APAR INDUSTRIES LTD.

POWERING AHEAD!

54 YEARS

OF POWERFUL PERFORMANCE

"TOMORROW'S PROGRESS TODAY"

Apar Industries Limited | Annual Report 2011-12

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

Corporate Information

BOARD OF DIRECTORS

Dr. N. D. Desai	*Chairman*
Dr. N. K. Thingalaya	
Mr. F. B. Virani	
Mr. Kushal N. Desai	*Managing Director*
Mr. C. N. Desai	*Joint Managing Director*
Mr. H. N. Shah	
Mr. Rajesh Sehgal	*w.e.f. June 27, 2011*
Mr. Sanjiv Maheshwari	*Additional Director w.e.f. August 24, 2011*

AUDIT COMMITTEE

Mr. H. N. Shah	*Chairman*
Dr. N. K. Thingalaya	
Mr. F. B. Virani	
Mr. Rajesh Sehgal	*(w.e.f. June 27, 2011)*

COMPANY SECRETARY

Mr. Sanjaya Kunder

AUDITORS

M/s. Sharp & Tannan
Chartered Accountants, Mumbai.

BANKERS

■ Union Bank of India ■ Syndicate Bank ■ ING-Vysya Bank Ltd. ■ IDBI Bank Limited ■ ICICI Bank Ltd.
■ State Bank of India ■ Standard Chartered Bank ■ Bank of Baroda ■ Axis Bank Ltd.
■ Credit Agricole – Corporate & Investment Bank

REGISTERED OFFICE

301, Panorama Complex,
R.C. Dutt Road,
Vadodara – 390 007.
Tel: (++91) (0265) 2339906, 2331935
Fax: (++91) (0265) 2330309
E-mail: com_sec@apar.com
Website: www.apar.com

CORPORATE OFFICE

Apar House, Corporate Park,
Sion – Trombay Road, Chembur,
Mumbai – 400 071.
Tel: (++91) (022) 25263400, 67800400
Fax: (++91) (022) 25246326
E-mail : corporate@apar.com
Website: www.apar.com

REGISTRAR & SHARE TRANSFER AGENT

MCS Limited
Neelam Apartment, 88, Sampatrao Colony,
B/H Standard Chartered Bank, Alkapuri, Vadodara – 390 007.
Tel: (++91) (0265) 2339397, 2350490
Fax: (++91) (0265) 2341639
E-mail: mcsltdbaroda@yahoo.com

Financial Highlights for last five years (Consolidated)

(₹ in million)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
PROFIT AND LOSS ACCOUNT DATA					
Sales (Net of Excise)	35,966	30,330	22,355	26,371	17,658
% of Growth	19	36	(15)	49	17
Exports	10,256	7,442	6,236	7,899	6,874
Materials, Operating and other costs	33,335	27,746	20,901	25,717	16,467
Employee cost	478	397	321	256	185
Depreciation	218	205	185	147	140
Interest and Discounting charges*	1,155	445	332	412	371
Profit before tax, exceptional & Extraordinary Items	787	1,538	1,016	5	739
% of Growth	(49)	51	19,083	(99)	8
Taxation	27	578	224	23	118
Profit after tax (PAT)	761	960	792	(18)	621
Exceptional items	20	–	12	17	38
Extraordinary Items - net of tax	–	–	603	–	(323)
Associate profit/(loss)	–	–	–	(58)	(13)
Minority interest	(11)	(7)	67	40	(4)
Balance of Profit	730	953	244	(53)	889
% of Growth	(23)	290	–	(106)	84
BALANCE SHEET DATA					
Share Capital	385	323	323	323	323
Reserves & Surplus	4,848	3,191	2,511	2,476	2,521
Net worth	5,233	3,514	2,834	2,799	2,844
Minority interest	12	5	3	79	6
Loan Funds	2,095	1,359	1,617	1,615	1,009
Defferred Tax (Net)	131	89	72	63	54
Total Liabilities	**7,471**	**4,967**	**4,526**	**4,556**	**3,913**
Gross Block	3,550	3,283	3,091	2,794	1,469
Net Block	2,066	1,844	1,811	1,793	1,107
Investments including Goodwill on Consolidation	0	0	0	603	374
Net Current assets	5,404	3,123	2,715	2,148	2,403
Miscellaneous Expenditure (to the extent not written off or adjusted)	–	–	–	12	29
Total Assets	**7,471**	**4,967**	**4,526**	**4,556**	**3,913**
KEY RATIOS					
PAT to Sales (%)	2.03	3.14	1.09	(0.20)	5.03
Return on Net Worth (%)	17.15	30.03	30.57	(1.28)	37.53
Asset Turns (Revenue to total Assets)	5.78	6.39	4.97	6.27	4.74
Return on Capital Employed (%) **	13.48	22.01	24.65	5.94	24.49
Debt to Equity Ratio	0.26	0.21	0.36	0.41	0.07
Earning per Equity Share (Basic) ₹	19.15	29.48	7.56	(1.65)	27.48
Rate of dividend % p.a.	40%	60%	50%	–	55%
Book value per Equity Share ₹	136.03	108.68	87.63	86.22	87.08
Share Price as on 31st March (BSE)	161.85	214.90	197.50	78.05	205.70

* *Interest and Discounting charges for FY 2010-11 and FY 2011-12 includes Bank charges for borrowing and Applicable net loss on foreign currency transaction and translation*

** *Excluding extraordinary items*

Notice

NOTICE is hereby given that the **TWENTY THIRD** Annual General Meeting of the equity shareholders of **APAR INDUSTRIES LIMITED** will be held at the Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 on Friday, the 9th November, 2012 at 12.00 Noon to transact the following business :

Ordinary Business:

1. To receive, consider and adopt Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended on that date together with reports of Directors and Auditors thereon.
2. To declare dividend on equity shares of the Company.
3. To appoint a Director in place of Shri H. N. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Chaitanya N. Desai, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company and to fix their remuneration.

Special Business:

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Shri Sanjiv Maheshwari who was appointed as an Additional Director by the Board of Directors under Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company, retiring by rotation."

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314, 317 and Schedule XIII as amended and other applicable provisions, if any, of the Companies Act, 1956 as amended and pursuant to the approval and recommendation made by Compensation-cum-Remuneration Committee of the Board of Directors of the Company, Shri Kushal N. Desai be and is hereby re-appointed as Managing Director and Chief Executive Officer (CEO) of the Company to act as such, for a further period of three years from January 1, 2012 to December 31, 2014, with substantial powers of management as of a Managing Director, as defined under Section 2(26) of the said Act, but subject to the superintendence, direction and control of the Board of Directors of the Company; on salary, perquisites and commission as laid down below with power to the Board of Directors / Committee authorised by the Board to vary, alter or determine the remuneration, terms of appointment thereon, from time to time:

   1. **Salary:**
      ₹ 250,000 per month (present ₹ 183,013 p.m. after increase @10% P.A. to ₹ 125,000) from January 1, 2012 with annual increase of 10% each following year calculated on salary previously drawn.
   2. **Perquisites:**
      In addition to the above salary, he will be entitled to the following perquisites, which in the aggregate, will be restricted to the extent of 100% of an amount of his annual salary from time to time.

      Unless the context otherwise requires, perquisites are classified into three categories as follows:-

Category "A"

(i) Unfurnished residential accommodation or house rent allowance @ 50% of basic salary in lieu of housing accommodation.

The expenditure for taxes, levies, repairs, maintenance, society charges, security charges etc. incurred by the Company as tenant of the residential premises hired by the Company and provided to the Director will also be considered as perquisite to the said Director.

(ii) The Company will also pay for utilities like power, gas, water, staff, etc. used / availed by the said Director at his residence, as may be permissible under law from time to time.

(iii) The Company shall give / provide, leave travel assistance for self and family, medical reimbursement, club fees, personal accident insurance, and any other allowance or reimbursement as may be agreed upon between the Director and the Company, from time to time.

Provided that the above perquisites shall be valued as per the income tax norms / rules, wherever applicable.

In the absence of any such rules, the perquisites and allowances shall be evaluated at actual cost.

Category "B"

(a) Contribution to provident fund and superannuation fund in accordance with the rules of the Company to the extent that these are not taxable under the Income Tax Act, 1961.

(b) Gratuity payable as per the Company's rules at the end of the tenure.

(c) Encashment of unutilised leave as per Company's rules.

The above will not be included in the computation of ceiling on perquisites.

Category "C"

Motor vehicle with driver for use on Company's business and telephone / mobile phones / other communication facility at residence will not be considered as perquisites. However, personal long distance telephone calls and use of motor vehicles for private purposes shall be billed and recovered from the concerned Director as per income tax rules.

In accordance with the provisions of Section 192(1A) read with Section 17 of the Income Tax Act, 1961, the Company shall bear and pay due income tax at applicable rates on the perquisite value as per the Income Tax Act/Rules in respect of non-monetary perquisites provided to the above Director.

He will be entitled to reimbursement of all actual expenses, including travelling, entertainment and other out-of-pocket expenses incurred in the course of the Company's business.

3. Commission:

   In addition to the above salary and perquisites, he shall also be entitled to receive Commission up to 1 % of net profit of the Company in each financial year as may be determined under the provisions of Section 198(1) and 309 of the Companies Act and the Board is authorised to approve and pay such commission pursuant to the recommendation of Compensation-cum-Remuneration Committee (CRC).

   Provided the aggregate amount of remuneration covering basic salary, perquisites, and commission payable to the said Director and in aggregate to all such Directors should not exceed the prescribed percentages of the net profit of the Company in each year as provided under Sections 198, 309 read with Schedule XIII of the Companies Act, 1956 as may be in force from time to time.

"FURTHER RESOLVED THAT in the event of absence or inadequacy of profit in any year during the currency of tenure, he shall be paid remuneration by way of salary, perquisites and other allowances as specified above as minimum remuneration subject to the ceiling specified in the Companies Act in force from time to time."

8. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314, 317 and Schedule XIII as amended and other applicable provisions, if any, of the Companies Act, 1956 as amended and pursuant to the approval and recommendation made by Compensation-cum-Remuneration Committee of the Board of Directors of the Company, Shri Chaitanya N. Desai be and is hereby reappointed as Joint Managing Director of the Company to act as such for a further period of three years from 1st January, 2012 to 31st December, 2014, with substantial powers of management as of a Managing Director, as defined under Section 2(26) of the said Act, but subject to the superintendence, direction and control of the Board of Directors of the Company; on salary, perquisites and commission as laid down below with power to the Board of Directors / Committee authorised by the Board to vary, alter or determine the remuneration, terms of appointment thereon from time to time:

   1. Salary:

      ₹ 250,000/- per month (present ₹ 183,013/- p.m. after increase @10% P.A. to ₹ 125,000) from 1st January, 2012 with annual increase of 10% each following year calculated on salary previously drawn.

   2. Perquisites:

      In addition to the above salary, he will be entitled to the following perquisites, which in the aggregate, will be restricted to the extent of 100% of an amount of his annual salary from time to time.

      Unless the context otherwise requires, perquisites are classified into three categories as follows:-

Category 'A'

(i) Unfurnished residential accommodation or house rent allowance @ 50% of basic salary in lieu of housing accommodation.

   The expenditure for taxes, levies, repairs, maintenance, society charges, security charges etc. incurred by the Company as tenant of the residential premises hired by the Company and provided to the Director will also be considered as perquisite to the said Director.

(ii) The Company will also pay for utilities like power, gas, water, staff, etc. used / availed by the said Director at his residence, as may be permissible under law from time to time.

(iii) The Company shall give / provide, leave travel assistance for self and family, medical reimbursement, club fees, personal accident insurance, and any other allowance or reimbursement as may be agreed upon between the Director and the Company, from time to time.

Provided that the above perquisites shall be valued as per the income tax norms / rules, wherever applicable. In the absence of any such rules, the perquisites and allowances shall be evaluated at actual cost.

Category 'B'

(a) Contribution to provident fund and superannuation fund in accordance with the rules of the Company to the extent that these are not taxable under the Income Tax Act, 1961.

(b) Gratuity payable as per the Company's rules at the end of the tenure.

(c) Encashment of unutilised leave as per Company's rules.

The above will not be included in the computation of ceiling on perquisites.

Category 'C'

Motor vehicle with driver for use on Company's business and telephone / mobile phones / other communication facility at residence will not be considered as perquisites. However, personal long distance telephone calls and use of motor vehicle for private purposes shall be billed and recovered from the concerned Director as per income tax rules.

