email : vista-chennai@alpsindustries.com

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

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

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

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

**HYDERABAD** : 6-3-853/1, Flat No. 501. Fifth  
Floor, Maridian Plaza, Lal Bungalow, Ameerpet  
Hyderabad-500016  
Email: vista-hyderabad@alpsindustries.com

**BOARD OF DIRECTORS****Mr. K.K. Agarwal, Promoter & Non Executive Chairman (DIN NO. 00139252)**

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

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

**Mr. Sandeep Agarwal, Promoter & Managing Director (DIN NO. 00139439)**

He is in the textile industry since last 27 years and under his acumen and dynamic leadership, the company had floated various Indian and overseas subsidiary companies. The company had also obtained significant recognitions/ certifications from different organizations. He is very meticulous in diversifying into value added products in domestic Home Furnishing business segment of the company. Under his leadership, the Company has set-up a nationwide distribution system for the Company's products. This has helped the Company in marketing its brands such as "Vista" throughout the country. Under his acumen leadership and strong patience, the company is able to sail smoothly even in testing times.

**Mr. Pramod Kumar Rajput, Executive Director (DIN NO. 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 NO. 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, Forex & Corporate Finance. He is presently advisor to various Companies for Technical Consultancy & Rehabilitation. He is an independent and non executive director.

**Mr. Tilak Raj Khosla, Independent Director (DIN NO. 02724242)**

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

**Mr. Pradyuman Kumar Lamba, Independent Director (DIN NO. 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 Defence. 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 Director (DIN NO. 07093795)**

She possess over of diversified exposure in the administrations of reputed companies engaged in diversified fields.

To,  
The Members,  
Alps Industries Limited.

Your Directors have pleasure in presenting the 44<sup>th</sup> Annual Report, together with the Audited Statements of Account of the Company for the financial year ended 31st March, 2016 in terms of the Companies Act' 2013 and rules & regulation made there under.

The Financial 'Performance of the Company, for the year ended March 31, 2016 is summarized below:

### FINANCIAL RESULTS

(Rs. in Millions)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Total Income	5816.03	6426.83
Operating Earnings/Losses before Financial Expenses, Depreciation & Amortization and Tax	(126.54)	153.02
Finance Cost	0.47	0.35
Depreciation	358.64	447.54
Profit/Loss Before Tax	(484.71)	(294.87)
Provision for Tax	0.00	0.00
Profit/Loss After Tax	(484.71)	(294.87)
Exceptional Items	686.94	-
Surplus of last year <b>Add:</b>	(9568.15)	(9260.77)
<b>Surplus available for appropriation</b>	<b>(9365.92)</b>	<b>(9568.15)</b>
Appropriations	-	-
Surplus carried to Balance Sheet	(9365.92)	(9568.15)
Surplus available for appropriation	(9365.92)	(9568.15)