In accordance with the provisions of Section 192(1A) read with Section 17 of the Income Tax Act, 1961, the Company shall bear and pay due income tax at applicable rates on the perquisite value as per the Income Tax Act/Rules in respect of non-monetary perquisites provided to the above Director.

He will be entitled to reimbursement of all actual expenses, including travelling, entertainment and other out-of-pocket expenses incurred in the course of the Company's business.

3. Commission:

In addition to the above salary and perquisites, he shall also be entitled to receive Commission up to 1% of net profit of the Company in each financial year as may be determined under the provisions of Section 198(1) and 309 of the Companies Act and the Board is authorised to approve and pay such commission pursuant to the recommendation of Compensation-cum-Remuneration Committee (CRC).

Provided the aggregate amount of remuneration covering basic salary, perquisites, and commission payable to the said Director and in aggregate to all such Directors should not exceed the prescribed percentages of the net profit of the Company in each year as provided under Sections 198, 309 read with Schedule XIII of the Companies Act, 1956 as may be in force from time to time.

FURTHER RESOLVED THAT in the event of absence or inadequacy of profit in any year during the currency of tenure, he shall be paid remuneration by way of salary, perquisites and other allowances as specified above as Minimum Remuneration subject to the ceiling specified in the Companies Act in force from time to time."

9. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in supersession of Resolution passed at the 17th Annual General Meeting of the Members of the Company held on 10th August, 2006, and pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, as amended and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company ('the Board') for borrowing in Indian rupees and / or foreign currencies for the purposes of business of the Company from time to time, any sum or sums of money, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans including working capital facilities obtained or to be obtained from the Company's bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency agreement) may exceed, at any time, the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time, exceed the sum of ₹ 500 Crores (Five Hundred Crores) only."

Registered Office:	By Order of the Board,
301, Panorama Complex,	For Apar Industries Limited
R. C. Dutt Road,	
Vadodara 390 007.	
Place: Mumbai	Sanjaya Kunder
Date : 27th September, 2012.	*Company Secretary*

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.

2. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, as per the provisions of SEBI Circular dated May 29, 2000. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.

3. The Register of Members and Share Transfer Books for the equity shares of the Company shall remain closed from Tuesday, 6th November , 2012 to Friday, 9th November, 2012, both days inclusive.

4. Members desirous of obtaining information / details about the accounts are requested to write to the Company at least one week before the meeting, so that proper information can be made available at the time of meeting.

5. Shareholders who have not so far surrendered their old share certificates of Gujarat Apar Polymers Limited (GAPL) for exchange against the new share certificates of the Company i.e. Apar Industries Limited (AIL) are once again requested to forward their old share certificates to the Company for exchange. In terms of the Listing Agreement with the Stock Exchanges, the Registrar and Share Transfer Agent of the Company, MCS Limited has sent necessary reminders to the concerned shareholders in this regard. The old share certificates of GAPL have already been cancelled and are of no effect or value.

6. Members holding shares in dematerialised form may please note that while opening a depository account with Depository Participant (DP), they have given their bank account details, which will be printed on their dividend warrants. However, if any member wants to change / correct the bank account details, he / she should communicate the same immediately to the concerned Depository Participant (DP). Members are also requested to furnish the bank account details along with MICR code of their bank to their Depository Participant so as to enable the Company to ensure payment of dividend through Electronic Clearing Service (ECS).

7. The details of Directors seeking appointment / reappointment at the ensuing Annual General Meeting as required in terms of Clause 49 of the Listing Agreement of the Stock Exchanges are also annexed hereto and forming part of the Notice.

8. All documents referred to in the accompanying notice and the explanatory statements are open for inspection at the registered office of the Company during the office hours on all working days except Sundays between 11.00 A.M. and 4.00 P.M. up to the date of the ensuing Annual General Meeting and at the meeting, during the meeting hours.

9. Corporate members intending to send their authorised representative to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

10. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amounts of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account of the Company are required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and, thereafter, no payments shall be made by the Company or by the IEPF in respect of any such amounts.

    The amount of unpaid / unclaimed dividend up to the financial year ended March 31, 2004 and the first and second interim dividend for 2004-05 on equity shares paid on 19.11.2004 and 01.04.2005 respectively have been transferred to IEPF. The unpaid / unclaimed dividend amount of equity shares of the Company paid on 07.10.2005 (final dividend – 2004-05) are due for transfer to the said fund in the month of December, 2012. Members who have not yet encashed their warrant (s) are requested to make their claims to the Company without any delay.

11. Members may avail of the nomination facility as provided under Section 109A of the Companies Act, 1956.

12. (a) As stated in Para No. 9 (d) of the Directors' Report, the Company has not attached the annual accounts, reports and other statements pursuant to Section 212 (1) of the Companies Act, 1956, in respect of – (a) Petroleum Specialties Pte. Ltd., Singapore (PSPL), wholly-owned subsidiary (WOS) of the Company; (b) Quantum Apar Speciality Oils Pty. Ltd., Australia, Subsidiary of PSPL and (c) Marine Cables & Wires Private Limited, WOS of the Company, with the annual report of the Company for the financial year ended March 31, 2012 in accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India (MCA). The Company has fulfilled all the conditions of the said Circular in the annual report attached herewith.

(b) A Statement showing information in aggregate of the said subsidiary companies in compliance with the aforesaid General Circular of Ministry of Corporate Affairs has been attached with the financial statements.

(c) The Company shall provide a copy of the annual accounts and related information / reports for the year 2011-2012 of the subsidiary companies as required under Section 212 of the Act to the shareholders on their request, free of cost, at any point of time. Further, the annual accounts of subsidiary companies shall be available for inspection at the registered office and corporate office of the Company and that of the respective subsidiary company.

13. The required Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of special business is annexed hereto, forming part of the notice.

14. The annual report of the Company, circulated to the members of the Company, will be made available on the Company's website at www.apar.com.

15. The Company has already initiated / implemented the 'Green Initiative' during the year 2010-11, as per the Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices / documents and annual reports to shareholders. The e-mail addresses as made available in your respective Depository Participant (DP) accounts and downloaded from NSDL / CDSL will be deemed to be your e-mail address for serving notices / documents including those covered under Section 219 of the Companies Act, 1956 read with Section 53 of the Companies Act.

The Notice of AGM and the copies of audited financial statements, Directors' Report, Auditors' Report etc. shall also be displayed on the Company's website at www.apar.com and the other requirements of the aforesaid MCA circular shall be duly complied with. Members holding shares in electronic mode are, therefore, requested to ensure to keep their e-mail addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their e-mail addresses by sending an e-mail to investorservices@apar.com quoting their registered ledger folio number. Shareholders can register their e-mail address, by sending an e-mail at investorservices@apar.com quoting their folio no. / DP ID – client ID in order to facilitate the Company to serve the documents through electronic mode.

Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6 :

The agenda item no. 6 of the Notice relates to the appointment of Shri Sanjiv Maheshwari as Director of the Company, liable to retire by rotation.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Sanjiv Maheshwari is appointed as an Additional Director by the Board of Directors at its Meeting held on 24th August, 2011.

Mr. Sanjiv Maheshwari aged 49 years is holding degree in AICWA, Master of Management Studies (MMS) from Mumbai University. He has 14 years of experience of working with Sandoz (India) Limited, now called Novartis (India) Limited, one of the largest chemical companies in the world under various positions like corporate planning and budgeting, logistics, procurement, distribution, finance, production planning and supply chain management. He held the positions as vice-president - worldwide operations and CFO in Ness Technologies Inc. (a NASDAQ listed Company) and looked after the worldwide operations and finance activities of the Company. Since 2006, he is a general partner and CFO of Basil Capital, a Mauritius Venture Capital Fund, focusing on SME IT / ITes services sector. Mr. Maheshwari has an overall experience in corporate / divisional planning and budgeting, management information systems, finance and accounts, supply chain management, commercial, purchasing, negotiations, structuring, legal and tax, general administration.

In terms of Section 260 of the said Act, Mr. Sanjiv Maheshwari shall hold the office of Director only up to the date of ensuing Annual General Meeting (AGM). The Company has received valid notice and requisite deposit from a member of the Company under Section 257 of the said Act, proposing the candidature of Mr. Sanjiv Maheshwari for the office of Director.

In view of the above background and rich experience of Mr. Sanjiv Maheshwari in the field of corporate and finance, it will be in the interest of the Company to continue him as Director of the Company retirable by rotation. The Directors therefore recommend the resolution for approval of the members.

None of the Directors of the Company except Mr. Sanjiv Maheshwari is in any way concerned or interested in the resolution.

ITEM NO. 7 AND 8:

The agenda item no. 7 and 8 of the notice relates to the approval for reappointment and revision of remuneration and providing facilities to Shri Kushal N. Desai as Managing Director and Chief Executive Officer (CEO) and Shri Chaitanya N. Desai as Joint Managing Director of the Company for a further period of three years from 1st January, 2012 to 31st December, 2014.

During the tenure of the said two Directors, the Company has :

a. achieved substantial increase in the production and sales turnover.
b. improved financial performance of the Company.
c. undertaken the expansion of manufacturing facilities of all segments of Company's businesses.
d. increased export market for all products of the Company.

Thus, the Company has immensely benefitted from the rich experience, hard work and expertise of management of industries by Shri Kushal N. Desai, Managing Director and Shri C. N. Desai, Joint Managing Director. Hence, for continuous growth of all the divisions of the Company, it would be in the best interest of the Company to reappoint them for a further period of three years w.e.f. 1st January, 2012.

Considering the present business environment and future business scenario, consequent to expansion of business operations and inflation in last five years, the present remuneration and commission paid to the said Directors are not comparable with the pay structure enjoyed by managerial personnel of other industry / companies having more or less same size of the Company. The present remuneration package does not adequately commensurate with the responsibilities being shouldered by them. It was, therefore, proposed that whilst reappointing them for a further term of three years, to also revise the remuneration within the ceilings prescribed by Schedule XIII read with Section 198, 309 of the Companies Act, 1956, which permits a Company having profits in a financial year to pay any remuneration by way of salary, dearness allowance, perquisites, commission and other allowances to its managerial persons which, in aggregate for all such persons, should not exceed 10 % of its net profit in any financial year.

Considering the above, the Board at their Meeting held on 31st October, 2011 has, subject to the approval of shareholders, reappointed them with revision in remuneration as detailed in the resolution for a further period of three years w.e.f. 1st January, 2012. The abstract of the terms of reappointment of the above two directors and Memorandum of Interest u/s. 302 of the Companies Act, 1956 have already been circulated / sent on 31st October, 2011 to all the members of the Company. The re-appointment and payment of remuneration are in accordance with the provisions of Sections 198, 309, 310, 311, 314, 317 and Schedule XIII of the Companies Act, 1956 as amended up to date.

The Board, therefore, commends the resolutions for approval by the members.

Dr. N. D. Desai, Shri Kushal N. Desai and Shri C. N. Desai, Directors, being relatives of one another are concerned and interested in these resolutions. No other Director of the Company is concerned or interested in the Resolution.

ITEM NO 9:

Item No. 9 relates to authorising the Board of Directors of the Company to borrow monies apart from temporary loans including working capital facilities obtained or to be obtained from Company's bankers in the ordinary course of business in excess of paid-up share capital and free reserves of the Company.

At the 17th Annual General Meeting of the Company held on 10th August, 2006, the members had, pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, authorised the Board of Directors of the Company to borrow from time to time, a sum of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves of the Company provided that the sum or sums so borrowed and remaining outstanding at any time shall not exceed ₹ 300 crores (Rupees Three Hundred Crores).

With the expansion of Industrial activities, and the increased business operations, the Company will require higher amount of margin to support various types of working capital facilities such as cash credit, bills discounting, letters of credit, bank guarantee etc. for day to day operations and term loans and other financial facilities to meet with the ongoing modernisation programmes and expansion of projects. In order to enable the Board of Directors to meet with the requirements of funds, from time to time, it is required to authorise the Board of Directors under Section 293 (1) (d) of the Companies Act, 1956 to borrow for the Company in excess of paid-up capital and free reserves of the Company but not exceeding up to ₹ 500 crores at any time (apart from working capital facilities obtained or to be obtained from Company's bankers in the ordinary course of business).

The Board, therefore, commends the resolution for approval of the Members.

None of the Directors of the Company is concerned or interested in the resolution.

Registered Office:	By Order of the Board,
301, Panorama Complex,	For Apar Industries Limited
R. C. Dutt Road,	
Vadodara 390 007.	
Place: Mumbai	Sanjaya Kunder
Date : 27th September, 2012.	*Company Secretary*

Details of Directors seeking appointment / reappointment at the ensuing Annual General Meeting.

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of Director	Shri Kushal N. Desai	Shri C. N. Desai	Shri H. N. Shah	Shri Sanjiv Maheshwari
Date of birth	21.02.1967	15.07.1971	20.06.1928	20.01.1963
Date of appointment	24.03.1999	29.05.1993	27.09.2002	24.08.2011
Expertise in specific functional areas	Electrical Engineering	Chemical Engineering	Chartered Accountant	Corporate Planning and Budgeting
Qualifications	B.Sc. (Hons.), (Elect.Engg.), USA B.S. in (Econ.) (Hons.), Wharton, USA.	B.Sc. (Hons.), (Chem. Engg.), USA B.S. (Econ.) Hons., Wharton, USA.	B.Com, F.C.A.	B.Com, AICWA, MMS
List of other companies in which directorship held as on 31.03.2012.	1. Apar ChemateK Lubricants Ltd. 2. Apar Corporation Pvt. Ltd. 3. Apar Technologies Pvt. Ltd. 4. Scope Pvt. Ltd. 5. Catalis World Pvt. Ltd. 6. Uniflex Cables Ltd.* 7. Marine Cables & Wires Pvt. Ltd. 8. Petroleum Specialities Pte. Ltd., Singapore 9. Quantum Apar Speciality Oils Pty.Ltd., Australia 10. Apar Investments, INC. 11. Apar Investments (Singapore) Pte. Ltd. 12. Apar Technologies Pte. Ltd., Singapore	1. Apar ChemateK Lubricants Ltd. 2. Apar Corporation Pvt. Ltd. 3. Apar Technologies Pvt. Ltd. 4. Scope Pvt. Ltd. 5. Catalis World Pvt. Ltd. 6. Uniflex Cables Ltd.* 7. Marine Cables & Wires Pvt. Ltd. 8. Apar Investments, INC 9. Petroleum Specialities Pte. Ltd.	1. Uniflex Cables Ltd.* 2. Marine Cables & Wires Pvt. Ltd.	1. Karmic Labs Pvt. Ltd.
Chairman / Member of the committee of other public companies on which he is a director as on 31.03.2012.	1. **Uniflex Cables Limited*** - Shareholders/Investors Grievance Committee - Remuneration Committee - Sub-Committee 2. **Apar ChemateK Lubricants Ltd.** - Audit Committee	1. **Uniflex Cables Limited*** - Audit Committee - Shareholders / Investors Grievance Committee - Remuneration Committee - Sub-Committee 2. **Apar ChemateK Lubricants Ltd.** - Audit Committee	1. **Uniflex Cables Ltd.*** - Audit Committee - Shareholders / Investors Grievance Committee - Remuneration Committee - Sub-Committee	Nil
No. of shares held in the Company	68,31,778	68,20,610	2,960	582
Relationship between directors inter se	Related to – Dr. N. D. Desai, (Father) and Shri C. N. Desai, (Brother)	Related to – Dr. N. D. Desai, (Father) and Shri K. N. Desai, (Brother)	Nil	Nil

*Amalgamated with Apar Industries Ltd. w.e.f. 18th September, 2012, Transfer Date being 1st April, 2010.

Directors' Report

To,
The Shareholders,

Your Directors have pleasure in submitting the 23rd Annual Report of the Company together with the audited annual accounts showing the financial position of the Company for the year ended 31st March, 2012.

1. Financial results

Standalone results for the year 2011-12 include effect of amalgamation of erstwhile Uniflex Cables Ltd, Subsidiary Company (UCL) with the Company from 1st April, 2010 being Transfer Date. However, the same for the year 2010-11 are without such inclusion and therefore not comparable. For more details refer para 2(a) of this report.

Consolidated results include the results of (a) Petroleum Specialities Pte. Ltd, Singapore (PSPL) and Marine Cables & Wires Private Limited (MCWPL), wholly-owned subsidiaries (WOS) of the Company (b) Apar ChemateK Lubricants Ltd., a Joint Venture Company and (c) Quantum Apar Speciality Oils Pty. Ltd., subsidiary of PSPL.

(₹ in millions)

Particulars	Company		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Sales turnover (after deduction of excise duty)	34,545.38	27,233.41	35,966.28	30,330.33
Other income	7.09	1.27	7.09	1.35
PROFIT FOR THE YEAR BEFORE FINANCE COST, DEPRECIATION / AMORTISATION, TAXATION AND EXCEPTIONAL ITEMS	1,969.30	1,988.65	2,160.08	2,188.88
Deducting therefrom:				
- Depreciation / amortisation	212.79	137.09	217.71	205.16
Finance Costs	1,141.24	254.94	1,155.28	445.28
Profit before adjustment of exceptional items, Taxation and minority interest	615.27	1,596.62	787.08	1,538.44
Exceptional items	19.57	1.97	19.57	0.00
PROFIT BEFORE TAXATION FOR THE YEAR	595.70	1,594.65	767.52	1,538.44
Deducting therefrom:				
- Provision for taxation	2.56	536.12	26.53	578.03
Net profit for the year after taxation and before minority interest	593.14	1,058.53	740.99	960.41
Adjustment of:				
- Minority Interest (profit)/loss	-	-	(10.61)	(7.15)
NET PROFIT AFTER TAXATION AND ABOVE ADJUSTMENTS	593.14	1,058.53	730.38	953.26
Add: Profit brought forward from previous year	1,735.41	1,027.96	1,550.82	948.64
(Less) : Loss of Amalgamating Subsidiary	(1,019.48)	-	(411.94)	-
Amount available for appropriations	1,309.07	2,086.49	1,869.26	1,901.90
Appropriation made by the Board of Directors:				
- General reserve	(89.00)	(110.00)	(89.00)	(110.00)
Dividends on Equity shares :				
- Interim dividend at Nil {(Previous year ₹2.50 (25%)} per share	0.00	(80.84)	0.00	(80.84)
- Income tax on interim dividends	0.00	(13.43)	0.00	(13.43)
- Proposed final dividend at ₹4.00 (40%) { (Previous year ₹3.50 (35%))} per share	(153.88)	(125.90)	(153.88)	(125.90)
- Income tax on dividends	(24.96)	(20.91)	(24.96)	(20.91)
- Leaving balance of profit carried to balance sheet	1,041.23	1,735.41	1,601.42	1,550.82
Earnings per equity share (EPS)				
- Basic & Diluted	15.55	32.74	19.15	29.48

2. a) Rehabilitation scheme of Uniflex Cables Limited, Subsidiary Company (UCL) through amalgamation with the Company:

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) by its Order dated September 13, 2012 have sanctioned the Rehabilitation Scheme of Uniflex Cables Limited (UCL) envisaging amalgamation of UCL with the Company from Transfer date 01st April, 2010 and the Scheme became effective from September 18, 2012 upon filing necessary forms with the Ministry of Corporate Affairs (MCA). The Annual Accounts of the Company for the Financial Year 2011-12 are the amalgamated accounts.

b) Issue of shares to the shareholders of UCL:

In terms of the above Scheme , the Company shall allot 2,498,037 Equity Shares of ₹10/- each, aggregating to ₹24,980,370/- to the shareholders of UCL as per share exchange ratio of 1:10.

Thus, Issued, Subscribed and Paid-up Equity Share Capital of the Company shall be increased to ₹384,704,310/- divided into 38,470,431 Equity Shares of ₹10/- each fully paid-up.

3. Dividend:

Considering the financial results achieved during the year under review as compared to the previous year, the Board of Directors has recommended the dividend for financial year 2011-12 on the expanded capital of 38,470,431 Equity Shares of the face value of ₹10/- each fully paid @ ₹4.00 (40 %) per share.

This dividend amounting to ₹153.88 million is payable after declaration by shareholders at the ensuing Annual General Meeting (AGM) and you are requested to declare the same.

4. Management discussion and analysis / Outlook

(a) Industry structure, development, opportunities, threats, outlook and risk and concerns

The Indian power sector is undergoing a significant change. Sustained infrastructure growth continues to drive power demand in the country. During the Eleventh Plan (2007-12) , an estimated 52,000 MW capacity has been achieved as against a target of 78,577 MW capacity addition (later scaled to 62,000 MW). Currently, the Indian power generation capacity stands at around 200,000 MW. The Power Ministry has set a target to add 76,000 MW in the Twelfth Plan (2012-17) and 93,000 MW in the Thirteenth Plan (2017-2022). There is a substantial supply-demand gap in all the three segments of the Power Sector. The demand for power continues to grow although the economy grows at a slower pace. This latent demand will sustain the long term investments in Power Infrastructure.

However, it is only with the resolution of the coal issues that the sustained growth in infrastructure will happen. The Government's ability to resolve the present crisis on the long term Coal policy will have a huge impact on the future investments in the Power Sector.

Our company is well positioned once the market revives since it is very well placed by virtue of its leadership position each of the segments it is present in. The Conductor & Cable divisions have their capacities, approvals & relationships with clients in place. The Company's Transformer Oil business is linked to the Power Transmission & Distribution Sectors; it will stand to gain when the short term issues are appropriately addressed by the Government.

The Company continues to invest and grow the Automotive Oils & Industrial Oils businesses.

After the close of accounting year, the Company has recently acquired 47.5% stake from Chematek SpA in the distribution JV company viz Apar ChemateK Lubricants Ltd. for Automotive Oils and the said Company has become Subsidiary of the Company.

The Company's Transformer Oil, Conductors and Cables divisions are amongst the leaders in their respective fields and are expected to benefit significantly in the longer term from the investments that are being planned in the power sector.

The year under review was a challenging year. The extreme volatility/depreciation of the Indian Rupee, significant slowdown in the economy, acute tightness of the financial markets & increases of interest costs and inflationary pressures were amongst the main reasons for reduced Profit of the year.

In spite of the challenges from the external circumstances, the company increased its revenue from ₹27,233.41 million to ₹34,545.38 millions (net of excise duty) on standalone basis. The Company's export was ₹8,844.57 millions during the year which were 40.07% more than the exports of the previous year and were to over 81 countries.

The Company has been focusing on increasing its value addition through introduction of new products. The products and businesses introduced in the past 5 years of the company constituted approx. 16% of the revenue of the Company.

Margins from the manufacturing activities during the year under review were ₹1,969.30 million as against ₹1,988.65 million in the previous year. The segment-wise operations were as under :

(i) Transformer and specialty oil segment

This division contributed 52.6% of the Company's revenue. Details of Sales revenue and segment profit (standalone basis) are :

₹ / million	2011-12	2010-11	Variation (%)
Turnover	18,179.15	13,931.99	30.48
Segment profit	1,401.11	1,583.92	(11.51)
Export	5,102.86	3,232.04	57.88

The year started off well, but was adversely impacted thereafter by market conditions besides unexpected and very steep depreciation/volatility of the Indian Rupee. The consequent increase in raw material costs could not be passed on fully to the customers, resulting in squeezed margins. This affected all the industry players.

Exports for the Company continued to remain strong. The Company expects a similar trend to continue in FY13. The company has further broadened its overseas client base in both Transformer oils and White-oil sub-segments. The new products and business introduced in the past five years under this segment constitute approx. 27% of the revenue of the segment.

There was a lag effect in terms of finished product prices in an environment where demand was slowing down on account of the various reasons mentioned above. In the backdrop of sluggish demand especially in the transformer oil segment, it was possible to increase the prices of finished products only marginally. The combination of these effects resulted in profit erosion for oil products. This was partly anticipated by the Company, but the severity of the impacts realised from these twin effects, was much higher.

The Company has been concentrating on higher value-added products and applications rather than focus just on volume growth. As a result, growth in terms of volume has been modest at approximately 1.46%.

Several new products have been introduced in the Passenger car, Diesel Engine oil and motorcycle market segments under the Agip brand, which are very high performance Synthetic oils. This has positioned Agip branded lubricants at the top end of the market in terms of performance levels. The Company expects its auto lube sales to grow at a faster pace than the other sub-segments in FY13.

The Net sales turnover of the "Agip" brand Automotive Lubricants produced by the Company with License and Technical Know-how of ENI-S.p.A of Italy increased to ₹1,632.47 millions as against ₹1,212.08 millions in the previous year.