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

The textile spinning sector, which is showing signs of pick up, perceives that any announcement regarding extension of export benefit for cotton and yarn would definitely lift the sector out of its present paradox. Cotton prices too have started to rise in the last one month. Annual clothing sales in China expected to exceed \$300 million in 2019, up 25 per cent from 2014. In comparison, apparel sales in the US are estimated to hit \$267 million in three years, meaning China will surpass the US as the world's largest apparel market by the end of the decade. The report, which compared industry performance in the world's two largest economies, says that despite the strengthening of the Chinese yuan and rising raw material and labour costs directly impacting the Chinese clothing market, China still continues to be a global leader. The ongoing water scarcity in several parts of India, is also expected to have a negative impact on industrial production in the next 2-3 months. Overall, cotton had a reasonable 2015 for the first time in over 5 years. Cotton stocks were lower than previous year. Low ending stocks and production decreases have been the main supporter of cotton prices. The production of cotton has continued to decline despite rising demand. Cotton continues to lose market share to other fibres. The Indian Textile Industry should gear up to attain its desired position in the global market and the government is willing to provide all possible support by creating enabling frameworks. India would be exporting about USD 185 billion of textile and apparel by 2025. During the cotton season 2014-15, India became number one in terms of area under cotton cultivation and remains the second largest supplier of Textiles to USA during Jan-Dec 2015, The textile industry was literally on fire especially after the green tribunal lifted, though conditionally, the ban on processing units of Rajasthan and Maharashtra as they announced the much awaited package of self financed for newly established textile units. However, the market frenzy proved short lived as the industry, already under recession since last more than one and half years, dived to new low due to the fresh wave of uncertainty in the local and global markets, and absence of clarity in government's textile policy. The Indian textile industry has been facing a long drawn recession since April 2014 owing to global economic slowdown and higher tariff imposed on Indian textiles and clothing products in all the major textile markets when compared to its competing nations like Pakistan, Bangladesh, Vietnam, Turkey, Cambodia, etc. Realizing the need for enhancing the competitiveness, the Union Government had extended 2% MEIS benefit for all textile products other than cotton yarn. The spinning sector has appealed to the government to extend the export benefits for cotton yarn, also as the sector is the worst affected due to surplus capacities. The growth of the textile industry is vital for national development. The industry is yet to achieve its true potential in the global market. The "Make in India" initiative will bring more investments in the sector and create an efficient eco system which will benefit the entire value chain. India's increasing efficiency in the sector along with 100% FDI allowed in the industry is helping Indian textile firms to consolidate their export position. Under the Export portfolio while the Nation celebrates the opportunities under the umbrella of "Make in India", the story relating to exports is quite gloomy. Data published for the month of January 2016 continues to show a declining trend for the consecutive 14th month. Exports of cotton textiles (yarn, fabrics, made-ups) declined by 5.10% and overall the T&C exports reached US \$ 29.49 billion during April-Jan, 2016, almost at par with export performance in the previous year same period. Government is pro-actively supporting the industry as can be seen in the recent rationalizing of duty draw back rates for blended yarns and blankets and the release of amounts towards interest equalization by co-operative banks, it appears to be due to lack of demand arising out of recessionary conditions prevailing in the overseas markets.

**At micro level- overall performance**

Under the Made-ups division company, is continuously striving to be at par with market level as far as growth is concerned. Your company is upgrading products range as well as market share continuously. During the year, your company is also acknowledged for value added products in made up segment. There are several plans to have business relations with reputed buyers. Your company expects good future, since demand of cotton & cotton blends products are increasing in the international markets. Your company also gearing up & increasing the efficiencies & capacities to cater the market demand in domestic as well as in overseas markets. The business sentiments are very soft in Furnishings Industry, both for exports and domestic markets. We hope the next fiscal year seems to be more optimistic in terms of response from major buyers. Your company have 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.

In the Auto and Technical Textiles segment, your company has done well and able to achieve the growth during the previous financial year. We are planning to cater the demands for Buses & Car Segment also during the current fiscal year. Car Segment's business largely depends upon the OEM and prices are very competitive and Bus Segment has also equal Share of OEMs as well as in the Domestic Market. 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 like Multiplexes and Protective Clothing, during the current financial year. We are expecting the possibility of re-engineering the product constructions and raw materials utilization mix. In the Yarn segment we are struggling to achieve the desired results and due to overall slump in the economy particularly in the spinning sector your company is facing the acute problems. All the efforts are being made to improve the efficiencies, financial as well as technical, by changing the existing product mix by introducing some value added product lines to keep the pace with the domestic and overseas market demands.