Prospects going forward look stronger in the Power Transformer sector than in the distribution transformer sector. There are several transmission lines and sub-stations that are in the pipeline for building in the next 18 months, driving the demand for Transformer oils primarily in the 400 KV and 765 KV class, where the company has a relatively strong position. On the other hand, the distribution transformer market which has a strong dependence on the Electricity Boards is starved for funds, resulting in difficult circumstances both for transformer OEMs and ourselves. Overall, though, the Company is cautiously optimistic that shipments in FY13 will be higher than in FY12.

The Company expects to sustain its leadership position in the market for Transformer Oils, and increase its penetration in the other segments. While the profitability in 2012-13 is expected to be affected due to the expected continuation of sluggish markets in the short time until structural reforms are undertaken, which would spur the growth in the Industry thereafter.

In spite of steep depreciation in Rupee and consequent increase in raw material cost, this division has achieved Profit of ₹1,401.11 millions as against ₹1,583.92 millions in the previous year.

Risk and concerns

The company is exposed to the volatility in the prices of its raw materials & in foreign exchange rate. However, in order to mitigate its risks, the Company continues to exercise prudence in its inventory control & hedging strategies. The coal related issues are affecting the fresh investments in the Power sector. Hence, the Company is investing & growing its Automotive Oils & Industrial Oils businesses.

(ii) Conductor division

₹ / million	2011-12	2010-11	Variation (%)
Turnover	13,627.27	13,258.66	2.78
Segment profit	583.93	515.11	13.36
Export	2,794.11	2,219.76	25.87

During the first Half of the year, operating results were subdued due to execution of low margin Orders. These Orders were booked last year when our main customer PGCIL was absent from the market. The reduction in the overall demand created a difficult market condition, and the industry was witnessing reduction in margins. The performance was also further affected on account of delays in off-take by customers since their projects' execution was undergoing delays. As a result, there was some idle capacity resulting in under recovery of overheads.

During the year under review, on account of termination of sales contract for an overseas project on a mutually agreed basis, the company has provided ₹57.29 million as loss on account of settlement of position taken on London Metal Exchange (LME) to book the loss pertaining to forward LME positions. The Company continues to hedge its exposure on the commodity risk, with increased due diligence on counter-party risk assessment.

The Company has continued efforts to increase its sale of High Temperature Conductors, which gives better value addition. Also, the company continued its efforts in promoting its products in Export market, which increased by 25% over the previous year.

The order book as of 1st April, 2012 stood at ₹21,292 million and the orders in pipeline stood at ₹720 million. Of this, ₹7,218 million were received in Q4FY12. Based on interactions with Power Grid and other key buyers, there is expectation that the overall spend of our customers in FY13 should be about 10 % higher than in FY12. Given the higher order position that the company is carrying, the Company expects better working in FY13 with a growth in sales volume of about 20 % over FY12.

Risks and concerns

There is continued volatility in the raw material prices and in other input costs. The Company hedges the main raw materials on the London Metal Exchange & the foreign exchange exposure, in order to mitigate the risks of its operation. The Coal related issues are putting generation projects in trouble; consequently even the transmission line projects are going to get delayed. The main client Powergrid tends to finalise its business in a lumpy manner creating cyclical effects in the Industry. However, the Company has been developing clients in the private sector & in the export markets.

(iii) Cables division (Operations from erstwhile Uniflex Cables Ltd.(UCL))

₹/million	2011-12	2010-11*
Turnover ₹/million	3,543.13	3,112.73
Segment profit	28.44	(128.03)
Export	947.60	862.71

*as per published audited accounts of 2010-11 of erstwhile UCL

Market prices continue to remain un-remunerative in the domestic market especially in HT Cables. Enquiry level was low. There was margin & cash flow pressure in the Cable Industry during the year under review.

Margins were slightly better in Export market hence the Company focused more on the export front.

Overall performance of the division has improved on account of Consultancy approvals for product and enhanced enquiry level. Company has also developed few new speciality Cables during the year where margins are better and got good response from the customers.

Due to BIFR status of the erstwhile UCL, the business was affected by adverse propaganda by its' competitors about the sickness of UCL as its alleged weakness to deliver and to procure orders for themselves.

Cabel business has converted / modified its' major equipments relating to telecom cables (which have no demand on account of mobile / wireless technology) to power cables which has better demand.

Several steps have been taken for improvement of productivity, cost cutting,de-bottlenecking of manufacturing facilities, expansion of production lines and markets etc. Few old machines have been replaced by new machines which has resulted into better yield / output per machine and lower rejection.

The reforms in the distribution segment have not happened in reality. Excess capacity was set up in the expectation of very strong growth in the Power distribution sector which is currently the most under invested, and has the maximum structural problems. Consequentially, margins are under pressure for the Power Cables. However, we are concentrating on specialty cables including investing in installing e-beam systems.

The outlook for Telecom Cables , specially OFC seems to be good in the medium term with significant optical fiber capacity to be added in the country.

Risks and concerns

The excess capacity in the Industry & the lack of reforms in the distribution segment has caused the LT & HT Cables demand to be sluggish & the price levels to be depressed. The Company is concentrating on diversifying its product mix into Specialty Cables including electron-beam insulated cables for special & high performance applications.

(b) Operations of Subsidiaries:

(i) Petroleum Specialities Pte. Ltd, Singapore (PSPL), a Wholly Owned Subsidiary (WOS):

During the year under review, Net sales of PSPL was US$ 60.72 million as against US$ 60.20 million in the previous year and Profit after tax stood at US$ 2.29 million as against US$ 2.65 million in the previous year.

Quantum Apar Speciality Oils Pty. Ltd, Australia where PSPL holds 65% equity has reported Net sales of AUD 9.29 million as against AUD 6.69 million and Profit after tax of AUD 0.28 million as against AUD 0.21 million.

(ii) Marine Cables & Wires Private Limited (MCWPL), a Wholly Owned Subsidiary (WOS):

Pursuant to amalgamation of UCL with the Company, MCWPL which was a WOS of erstwhile UCL has become WOS of the Company.

During the year under review, MCWPL incurred loss of ₹10.37 million as against loss of ₹11.27 million in the previous year. As directed by BIFR, MCWPL has submitted Draft Rehabilitation Scheme (DRS), which include amalgamation of the MCWPL with the company with cut off date as 31st March, 2010 to BIFR. BIFR has appointed Syndicate Bank as Operating Agency (OA) to examine the DRS and submit its' report to BIFR. The OA has submitted it's report in this regard and Final approval from BIFR is awaited.

(iii) Apar Chematek Lubricants Limited (ACLL), Subsidiary :

ACLL, a 50:50 Joint Venture Company between the Company and ChemateK S.p.A. Italy is primarily engaged into marketing of Industrial Lubricants Oils and other Petroleum products manufactured by the Company under the reputed AGIP brand licensed by ENI, S.p.A., Italy.

In September, 2012 Company purchased 47.5% Equity shares from Chematek S.p.A.. After the above purchase, shareholding of the company in ACLL has increased to 97.5% and ACLL has become subsidiary of the company.

During the year under review, ACLL has reported Income of ₹219.88 million as against ₹228.49 million in the previous year and incurred Net Loss of ₹15.71 million as against Net Profit after tax of ₹44.62 million in the previous year mainly due to increase in cost of operations that could not be passed on to end customers.

(c) Cautionary statement

The statements made in the management discussion & analysis section, describing the Company's goals, expectations, or predictions etc. do contain some forward looking views of the management. The actual performance of the Company is dependent on several external factors, many of which are beyond the control of the management viz. growth of Indian economy, continuation of industrial reforms, fluctuations in value of Rupee in foreign exchange market, volatility in commodity prices, applicable laws / regulations, tax structure, domestic / international industry scenario, movement in international prices of raw materials and economic developments within the country etc.

(d) Internal control system (ICS) and their adequacy

The Company established adequate ICS in respect of all the divisions of the Company. The ICS are aimed at promoting operational efficiencies and achieving saving in cost and overheads in all business operations. The System Application and Product (SAP), a world class business process integration software solution which was implemented by the Company at all business units (including cable unit) has been operating successfully.

For tightening and more effective internal control systems and risk management, the Company continued the engagement of M/s. KPMG India Pvt. Ltd., Chartered Accountants as internal auditors of the Company.

The system cum internal audit reports of the internal auditors are discussed at the Audit Committee meetings and appropriate corrective steps have been taken.

Further, all business segment prepare their annual budget, which are reviewed along with performance at regular interval.

(e) Development of human resources

The Company promotes open and transparent working environment to enhance teamwork and build business focus. The Company equally gives importance to the development of human resource (HR). It updates its HR policy in line with the changing HR culture in the industry as a whole. In order to foster excellence and reward those employees who perform well, the Company practices performance/production linked incentive schemes and introduced Employees Stock Option Scheme referred to in para 9 (c)(i) and as detailed in an attachment to this report. The main object of the Scheme is to create and maintain optimum performance level and profit driven culture and improve productivity.

The Company also takes adequate steps for in-house training of employees and maintaining safety and healthy environment for workers working within the factory premises.

5. Expansion:

a) E-beam Project:

Pursuant to shareholders' approval, Company commenced the process for expanding its manufacturing activities in Electron Beam (E-beam) irradiation services for creating a service center for cables and other various products. The Company has acquired the land at Khatalwada, Taluka Umbergaon, District Valsad, Gujarat and the construction of factory building, Civil works and installation of plant and machinery are being undertaken. Necessary approvals / permissions from various Statutory Authorities for the purpose are being obtained.

Barring unforeseen circumstances, the Trial Production is likely to commence by the 3rd quarter of FY 13.

b) The various projects undertaken in conductor and oil segment were partially completed in the year, and are expected to be fully completed in the next financial year. This would result in additional capacities and capabilities for its various product groups.

6. Directors

(a) Mr. Sanjiv Maheshwari was appointed as an Additional Director on the Board of the Company with effect from 24th August, 2011. In terms of the provisions of Section 260 of the Companies Act, 1956, he will hold office as Director of the Company upto the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his candidature as Director of the Company liable to retire by rotation. The Board therefore, recommends his appointment.

(b) Mr. H. N. Shah and Mr. Chaitanya N. Desai, Directors shall retire by rotation at the ensuing annual general meeting of the Company and they, being eligible, offer themselves for reappointment. The Board recommends the re-appointment of these Directors.

7. Directors' responsibility statement

Pursuant to the requirement under Section 217(2AA) of the

Companies Act, 1956 with regard to directors' responsibility statement, it is hereby confirmed that -

i. In the preparation of the annual accounts for the financial year ended March 31, 2012, the applicable accounting standards were followed along with proper explanation relating to material departures, if any.

ii. Appropriate accounting policies were selected and applied consistently and judgments and estimates were made that were 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 of the Company for the financial year under review.

iii. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The annual accounts were prepared on a going concern basis.

8. Audit

M/s. Sharp & Tannan, Chartered Accountants, Mumbai, Statutory Auditors of the Company shall be retiring at the ensuing Annual General Meeting, and they being eligible, offer themselves for reappointment. The Audit Committee of Directors at its meeting held on September 27, 2012 recommended reappointment of M/s. Sharp & Tannan as Statutory Auditors of the Company for the financial year 2012-13.

9. Other information

a. Green Initiative

To support the "Green Initiative" taken by the Ministry of Corporate Affairs (MCA), to contribute towards greener environment, the Company has already initiated / implemented the same from the year 2010-11. As permitted by Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the MCA, delivery of notices / documents and annual reports etc. are being sent to shareholders by electronic mode whereever possible.

Further, the Company has started using recyclable steel drums in place of wooden pallets in its Conductors Divisions in order to save the green environment and cost to the Company.

b. Corporate Social Responsibility (CSR)

With the strong belief in the principle of Trusteeship, Apar Group has served the community through focus on education, healthcare and mid-day meal initiatives. It has contributed to the Charitable Trust that carry the activities like running Senior Citizens' Centre catering to Health and Welfare of Senior Citizens living in Old People Homes, Education & upliftment of poor children and supporting higher education for very deserving boys / girls from economically challenged families etc. Apar Group has been an active participant in the free mid-day meal progrmmes across rural villages and schools in the Mumbai hinterland, feeding over 600,000 children a day and providing medical aid, clothing, books and education.

c. Attached to and forming part of this report are the following:

i) Particulars relating to Employee Stock Option Scheme.

ii) Particulars of Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

iii) Particulars relating to conservation of energy, technology absorption, research & development and foreign exchange earnings and outgo.

iv) Report on Corporate Governance and auditors' certificate regarding compliance of conditions of corporate governance. The Ministry of Corporate Affairs has issued "Corporate Governance Voluntary Guidelines" in December, 2009. While these guidelines are recommendatory in nature, the Company is in the process of adopting these guideline gradually.

v) Statement containing brief financial details of the subsidiaries.

d. In accordance with the General Circular dated February 8, 2011 issued by Ministry of Corporate Affairs, granting exemption under Section 212(8) of the Companies Act, 1956, the Company has not attached the Balance Sheet, Profit & Loss Accounts and other documents of its wholly-owned foreign subsidiaries viz. Petroleum Specialities Pte. Ltd., Singapore as well as its subsidiary Quantum Apar Speciality Oils Pty. Ltd., Australia, and Marine Cables & Wires Private Limited, wholly-owned subsidiary of the Company. As per the terms of Circular, a statement containing brief financial details of the said subsidiaries for the year ended March 31, 2012 are included in the annual report and shall form part of this report. The annual accounts of the said subsidiaries and the related information will be made available to any member of the Company seeking such information at any point of time and are also available for inspection by any member of the Company at the registered office of the Company.

e. As on March 31, 2012, there was no fixed deposit remained unclaimed.

10. Acknowledgement

Your Directors wish to place on record their sincere appreciation for continuous cooperation, support and assistance provided by stakeholders, financial institutions, banks, government bodies, technical collaborators, customers, dealers and suppliers of the Company. Your Directors also wish to place on record their appreciation for the dedicated services rendered by the loyal employees of the Company.

For and on behalf of the Board

Place: Mumbai
Date: 27th September, 2012

Dr. N. D. Desai
Chairman

Annexure I to the Directors' Report

EMPLOYEE STOCK OPTION

Members' approval was obtained at the Annual General Meeting held on August 9, 2007 for introduction of Employees Stock Option Scheme to issue and grant upto 16,16,802 options and it was implemented by the Company. The options have been granted to employees in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (the SEBI Guidelines). The Employees Stock Compensation Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme.

The disclosures stipulated under the SEBI Guidelines are given below :

a.	Options granted by the Compensation Committee	:	175,150
b.	Exercise price	:	₹ 207.05 per option
c.	Options vested	:	175,150
d.	Options exercised	:	Nil
e.	The total number of shares arising as a result of exercise of options	:	Nil
f.	Options lapsed	:	Nil
g.	Variation in terms of options	:	See note 1 below
h.	Money realised by exercise of options	:	Nil
i.	Total number of options in force	:	175,150
j.	Employee-wise details of options granted to:		
	i. Senior Management Personnel / Directors		
	(a) Mr. H. N. Shah	:	7,500
	(b) Mr. V. A. Gore*	:	4,000
	(c) Dr. N. K. Thingalaya	:	4,000
	(d) Mr. F.B.Virani	:	4,000
	ii. Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year	:	Nil
	iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	:	Nil
k.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share	:	₹ 15.55

Notes:

1) 175,150 options at the exercise price of ₹ 259.75 granted on January 23, 2008 were cancelled on May 27, 2008. The cancellation was necessary due to substantial reduction in the price of shares in the secondary market and simultaneously therewith the above detailed options were granted. The confirmation of the shareholders for the said cancellation and subsequent grant was sought at the 19th Annual General Meeting held on August 29, 2008.

2) As the exercise of options would be made at the market linked price of ₹ 207.05, the issuance of equity shares pursuant to exercise of options will not affect the profit and loss account of the Company.

3) The Company obtained in-principle approval for the listing of the entire 1,616,802 equity shares to be issued and allotted on exercise of options as and when exercised under the scheme.

4) *Mr. V. A. Gore expired on December 2, 2009. Options granted to him would vest with his legal heirs / beneficiary.

Annexure II to the Directors' Report

Information pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2012.

Names	Age (Years)	Designation/ Nature of Duty	Qualifications	Experience (Years)	Remuneration (₹)	Date of Commencement of Employment	Last Employment and Designation
Mr. Kushal N. Desai	45	Managing Director	B.Sc. (Hons.), (Ele.Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	23	12,488,121	24.03.1999	GE Lighting (India) Ltd. - President
Mr. C. N. Desai	40	Joint Managing Director	B.Sc. (Hons.), (Chem.Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	18	12,642,104	29.05.1993	–

Notes :

1. The Remuneration includes salary, allowances, commission paid to Directors, reimbursement of leave travel and medical expenses/benefits, company's contribution to provident fund, leave encashment and other perquisites in respect of motor car, accomodation, telephone etc.
2. Above directors are related to each other. None of the employees of the Company is related to any of the Directors.
3. All appointments are contractual and terminable by notice on either side.

Annexure III to the Directors' Report

ENERGY STATEMENT

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

I. Conservation of Energy

1) Energy Conservation measures taken and continuing on regular basis:

Conductor Division:

- Improved the efficiency of electrical motors through automations and up gradations to latest technology .
- Improved the lighting through replacement with energy efficient light fixtures.
- Improved and maintained the power factor above 0.995, resulted in to power incentives.
- Improved and maintained the efficiency of furnaces used in aluminium melting

Oil Division:

i. Installed power-saving devices for the air conditioners in the plant.

ii. Replaced the inefficient light fitting with the efficient light fittings in the plant with same lumens output.

iii. Maintained power factor above 0.95 throughout the year and received incentives in power bill.

iv. Steam condensate recovery system is working efficiently.

v. Installed timers in blender's circulation pump, to prevent wastage of power.

vi. Rain water collected through water harvesting and uses the same in the boiler for steam generation.

Cable Division:

i. PD Chamber 500KVA transformer is replaced by 100KVA power transformer to reduce the transformer no-load and full load losses.

ii. Dusk to dawn controller is provided for indoor plant lighting at Unit-3 for its automatic operation under controlled settings.

iii. Change pulleys of ASACO tandem line, OFC sheathing line 2 and 3 to increase machine line speed.

iv. Reduced MDI from 2000KVA to 1800KVA in order to reduce MD charges.

v. Replaced two numbers inefficient monoblock five HP water pumps with energy efficient monoblock water pumps.

vi. Replaced 250HP, 2500RPM DC motor of 120mm extruder of sioplas line with 150HP, 1500RPM DC motor to improve power factor and reduce harmonics.

vii. Maintained power factor above 0.97 throughout the year and received a rebate in power bill.

2) Additional investment proposals, if any, being implemented for reduction of consumption of energy:

i) Investment proposed for power conservation through available technology and automations.

ii) Proposal for installation of power-saving devices for air conditioners.

iii) Proposal for installation of solar street lights along the boundary walls.

iv) Replacement of inefficient light fittings with the efficient/energy conservation light fittings in the plant.

v) To carry out the energy audit in the plant and to implement the audit findings in the plant to save energy.

vi) To provide more timers for the blender's pump so as to reduce power consumption.

vii) Modifying the existing aluminium melting furnaces with energy efficient furnaces.

3) Impact of measures at (1) and (2) above:

i) Electrical energy savings.

ii) Less failure of equipments/motors

iii) More uptime resulting into more productivity.

4) Total energy consumption and energy consumption per unit of production:

(A) Power and Fuel Consumption

	2011-12	2010-11
(i) Electricity		
(a) Purchased units	33,158,431	22,239,364
Total amount (₹/million)	171.59	86.92
Rate/Unit (₹)	5.17	3.91
(b) Own generation		
Through diesel generator (Units)	730,591	703,643
Average units generated per litre of diesel oil	2.69	3.09
Average cost of unit (₹)	14.07	12.01
(ii) Furnace oil:		
Quantity (Kl.)	6,853	7,596
Total amount (₹/million)	262.45	204.69
Average rate/Kl (₹)	38,298	26,948
(iii) Natural gas:		
Quantity (M3)	357,710	–
Total amount (₹/million)	9.20	–
Average rate/M3 (₹)	25.73	–

(B) Consumption per unit of production (Average per unit consumption on total production of each division is included in the table below):

	2011-12			2010-11	
	Electricity (Units)	Furnace Oil (litres)	Natural Gas (M3)	Electricity (Units)	Furnace Oil (litres)
(i) Refinery division : Per KL output of Oil	8.82	1.51	–	10.18	1.78
(ii) Conductors division : Per MT output of aluminum/alloy conductors	229	72	–	200	70
(iii) Cable division: Per km. of cable	112	–	140	–	–

Reasons for change in consumption:

Electricity	:	Oil	:	Change in Product mix
		Conductors	:	Change in product mix
Furnace Oil	:	Oil	:	Change in Product mix
		Conductors	:	Change in product mix

II. Technology Absorption and Research and Development:

1. Research and Development (R&D):

i) Specific areas in which R & D is carried out by the Company:

a. Development of new types of up-rating conductors with utility in re-conductoring with enhanced power transmission capacity.

b. Specialty elastomeric compounds, thin wall elastomeric cables, tow cables for underwater application for the Navy, pressure tight cables for underwater applications for defence, rodent and termite-proof telecommunication cables, hybrid rubber cables with integrated fibre optics, high-voltage windmill cables, solar cables.

c. Company’s recognised In-house R&D Oil unit at Rabale, Navi Mumbai is carrying out active work in development of new grades and upgradation of existing grades. The Department of Scientific & Industrial Research (DSIR) has accorded renewal of recognition of this in-house R&D unit for further three years upto 31.03.2015.

d. The Company is actively following Six Sigma for improving the process efficiency, productivity improvement, energy conservation and customer satisfaction.

e. Rabale laboratory was already NABL accredited now Silvassa laboratory is also NABL accredited.

ii) Benefits derived as a result of the R&D:

a) Product accepted by the customer.

b) Commercial production has been commenced.

c) Benefits in Custom Duty, Central Excise and Income Tax.

d) Commercial orders received for underwater cables and thin wall elastomeric cables and its successful execution has opened up good opportunities during the year. Other products have also reached stage for commercial ordering.

iii) Future plan of action:

a) Development of new types of High Temperature Low Sag Conductors

b) Creating and developing a technical team for conductor complete solutions for newly up-rated developed conductors and for these additional tests facilities will also be created for measurement and testing of new generation /types conductors.

c) To explore business opportunities in high-voltage wind mill cables, solar cables, composite cables, high temperature cables, data logging cables.

d) Development of electron beam cables and compounds.

e) Development of new oil grades as well as upgradation of existing grades for better performance and for the benefit of customers.

(iv) Expenditure on R&D:

a) Capital = ₹5.69 million

b) Revenue = ₹16.94 million

c) Total = ₹22.63 million

d) Total R&D Expenditure as a percentage of total turnover = 0.07%.

2. Technology Absorption, Adaptation and Innovation:

a) Technology imported (in last five years)

License to use proprietary knowhow, formulae, trademarks and trade names relating to manufacture and sale of lubricating oils, greases and other special lubricants for industrial, automotive and marine applications.

b) Year of Import

2007

c) Has technology been fully absorbed

Yes.

III. Foreign Exchange Earnings and Outgo:

1. Activities related to exports:

Efforts are continuing to increase exports of all products.

2. Total Foreign Exchange used and earned

(₹ in million)

	2011-12	2010-11
(i) Total foreign exchange used:		
(a) Raw materials (CIF)	17,691.54	12,363.03
(b) Stores and spares	2.38	2.12
(c) Capital goods	32.65	11.07
(d) Others	411.96	306.48
	18,138.53	12,682.70
(ii) Total foreign exchange earned		
(a) Physical exports (FOB)	8,844.57	5,451.81
(b) Deemed exports (eligible for export incentives)	698.39	696.36
(c) Others	315.57	298.85
	9,858.53	6,447.02

Corporate Governance Report

Corporate Governance Philosophy:

Apar Industries Limited ("the Company") believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards in its dealings with all its constituents.

The Company is committed to follow good Corporate Governance practices, which include having professional Directors on the Board, adopting pragmatic policies and effective systems and procedures and subjecting business processes to audits and checks, compliant with the required standards.

The driving force behind the Company's management is **"Tomorrow's progress today"** and backed by **"A culture of High-Tech practices and Quality"**. Apar's quality policy for ISO-9001 is **"To satisfy customer needs and retain leadership by manufacturing and supplying quality products and services through continuous improvement by motivated employees"**.

The policies and actions of the Company are in line with the applicable guidelines on Corporate Governance with an endeavour to enhance shareholders' value. Pursuant to Clause 49 of the Listing Agreement of Stock Exchanges, the following details are presented:

Board of Directors:

1. The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Board of Directors has more than 50% Non-executive Directors and the Chairman, being Non-Executive Director and Promoter, half of the total number of Directors are Independent Directors. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees as specified in Clause 49 across all companies in which he is a director. All the members of the Board are eminent persons with excellent qualifications; professional expertise and extensive experience and they have made outstanding contributions to the industry.