However the Hon'ble National Green Tribunal (N.G.T.) vide its order dated January 27, 2016 had directed to stop the operations of unit having spinning and dyeing facilities located at Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar, Uttarakhand, till further orders. Accordingly the operations of the said unit had been stopped. It was alleged that the unit was discharging effluent in excess of the norms and hence polluting water. The company had filed the revision application with Hon'ble N.G.T. to withdraw the said directions on the basis that it has an agreement with CETP and SIDCUL for further treatment of its effluent. The Company had closed the entire plant and again approached Hon'ble National Green Tribunal (N.G.T.) with a request to the reopen the spinning plant which is a non-polluting. The Hon'ble National Green Tribunal (N.G.T.) has considered request of the company and vide its Order dated March 31 2016 has allowed the re-opening of Spinning plant subject to the condition that this unit shall start its operation only after getting the new electro-meter installed separately for this unit and to take permission from Ground water authorities. The necessary compliance of the Order has been taken care and the Spinning section has started functioning since then. However the company is exploring possibilities to start the Dyeing House section also. Due to this the financial performance of the unit has been affected. However to improve the adverse conditions, we are planning to introduce some new product range like Polyester cotton blended/ PC Grindler yarns which has better EBIDTA margins, slub, PVA etc. One of the segments of the company i.e. Vista, in domestic market, has earned an enviable reputation and is the market leader in window dressing range of products, which are well known in the domestic market for its world class quality & continuous innovations in the segment. Under this product range, which are crafted with absolute focus towards customer's needs and desire, company has introduced various new products like Carpet tiles, Hospital Curtains, New Gallery & window blinds, Mellee, Medley & Milange for residential sectors, new shades in Naturons, S-contour & Sheer dimout blinds, New mechanism called "Top Down Bottom Up" have been introduced in cellular blinds range, roller blinds etc. apart from various other customer-friendly services like after sale services to the buyers, free home deliveries, arranging for spare parts & its installation at the door of the customers, to boost the market share. The Carpet tiles are emerging trends in floor covering. Owing to its ease of maintenance the trend is gripping up in commercial as well as in residential sectors. Its maintenance includes regular vacuuming only. Vista Carpet tiles are available in two base materials; PP & Nylon in different shades to choose from. The range encompasses Bendable Curtain Track, Decorative Curtain Track, Hospital Curtain tracks and many more. The range of curtains is appreciated for their smooth & noiseless movement, longer functional life and easy installation. These products find application in hospitals, hotels, houses, offices etc. Vista laminated flooring, capturing design, appeal and elegance with special attention to physical texture and it consists of full textural coverage. With continuous urge of giving the best to the consumer, vista has made a mark in the market for its classy, elegance and durability. The natural variations and randomness found in flooring is indicative of perfection.

During the period under review your company could not maintain the EBIDTA which drops to Rs.(126.54) millions in comparison to Rs 153.02 million in previous year due to various unavoidable factors, various operational challenges in the production and marketing front, like decrease in the margin of yarn, closure of the operations of unit having spinning and dyeing facilities located at Plot No. 1A, Sec. 10, I.I.E, SIDCUL, Haridwar, Uttarakhand by the Hon'ble National Green Tribunal (N.G.T.) vide its order dated January 27, 2016 during the financial year 2015-16, Due to this the financial performance of the company has been affected adversely. The impact of measures for improvement in the performance taken place during the year will be reflected in the current year's financial parameters. However due to Exceptional Net income of Rs.686.94 millions, the company has earned Net Profit of Rs. 202.23 millions during the year under review.

#### **FUTURE OUTLOOK – TECHNICAL FRONT**

In the Made-up divisions your company is planning to upgrade the production facilities by replacing old machines with latest in market to give better quality products. At Haridwar Plant we have been able to maintain the balanced technical performance in terms of utilization and productivity during the financial year under consideration. The Company is also focusing on technically special PU coated fabric and TPU membrane lamination, which provides excellent water proof and moisture vapor transmission. These fabrics having high technicality involved to fulfill the demands of Indian Defence and also useful for high altitude temperature. At Haridwar unit your company is focusing on improving plant performance in

general and to produce quality oriented yarns for higher segment. However company is planning for technology up gradation of old plant in the phased manner.

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

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

State Bank of India, the operating Agency, has filed the Draft Rehabilitation Scheme (DRS) for the rehabilitation of the company with Hon'ble BIFR on 07.07.2011, as recommended by the majority of lenders in their Joint Lenders Meet (JLM) held on 15th June' 2011 and by the Statutory Agencies in their meet held on 5th July' 2011 from whom company sought some reliefs and concessions in the DRS however in view of the developments taken place afterwards, the Hon'ble BIFR has directed to file the updated DRS for its consideration.