2. The Board of Directors meets at least four times a year with maximum time gap of 4 months between any two meetings to review the Company's performance and financial results, and more often, if considered necessary.

3. The composition of the Board of Directors and details with regard to them is as follows as on 31st March, 2012 :-

Name of Directors	Category	No. of Directorships in other public Companies.*	No. of Committee Memberships in other public Companies	No. of Committee Chairmanships in other public Companies
Dr. N. D. Desai	Chairman (Non- Executive)	1	–	–
Dr. N.K.Thingalaya	Non-Executive & Independent	2	2	2
Mr. F. B. Virani	Non-Executive & Independent	1	1	–
Mr. Kushal N. Desai	Managing Director	2	4	2
Mr. C. N. Desai	Joint Managing Director	2	5	–
Mr. H. N. Shah	Non-Executive & Independent #	1	4	2
Mr. Rajesh Sehgal (w.e.f. 27.06.2011)	Non-Executive Director	–	–	–
Mr. Sanjiv Maheshwari (w.e.f. 24.08.2011)	Non-Executive & Independent	–	–	–

**The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies and deemed public companies, Section 25 companies and private limited companies.*

#As legally advised.

No Director is related to any other Director on the Board in terms of the definition of "Relative" given under the Companies Act, 1956 except Mr. Kushal N. Desai and Mr. Chaitanya N. Desai who are brothers and Dr. N. D. Desai who is their father.

4. During the financial year 2011-2012, six Board Meetings were held. The dates on which the Board meetings were held are as follows: April 29, 2011, May 27, 2011, July 29, 2011, August 24, 2011, October 31, 2011 and February 3, 2012.

General Meetings:

The last Annual General Meeting (22nd AGM) was held on August 24, 2011 at 10.30 A.M. at Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Near GEB Head Office, Race Course, Vadodara – 390 007.

Following are the details of attendance of Directors at the aforesaid Board Meetings and AGM held during the financial year.

Name of Directors	No. of Board meetings held during the tenure of the Directors	No. of Board meetings attended	Last AGM attended
Dr. N.D. Desai - Chairman	6	4	Yes
Dr. N. K. Thingalaya	6	4	Yes
Mr. F. B. Virani	6	6	Yes
Mr. Kushal N. Desai	6	6	Yes
Mr. C. N. Desai	6	5	Yes
Mr. H. N. Shah	6	5	Yes
Mr. Rajesh Sehgal	4	4	Yes
Mr. Sanjiv Maheshwari	2	2	N.A.

Audit Committee:

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement. The Audit Committee consists of three Independent Directors.

Term of Reference:

The broad terms of reference of the Audit Committee include, reviewing with the management, the quarterly and annual financial results / statements, adequacy of internal control systems and internal audit functions, overseeing the Company's financial reporting process, recommending the appointment and removal of external and internal auditors, etc.

Composition: The composition of the Audit Committee and attendance of Directors at the meetings are given hereunder:

During the financial year 2011-12, the Audit Committee met on May 27, 2011, July 29, 2011, October 31, 2011 and February 3, 2012.

Name of Directors	Category	No. of meetings held during the tenure of Director	No. of meetings attended
Mr. H. N. Shah - Chairman	Independent & Non-Executive	4	3
Dr. N. K. Thingalaya	Independent & Non-Executive	4	3
Mr. F. B. Virani	Independent & Non-Executive	4	4
Mr. Rahesh Sehgal	Non-Executive	3	3

Compensation-Cum-Remuneration Committee:

Terms of Reference: The broad terms of reference of the Compensation-cum-Remuneration Committee include, over and above the administration and other related matters of employee stock option plan, the approval of remuneration payable to managerial persons in accordance with the provisions of Part II and Section II of Schedule XIII of the Companies Act, 1956 and under any other law.

Composition: The Compensation –cum- Remuneration Committee of the Board comprises of six Directors, namely, Dr. N. K. Thingalaya- Chairman, Shri H. N. Shah, Shri F. B. Virani, Shri C. N. Desai, Shri K. N. Desai and Shri Rajesh Sehgal.

During the Financial year 2011-12, Compensation-Cum-Remuneration Committee meeting was held on 31st October, 2011.

Name of Directors	Category	No. of meetings held during the tenure of Director	No. of meetings attended
Dr. N. K. Thingalaya - Chairman	Independent & Non-Executive	1	1
Mr. H. N. Shah	Independent & Non-Executive	1	1
Mr. F. B. Virani	Independent & Non-Executive	1	1
Mr. K. N. Desai	Executive Director	1	1
Mr. C. N. Desai	Executive Director	1	0
Mr. Rajesh Sehgal	Non-Executive	1	1

Remuneration policy, details of remuneration and other terms of appointment of Director:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis.

The remuneration policy is in consonance with the existing Industry practice.

Details of Remuneration paid to all the Directors:

1. The Non-executive Directors receive the sitting fees for attending the Board and Committee meetings, as the case may be.
2. The break up of remuneration paid / payable to the Managing Directors for the financial year 2011-2012 is as under:

	Mr. Kushal N. Desai	Mr. C. N. Desai
Position	Managing Director	Joint Managing Director
Salary (₹)	2,939,174	2,868,115
Commission (₹)	7,256,701	7,256,702
Perquisites / Allowances (₹)	2,292,246	2,517,287
Total (₹)	12,488,121	12,642,104
Stock option granted (Nos.)	Nil	Nil
Service contract	3 years from 01/01/2012 to 31/12/2014	3 years from 01/01/2012 to 31/12/2014
Notice period	1 Month	1 Month

3. In terms of Section 309(1) of the Companies Act, 1956, Dr. N. D. Desai, a Non-executive Chairman has been paid ₹ 5,100,000 including monetary value of facilities during the period from April 1, 2011 to March 31, 2012 for his professional services to the Company towards his fees and ₹ 7,256,701 as commission.
4. In terms of Section 309(1) of the Companies Act, 1956, Shri H. N. Shah, a Non-executive Professional Director has been paid for his professional services to the Company ₹ 2,645,634 towards his fees including monetary value of facilities during the period from April 1, 2011 to March 31, 2012.

   The professional fees of above two Directors have been fixed by the Board after considering their professional expertise and experience in the respective fields, loyalty and professional fees structure prevalent in the industry.
5. Remuneration paid to Non-executive Directors for attending the meetings of Board of Directors and Committees is as given below:

Name of Directors	Sitting Fees (₹)	No. of Equity Shares held in the Company	No. of Stock Options granted
Dr. N. D. Desai	115,000	6,975,692*	Nil
Dr. N. K.Thingalaya	85,000	–	4,000
Mr. F. B. Virani	117,500	6,500	4,000
Mr. H. N. Shah	160,000	2,960	7,500
Mr. Sanjiv Maheshwari	30,000	582	Nil

** Includes shares held as Trustee*

Share Transfer And Shareholders' Grievance Committee:

Terms of Reference: The Board of Directors of the Company has constituted Share Transfer and Shareholders' Grievance Committee of Directors in order to meet the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges. This Committee has been constituted with the objective of overseeing redressal of investors' complaints pertaining to transfers / transmission of shares, issue of duplicate share certificates, non-receipt of dividend / interest, dematerialisation (Demat) of shares and all other related matters concerning investors.

Composition: Share Transfer and Shareholders' Grievance Committee met three times during the financial year, i.e. on May 27, 2011, October 29, 2011 and February 3, 2012.

The composition of Committee and attendance of Directors at these meetings are given below:

Name of Directors	Category	No. of meetings held	No. of meetings attended by directors
Dr. N. D. Desai – Chairman	Non- Executive Director	3	3
Mr. C. N. Desai	Executive Director	3	2
Mr. H. N. Shah	Independent & Non-Executive	3	2

Share Transfer System:

1. The Board of Directors has delegated the power of approval of share transfers to the Company Secretary and Deputy Secretary of the Company jointly, who approve the share transfers regularly on a fortnight basis, and gist of the transfers are placed before the Share Transfer and Shareholders' Grievance Committee, periodically.

   Compliance officer: Mr. Sanjaya Kunder, Company Secretary,
   Apar Industries Limited,
   Apar House, Corporate Park,
   Sion-Trombay Road, Chembur, Mumbai – 400 071.

2. Status of complaints for the period April 1, 2011 to March 31, 2012.

1.	No. of complaints received	Nil
2.	No. of complaints resolved	Nil
3.	No. of complaints not solved to the satisfaction of the investors as at 31st March, 2012.	Nil
4.	Complaints pending as at 31st March, 2012.	Nil
5.	No. of share transfers pending for approval as at 31st March, 2012.	Nil

Risk assessment and minimisation procedure:

The Company has laid down procedure to inform the Members of the Board about the risk assessment and minimisation procedure. These procedures are periodically placed and are reviewed by the Board of Directors.

Auditors' Certificate on Corporate Governance:

The Company has obtained a Certificate from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance prescribed by Clause 49 of the Listing Agreement with Stock Exchanges, which is attached herewith.

Disclosures:

a) General Body Meeting:

The details of last three Annual General Meetings (AGM) of shareholders of the Company held are as under:

i. Annual General Meetings (AGM):

AGM	Date & Time	Location	Details of Special Resolutions
22nd	August 24, 2011 at 10.30 A.M.	The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007.	No Special Resolution.

AGM	Date & Time	Location	Details of Special Resolutions
21st	August 2, 2010 at 2.30 P.M.	The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007.	Approval by the Shareholders of the Company to the issue of securities for a value of upto ₹ 125 Crores in one or more tranches through a public issue and /or a private placement basis and / or Qualified Institutional Placement within the meaning of Chapter VIII of the SEBI ICDR Regulations and / or preferential issue and /or any other kind of public issue and/or private placement as may be permitted under applicable law from time to time.
20th	September 4, 2009 at 11.00 A.M.	The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007.	No Special Resolution.

ii. Extra-Ordinary General Meeting (EOGM) :

EGM	Date & Time	Location	Details of Special Resolutions
EGM	April 29, 2011 at 11.00 A.M.	The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007.	a) Approval of Scheme of Amalgamation of Uniflex Cables Limited with the Company. b) Authorising the Board of Directors to allot shares of the Company in exchange of the shares of Uniflex Cables Limited. c) Approval of Draft Scheme of Amalgamation of Marine Cables & Wires Private Limited with the Company. d) Authorising the Board of Directors to issue new shares on Preferential Placement basis under Section 81 (1A) of the Companies Act, 1956 to Templeton Strategic Emerging Markets Fund III, L.D.C. e) Alteration of the Articles of Association of the Company. f) Reappointment of Dr. N. D. Desai, as Technical Advisor / Management Consultant of the Company and payment of remuneration to him. g) Payment of Commission to Dr. N.D.Desai, Non-executive Chairman of the Company.

(b) Postal ballot:

The consent of the shareholders was obtained by means of voting by postal ballot on October 10, 2011 in respect of the following Special Resolution as proposed in postal ballot notice dated July 29, 2011 during the year :

Resolution: "Special Resolution under Section 17 of the Companies Act, 1956 for amending the Object Clause of the Memorandum of Association of the Company".

Procedure for postal ballot: The postal ballot process was undertaken in accordance with the provision of Section 192A of the Companies Act, 1956, read with the Companies (passing of resolution by postal ballot) Rules, 2011.

The Board of Directors had appointed Mr. Hemang M. Mehta of M/s. H. M. Mehta & Associates, Practicing Company Secretaries, Vadodara as the scrutiniser for conducting the postal ballot process.

Details of voting pattern:

Particulars	Number of Members Voted	Number of Shares Voted	% to Total Shares Voted
Total postal ballot received	537	26,003,610	100.00
Total Postal Ballots – Valid	524	26,001,917	99.993
Total Postal Ballots – Invalid	13	1,693	0.007
Postal Ballots / Votes – in favour of the Resolution	512	25,999,643	99.991
Postal Ballots / Votes – against the Resolution	12	2,274	0.009

Date of declaration of result of postal ballot:

The Chairman announced the result of postal ballot process on 10th October, 2011. All formalities relating to the change have been complied with.

c) Related party transactions:

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The relevant details of all transactions with related parties given in Note No. 34 of the audited accounts for the financial year 2011-2012, form a part of this report also. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

d) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties or strictures have been imposed on it during the last 3 years.

e) The statutory financial statements of the Company are non-qualified.

f) Means of Communication:

Quarterly / Half Yearly / Yearly Financial Results: Generally published in Gujarat edition of "The Business Standard", English daily newspaper and 'Loksatta' - Gujarati daily newspaper. Financial results of the Company are displayed on the Company's website: www.apar.com

g) Management Discussion and Analysis is covered under the separate head of the Directors' Report of 2011-2012.

h) The Company has complied with mandatory requirement of Corporate Governance provisions and has not adopted non-mandatory requirements except that the Non-executive Chairman is entitled to maintain Chairman's Office at Company's expense and allowed reimbursement of expenses incurred in performance of his duties.

i) Reconciliation of Share Capital Audit (RSCA):

A qualified Practicing Company Secretary carried out on quarterly basis, a Reconciliation of Share Capital Audit (RSCA) to reconcile the total dematted share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical share capital with the total issued and listed share capital. The RSCA report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

General Information:

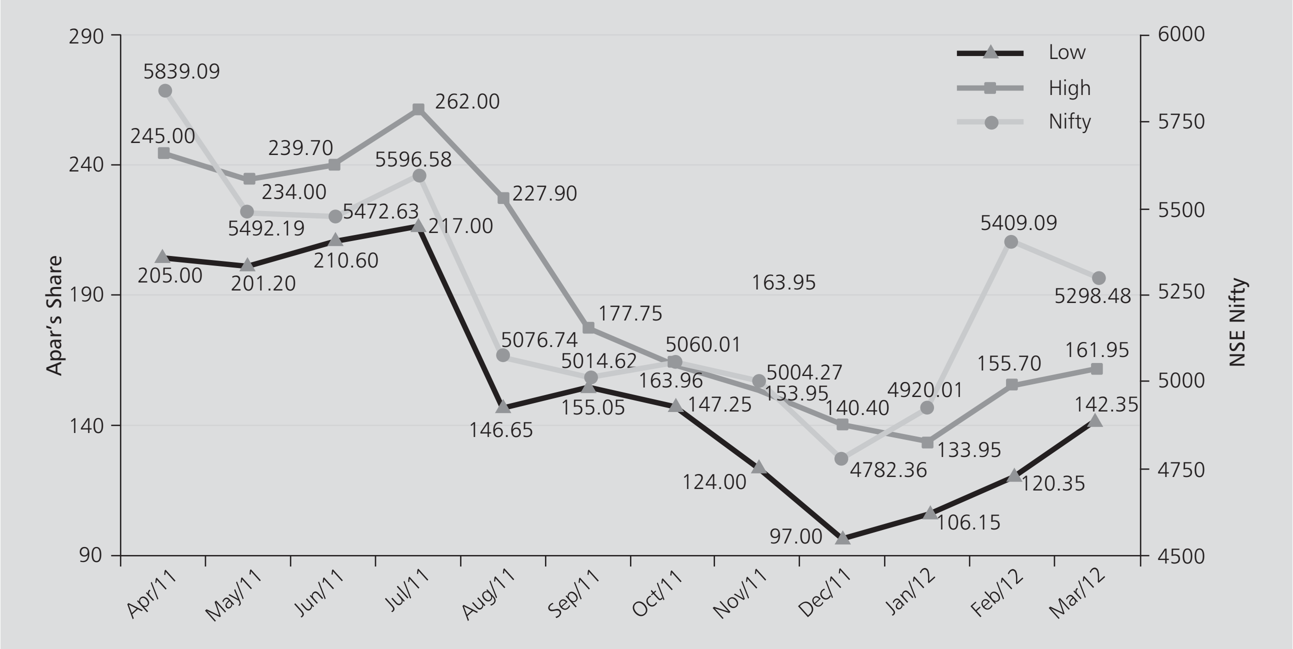
1.	**Annual General Meeting**	:	
	Day, Date and Time	:	Friday 9th November, 2012 at 12.00 Noon at The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara 390 007.
2.	**Financial calendar for 2012-13**	:	
	Financial year ending	:	31st March
	First quarter results (June ,2012)	:	On or before 14th August, 2012 (extension sought upto 29th Sept, 2012).
	Half-yearly results (September, 2012)	:	On or before 14th November, 2012.
	Third quarter results (December, 2012)	:	On or before 14th February, 2013.
	Approval of annual accounts (2012-13)	:	On or before 30th May, 2013.
3.	**Book closure dates**	:	Tuesday, 6th November, 2012 to Friday, 9th November, 2012 (both days inclusive)
4.	**Dividend payment**	:	Dividend Warrants will be dispatched after the AGM, but before the expiry of statutory period of 30 days from the date of the AGM.
5.	**Registered office**	:	301, Panorama Complex, R. C. Dutt Road, Vadodara 390 007.
6.	**Listing of shares on the stock exchanges**	:	The Equity Shares of the Company are listed on – – **BSE Ltd.** (BSE) - **Scrip Code No. 532259** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. – **National Stock Exchange of India Limited** (NSE) - **Scrip Code - APARINDS** "Exchange Plaza", Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. The Company has paid due listing fees of both the Stock Exchanges.

7. Stock price data for the financial year April, 2011 to March, 2012 prevailed at the BSE Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE):

		BSE			NSE		
Year	Month	High(₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
2011	April	242.50	207.05	1,50,267	245.00	205.00	3,10,774
	May	228.70	202.00	35,775	234.00	201.20	89,986
	June	238.00	210.00	80,466	239.70	210.60	2,66,123
	July	235.95	217.50	57,041	262.00	217.00	1,84,829
	August	228.00	145.65	1,75,197	227.90	146.65	3,53,184
	September	174.00	152.90	54,035	177.75	155.05	1,29,651
	October	165.00	145.00	36,673	163.95	147.25	53,549
	November	151.00	122.50	90,266	153.95	124.00	1,95,634
	December	139.95	97.05	55,032	140.40	97.00	1,49,755
2012	January	133.00	108.00	23,501	133.95	106.15	64,616
	February	155.95	122.10	2,36,298	155.70	120.35	2,55,100
	March	161.95	141.00	42,435	161.95	142.35	2,06,880

8. Stock performance:

The performance / movement of price of the Company's equity shares as compared to NSE Nifty Index is given in the chart below:



9. Registrar for share transfer and depository:

MCS Limited

Neelam Apartment, 88, Sampatrao Colony, B/H. Standard Chartered Bank, Alkapuri, Vadodara – 390 007.

Ph. Nos. (0265) 2339397, 2350490, Fax No. (0265) 2341639

E-mail: mcsltdbaroda@yahoo.com

10. Distribution of shareholding as at 31st March, 2012:

Range of Equity Shares	No. of Equity Shareholders	% of Equity Shareholders	No. of Equity Shares held	% of Shareholding
1 - 500	16,738	95.31	9,34,335	2.60
501 - 1,000	356	2.03	2,72,335	0.76
1,001 - 2,000	229	1.30	3,27,132	0.91
2,001 - 3,000	66	0.38	1,64,367	0.46
3,001 - 4,000	39	0.22	1,38,757	0.39
4,001 - 5,000	30	0.17	1,41,146	0.39
5,001 - 10,000	52	0.30	3,71,976	1.03
10,001 - 50,000	30	0.17	5,18,479	1.44
50,001 - 100,000	6	0.03	5,38,024	1.49
And Above	15	0.09	3,25,65,843	90.53
Total	**17,561**	**100.00**	**3,59,72,394**	**100.00**

11. Shareholding pattern as at 31st March, 2012:

Category	No. of Equity Shares held	% Holding
Promoters / Persons acting in concert	20,747,618	57.68
Banks, financial institutions and Insurance companies	349	0.00
Mutual funds	2,714,336	7.55
Foreign institutional investors	2,406,755	6.69
NRIs / OCBs	165,936	0.46
Corporate bodies	931,420	2.59
Resident individuals	2,734,479	7.60
Foreign investors (Templeton Strategic Emerging Markets Fund III, L.D.C. and Shinny Limited, Mauritius – CLSA Group)	6,271,501	17.43
Total	**35,972,394**	**100.00**

12. Dematerialisation of shares and liquidity:

As at March 31, 2012 approx. 99.33 % of total equity share capital is held in electronic form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's equity shares are compulsorily traded in the electronic form at the Stock Exchanges. Requests for dematerialisation of shares are processed and confirmed to NSDL or CDSL by the Registrar, MCS Limited. The Equity Share ISIN No. is INE372A01015.

13. Employee stock options:

A total of 175,150 Options have been granted. Each option, upon exercise of the same, would give rise to one equity share of ₹ 10/- each fully paid-up. The details of the options granted / vested are as under:

Date of grant (the options granted on January 23, 2008 at ₹ 259.75 were cancelled and subsequently, fresh same number of options granted on May 27, 2008 at exercise price of ₹ 207.05 per option)	May 27, 2008
Total options granted	175,150
Date of vesting of options	May 27, 2009 (1/3rd of the above options granted) May 27, 2010 (further 1/3rd of the above options granted) May 27, 2011 (Balance 1/3rd of the above options granted)
Total options vested	175,150

\# *No employee has exercised any option granted to him / her.*

14. Plant Locations:

Divisions	Locations
a) Conductors division	a) Silvassa* and Nalagarh (H.P.)
b) Oil division	b) Rabale and Silvassa*
c) Cable division	c) Umbergaon (Gujarat)

** Union Territory of Dadra and Nagar Haveli*

15. Address for Communication:

Shareholders' Grievances / correspondence should be addressed to the Company at the Registered Office of the Company at 301, Panorama Complex, R.C.Dutt Road, Vadodara-390 007.
Ph. (0265) 2331935,2339906, Fax (0265) 2330309.
E-mail : Investor Grievance Redressal cell : com_sec@apar.com

Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees and Directors. The said Code is available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2012, received from the Senior Management Team of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, the Company Secretary and all Vice Presidents and Functional Heads of the Company as on March 31, 2012.

Place: Mumbai
Date: 27th September, 2012

Kushal N. Desai
Managing Director and CEO

Auditors' Certificate

regarding compliance of conditions of Corporate Governance

To
The Members
Apar Industries Limited
301, Panorama Complex,
R.C.Dutt Road,
Vadodara – 390 007

Dear Sirs,

We have examined the compliance of conditions of Corporate Governance by Apar Industries Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

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

We further state that such compliance 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.

SHARP & TANNAN
Chartered Accountants
Registration No.109982W
by the hand of

Milind P. Phadke
Partner
Membership No. 033013

Mumbai, 27th September, 2012

Auditors' Report

To
The Shareholders of
Apar Industries Limited

We have audited the attached Balance Sheet of **Apar Industries Limited** as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with provisions of Section 227 of the Companies Act 1956, we report that:

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:

   (a) we have obtained all 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 appears from our examination of those books;

   (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956; and

   (e) on the basis of the written representations received from directors of the Company as at 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March, 2012, from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements, read together with the Significant Accounting Policies in Note 1 and the Notes to the Financial Statements in Note 2 to 45, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

(ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

SHARP & TANNAN
Chartered Accountants
Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No. 033013

Mumbai, 27th September, 2012

Annexure to the Auditors' Report

(Referred to in Paragraph 1 of our report of even date)

1. (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.

   (b) As explained to us, these fixed assets have been physically verified by the management, in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

   (c) The Company has not disposed off any substantial part of its fixed assets during the year, so as to affect its going concern status.

2. (a) As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

   (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.

3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Paragraphs 4(iii)(b), (c) and (d) of the Order are not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has taken unsecured loans from twelve parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount of loans outstanding during the year and the year-end balances of such loans was ₹ 148.88 million and ₹ 107.80 million respectively.

   (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company, are prima facie, not prejudicial to the interest of the Company.

   (d) In our opinion and according to the information and explanations given to us, the Company is regular in repayment of principle and interest, where stipulations have been made. In cases where there are no stipulations and repayment of both principal and interest are stated at call, the Company is regular in the payment of principle and interest as and when demanded.

4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has accepted deposits from the public and in our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under, where applicable, have been complied with. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, in respect of the products and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.