Accordingly company has filed the updated DRS which has been approved by the majority of secured lenders of the company in their Joint meeting held on 29th Nov 2014 accordingly the State Bank of India (OA) has recommended the Draft Rehabilitation Scheme of the company to the Hon'ble BIFR for its circulation. The said DRS is under consideration of the Hon'ble BIFR.

The restructuring forming part of DRS which is under consideration of Hon'ble BIFR primarily envisages upfront waiver of outstanding unpaid interest towards secured and unsecured loans from Banks/ARC/Financial institutions, payment of principal outstanding of Banks/FI/ARC's sustainable debts in a staggered manner over a period extending up to 31.3.2022 on interest free basis, partly in cash as aligned with the future cash flow of the company and partly by issuance of fresh equity and the unsustainable portion of debts to be settled partly by issuance of debt instruments and upfront equity and the balance to be waived.

The restructuring also envisages waiver of outstanding interest payable on loan from subsidiary companies and subvention of the principal loan till the currency of the scheme period.

In view of consent of majority of secured creditors (comprising more than 83% of the secured debts of the company) to the Draft Rehabilitation Scheme pending consideration before Hon'ble BIFR, no provision for interest on secured/unsecured loans of Banks/Fis/ARCs/Subsidiary Companies has been made from the Financial Year 2014-15 onwards. Further the financial impact of the waivers of outstanding interest, part waiver of outstanding principal eligible till the end of current financial year i.e. 31.3.2016, as envisaged in the scheme, pertains to the lenders who have already accorded their consent to the restructuring, has been considered in these financial statements.

#### **CREDENTIALS/CERTIFICATIONS**

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

- ◆ Certificate for ISO/TS 16949:2009 for manufacturing seat fabrics for the automotive application.
- ◆ Certificate for Oeko-Tex for Hohenstein Textile Testing Institute, Germany
- ◆ Certificate for ISO 9001:2008 and ISO 14001:2004 for the management system implemented, renewed by Afnor
- ◆ Certification for the period 2013 to 2015 covering the manufacturing activities i.e. Spinning, Weaving and Processing of Yarn, Fabric and Home Furnishing and Coating (fire retardant curtain fabric, upholstery and stain proof fire retardant upholstery cloth for the company's units situated at Haridwar and Meerut).

- ♦ Certificate of Compliance of standards issued by the CU Inspections & Certifications Private Limited.
- ♦ Membership of Federation of Indian Export Organizations

## MEASURES TO REDUCE/CONTROL COST

To meet out the market competitiveness and improve the financial performance, the company is committed to reduce the cost, upgrade the efficiency and ensure optimum utilization of the current as well as fixed assets of the company. On technical front, your company is 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. The units located at Meerut and Haridwar have taken various important steps which includes buying of raw material in bulk quantity, directly from suppliers, after proper negotiation and studying market prices, reducing the fixed overheads, increase the utilization and efficiency of machineries to reduce the cost, standardize the production process flow chart to avoid the rejection, maintain the inventory level as per the requirement, constant check on power consumption, controlling/reducing rejections & re-processing, reusing / recycling all possible items, strict follow-up on regular maintenance schedule to avoid major break downs, increasing overall efficiency to reduce production cost, using low consumption LED lights. In order to reduce the substantial logistic cost, the company is opting for land ports nearest to the units. 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. Developed Special flat inspection machine for inspection of fabric on similar method as buyer to save the overhead considerably on the inspection of material, reduced the soft water consumption through re-collecting the usable hot water and also by setting the machine liquor ratio, reduction in coating chemical cost. In Made up division 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 Hardwar unit during the period under review, to save the Energy cost.

## STATUS OF HOLDINGS OF SUBSIDIARY COMPANIES

During the year under review, there is no change in the status of subsidiary companies. As per Section 2(87) of the Companies Act, 2013, after considering the indirect holding through it's another subsidiary (Alps USA Inc.), the percentage of shareholding continued to be 78.22% in Alps Energy Pvt. Ltd. and 81.65 % in Snowflakes Meditech Pvt. Ltd. In terms Regulation 23 & 24 of the SEBI(Listing Obligations and Disclosure Requirements) 2015, Mr. Prabhat Krishna(DIN No.02569624), Independent & Non Executive Director of the Company continues to be representative director in the aforesaid indian "Material subsidiary" companies during the year.

## FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES

The company continued to have three subsidiaries at the end of the financial year viz; M/s. Alps Usa Inc., M/s. Alps Energy Pvt. Ltd. and M/s. Snowflakes Meditech Pvt. Ltd. As required under Section 129(3) of the Companies Act, 2013 and applicable rules, the Financial Statements of all three Subsidiaries Companies are being annexed.

## GOVERNMENT INITIATIVES- TEXTILE SECTOR

In the Union Budget 2016, the Central Excise Act, the Government have imposed excise duty on readymade garments and made up textile articles falling under some specified Chapters of the Central Excise Tariff. The duty is leviable on branded items of garments and made up articles having MRP of Rs. 1,000/- and more. There are options to pay excise duty @ 2% (without CENVAT credit) or 12.5% (with CENVAT credit facility). It is to apply to all readymade garments and made ups regardless of the composition of the garment / article. The tariff value for readymade garments and made ups is fixed at 60% of MRP. There is no change in the peak rate of customs duty this year. This Measure will help to bring down the input cost for several technical textiles manufacturers in the Country. Basic Custom Duty on import of Fabrics reduced to zero. Also, the string attached to this facility that the total value of goods imported shall not exceed one percent of the Free on Board(FOB) value of textile garments exported during the preceding financial year. The Ministry has received Rs. 4594.82 crores for the upcoming financial year to support its various schemes covering the entire textile industry. In 2015-16, it was Rs.4326.44 crores. The flagship ATUF Scheme has been allocated Rs. 1480 crores for FY 2016-17 compared to Rs. 1510.79 crores in the FY 2015-16. Apart from ATUFS, all central funded schemes for textile sector have received required allocation of funds. The Government's focus on the farmer and rural sector is expected to boost the economic health of rural India, which in return will

improve consumption of textiles and apparels. Significantly large expenditure by the government in the rural and agricultural sector will stimulate demand. Domestic textile market size is anticipated to grow significantly, driven by increased consumption from rural and semi urban areas in the next 2-3 years. The government aims to double farm income by 2020, making farming a more lucrative activity. This should address the problem of high suicide rates among farmers, especially cotton farmers with regard to textiles which was the main demand of association. The Government has allocated Rs. 1480 crores for Technology Upgradation Fund Scheme. These additional funds would be required to meet the pending subsidies since September 2014. On the various benefits extended for the skill development and job creation in the Nation, government has hailed EPF benefit of 8.33% for the new entrants in the EPF. This would significantly improve the compliance and also ensure social security of the Employees. Once GST is introduced, the whole value chain will be covered by duty and traceability as well as compliance will improve tremendously and implementation problems will also ease considerably.

## **DIVIDEND**

Due to inadequate profits during the financial year ended on March 31<sup>st</sup> 2016, no dividend has been recommended by the Board of Directors.

## **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 2014-2015 which was due for remittance during the financial year 2015-2016. Hence no amount due to be transferred to the Investor Education and Protection Fund established by the Central Government.

## **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 the Companies Act, 2013 as well as Regulation 17 of the SEBI(Listing Obligations and Disclosure Requirements) 2015.

## **RISK MANAGEMENT PLAN**

In compliance of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 related to corporate governance, Risk Management plan of the company recognizes that the Enterprise Risk Management is an integral part of good management practice. Hence Risk Management is an essential element in achieving business goals. 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. The Company reviews and reports annually on its compliance of Corporate Governance Principles and recommendations for betterment, which include Risk Management and the internal control framework. Accordingly the Company has framed procedures to inform members of Board of Directors about risk assessment and minimization procedures.

## **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 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.

## **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.

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

In terms of section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the company has established a Vigil Mechanism policy for the Directors and Employees to report genuine concerns in such manner as may be prescribed and such a vigil mechanism has provided for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases, instances of unethical behavior, actual or suspected, fraud or violation of the