9. (a) According to the information and explanations given to us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory

dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts were in arrears as at 31st March, 2012, for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of sales tax, service tax, excise duty, custom duty and cess as at 31st March, 2012, which have not been deposited on account of dispute, are as under

Name of the Statute	Nature of the disputed dues	Amount* (₹ million)	Period to which the amount relates	Forum where disputes are pending
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, interest and penalty	40.40	1998-99, 2001-02 to 2004-05 and 2006-07	Assistant Commissioner
		1.11	2003-04 and 2004-05 2008-09	Comm Tax Officer
		61.21	2002-03 to 2006-07	Commissioner VAT
		0.10	2008-09	Deputy Commissioner of Taxes (Appeals)
		1.40	1998-99, 2008-09	Tribunal
The Central Excise Act, 1944, the Customs Act, 1962 and Service tax under the Finance Act, 1994	Duty, service tax, interest and penalty	35.27	1997-98 to 2000-01	CESTAT
		17.69	2001-02 to 2011-12	Commissioner (Appeals)
		34.99	1993-94, 1998-99 to 2003-04	High Court
		87.37	1995-96 to 2001-02, 2003-04	Supreme Court

(*net of pre-deposit paid in getting the stay / appeal admitted)

10. The Company has no accumulated losses as at 31st March, 2012 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
11. According to the information and explanations given to us, in our opinion the Company has not defaulted in the repayment of dues to any financial institutions or bank as at the balance sheet date. The Company has not issued any debentures.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in securities. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us, proper records have been made of the transactions and contracts and timely entries have been made therein.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of guarantee given by the Company for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interests of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
19. The Company has not issued any debentures during the year. Accordingly, Paragraph 4 (xix) of the Order pertaining to creation of security or charge for debentures does not arise.
20. The Company has not raised any money by public issues during the year. Accordingly, Paragraph 4 (xx) of the Order is not applicable to the Company.
21. During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

SHARP & TANNAN
Chartered Accountants
Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No. 033013

Mumbai, 27th September, 2012

Balance Sheet as at March 31, 2012

(₹ in million)

	Note No.	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	359.72	323.36
(b) Share capital suspense account	2	24.98	–
(c) Reserves and surplus	3	4,324.92	3,423.93
		4,709.62	3,747.29
2. Non-Current Liabilities:			
(a) Long-term borrowings	4	346.48	147.38
(b) Deferred tax liabilities (net)	5	134.72	93.48
(c) Other long-term liabilities	6	410.50	244.06
(d) Long-term provisions	7	24.17	18.11
		915.87	503.03
3. Current Liabilities:			
(a) Short-term borrowings	8	9,323.05	5,430.33
(b) Trade payables	9	8,556.77	6,816.57
(c) Other current liabilities	10	4,015.88	2,297.28
(d) Short-term provisions	11	188.41	351.19
		22,084.11	14,895.37
Total		27,709.60	19,145.69
ASSETS			
1. Non-Current Assets:			
(a) Fixed assets			
(i) Tangible assets	12	1,801.66	1,203.56
(ii) Intangible assets	12	15.12	13.28
(iii) Capital work-in-progress	12	212.86	21.69
(iv) Intangible assets under development	12	3.49	–
		2,033.13	1,238.53
(b) Non-current investments	13	59.94	315.54
(c) Long-term loans and advances	14	463.28	220.82
		2,556.35	1,774.89
2. Current Assets:			
(a) Inventories	15	6,662.49	4,273.35
(b) Trade receivables	16	8,320.52	6,297.76
(c) Cash and bank balances	17	8,245.80	3,832.70
(d) Short-term loans and advances	18	1,379.81	2,839.73
(e) Other current assets	19	544.63	127.26
		25,153.25	17,370.80
Total		27,709.60	19,145.69
Significant accounting policies	1		
Contingent liabilities and commitments	30		

The accompanying notes form an integral part of financial statements

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
by the hand of

For and on behalf of the Board of Directors

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 27th September, 2012

Kushal N. Desai
Managing Director & Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 27th September, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(₹ in million)

	Notes	Year ended March 31, 2012	Year ended March 31, 2011
INCOME:			
Revenue from operations (gross)	20	37,741.16	29,885.08
Less: Excise duty		3,195.78	2,651.67
Revenue from operations (net)		34,545.38	27,233.41
Other income	21	7.09	1.27
Total Revenue (i)		34,552.47	27,234.68
EXPENSES:			
Cost of raw materials and components consumed	22	28,499.11	21,546.95
Purchases of stock-in-trade	23	107.41	111.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(614.84)	(10.84)
Employee benefits expense	25	439.42	250.27
Other expenses	26	4,152.07	3,348.06
Exceptional items	27	19.57	1.97
Total Expenses (ii)		32,602.74	25,248.00
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (i-ii)		1,949.73	1,986.68
Depreciation and amortisation expense		212.79	137.09
Finance costs	28	1,141.24	254.94
Profit Before Tax		595.70	1,594.65
Tax Expenses:			
Current tax		142.92	480.20
Deferred tax		(41.61)	13.16
Taxes of earlier years		(98.75)	42.76
Total		2.56	536.12
Profit for the year		593.14	1,058.53
Earnings Per Equity share:			
(a) Basic	29	15.55	32.74
(b) Diluted		15.55	32.74
Significant accounting policies	1		

The accompanying notes form an integral part of financial statements

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
by the hand of

For and on behalf of the Board of Directors

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 27th September, 2012

Kushal N. Desai
Managing Director & Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 27th September, 2012

Cash Flow Statement for the year ended March 31, 2012

(₹ in million)

	2011-12		2010-11	
A. CASH FLOWS FROM OPERATING ACTIVITIES :				
Profit before taxation		595.70		1,594.65
Adjustments for:				
Depreciation and amortisation	212.79		137.09	
(Profit)/loss on sale of fixed assets (net)	(1.75)		0.22	
Unrealised exchange loss/(gain)	720.21		(126.16)	
Investment written-off	–		1.97	
Profit on sale of investments	(3.76)		–	
Dividend on investments	(1.58)		(1.49)	
Interest expense (net)	66.60		(32.06)	
		992.51		(20.43)
Operating profit before working capital changes in:		1,588.21		1,574.21
(Increase)/decrease in trade and other receivables	(1,310.59)		(3,793.93)	
(Increase)/decrease in inventories	(1,865.04)		(490.48)	
Increase/(decrease) in trade and other payables	1,964.26		2,454.96	
		(1,211.37)		(1,829.45)
Cash generated from/(used in) operations		376.84		(255.23)
Direct taxes paid (net of refunds)		(190.18)		(151.22)
Net cash from/(used in) operating activities		186.66		(406.45)
B. CASH FLOWS FROM INVESTING ACTIVITIES :				
Purchase of fixed assets	(443.92)		(189.48)	
Sale of fixed assets	8.06		3.24	
Investment in mutual funds (Net)	3.76		–	
Dividend received	1.58		1.49	
Net cash from/(used in) investing activities		(430.52)		(184.75)

Cash Flow Statement *(Contd...)* for the year ended March 31, 2012

(₹ in million)

	2011-12		2010-11	
C. CASH FLOWS FROM FINANCING ACTIVITIES :				
Proceeds/(repayments) from/of fixed deposits (net)	(27.36)		17.23	
Proceeds from issue of shares (net of expenses)	776.05		–	
Proceeds/(repayments) from short-term borrowings	3,856.73		100.18	
Proceeds/(repayments) of long-term borrowings	254.40		(121.24)	
Capital subsidy received	3.00		–	
Interest paid (net)	(167.39)		13.46	
Dividend paid	(125.85)		(242.52)	
Tax on dividends	(20.91)		(40.28)	
Net cash from/(used in) financing activities		**4,548.67**		**(273.17)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		**4,304.81**		**(864.37)**
Cash and cash equivalents at the beginning of year	3,832.70			**4,697.07**
Add: Transferred on amalgamation	108.29	**3,940.99**		
Cash and cash equivalents at the end of year		**8,245.80**		**3,832.70**

Notes :

1) Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 Cash Flow Statements.
2) Purchase of fixed assets includes movement of capital work-in-progress during the year.
3) Cash and cash equivalents represents cash and bank balances and include margin money of ₹ 7,255.94 million; *(Previous year ₹ 3,126.26 million)* and unrealised gain of ₹ 1.19 million ; *(Previous year unrealised loss ₹ 3.29 million)* on account of translation of foreign currency bank balances.
4) Previous year's figures have been regrouped wherever necessary.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
by the hand of

For and on behalf of the Board of Directors

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 27th September, 2012

Kushal N. Desai
Managing Director & Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 27th September, 2012

Notes Accompanying to the Financial Statements

Note: 1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of financial statements:-

   The financial statements are prepared on accrual basis under the historical cost convention and comply in all material aspects with the generally accepted accounting principles in India, the Accounting Standards prescribed under Section 211(3C) of the Companies Act, 1956 and the applicable provisions thereof.

2. Use of estimates:-

   The preparation of financial statements is in conformity with generally accepted accounting principles ("GAAP") which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Fixed assets, depreciation and amortisation:-

   (i) Fixed assets are stated at cost of acquisition / construction (net of CENVAT) less accumulated depreciation. Cost includes purchase price and other costs attributable to acquisition / construction of fixed assets.

   (ii) Depreciation on assets is provided at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 (except as stated in (iii) below):

   (a) On written down value method except in respect of building and plant and machinery purchased after 30.4.1987, which are depreciated on straight line method.

   (b) Capital expenditure in respect of which ownership does not vest with the Company is amortised over a period of five years. Leasehold land is amortised over the period of lease.

   (c) Certain items of plant and machinery which have been considered to be continuous process plant by the management are depreciated at the prescribed rates.

   (d) In respect of Cable division (erstwhile Uniflex Cables Limited) all assets are depreciated on straight line method.

   (iii) In the cases where the estimated useful life of the asset is less as compared to useful life estimated in Schedule XIV of the Companies Act, 1956, such assets are depreciated at rates higher than those prescribed under Schedule XIV of the Companies Act, 1956.

Asset	Rate
Factory building at Nalagarh	Over the lease period of 8 years

   (iv) In respect of assets costing less than ₹ 5,000 each and temporary structures, 100% depreciation is provided in the year of addition.

   (v) Borrowing costs attributable to acquisition/construction of qualifying assets within the meaning of the Accounting Standard (AS) 16 on "Borrowing Costs" are capitalised as a part of the cost of fixed assets.

   (vi) Pre-operation expenses including trial run expenses (net of revenue) are capitalised.

4. Impairment of assets: -

   The Company assesses, at each balance sheet date, whether there is any indication of impairment of the carrying amount of the Company's assets. An impairment loss is recognised in the Statement of profit and loss wherever the carrying amount of the assets exceeds its estimated recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discounting factor. Impairment losses are recognised in the Statement of profit and loss. The impairment loss recognised in prior accounting period is reversed if there has been change in recoverable amount.

5. Investments: -

   All long term investments are stated at cost. Provision for diminution in value of long term investments is made if it is other than temporary in nature. Current investments are valued at lower of cost and market value.

6. Inventories :-

   Inventories are valued at lower of standard cost or net realisable value. Cost includes material cost, cost of labour and attributable manufacturing overheads. Cost of materials is arrived at on weighted average basis except in respect of Cable division (erstwhile Uniflex Cables Limited) where it is on FIFO basis. Inventory of scrap is valued at estimated realisable value. Inventories of finished goods include excise duty as applicable.

Notes Accompanying to the Financial Statements

Note: 1. SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

7. Government grants: -
   (i) Government grants are recognised in the financial statements when they are received and there is reasonable assurance that the Company will comply with the conditions attached to them.
   (ii) Government grants, which are in the nature of refundable interest free loans received from government/semi-government authorities, are credited to secured/unsecured loans.
   (iii) Government grants which are in the nature of subsidies received from government/semi-government authorities and which are non-refundable are credited to reserves.

8. Employee stock options:-
   In respect of the employee stock options, the excess of fair price on the date of grant over the exercise price is recognised as deferred compensation cost amortised over vesting period.

9. Voluntary retirement schemes:-
   Compensations paid under voluntary retirement schemes are amortised over a period not exceeding 5 years, up to 31st March, 2010. The expenses incurred after 31st March, 2010 are charged to Statement of profit and loss.

10. Enterprise resource planning cost:
    Cost of implementation of ERP Software including all related direct expenditure is amortised over a period of five years on successful implementation.

11. Share issue expenses:
    Share issue expenses are written off against share premium account if any or amortised over a period of five years.

12. Revenue recognition: -
    (i) Sale of goods is recognised on despatch to customers and on date of shipment in case of exports. Sales exclude amounts recovered towards sales tax and excise duty and is net of returns.
    (ii) Price variation claims are accounted in accordance with the terms of contract and/or upon admittance by customers.
    (iii) Dividend income on investment is recognised when the right to receive payment is established.
    (iv) In respect of service activities, income is recognised as and when services are rendered.
    (v) Lease rental on operating lease is accounted on accrual basis.

13. Post-employment benefits:
    Defined Contribution Plans: In respect of the Company's provident fund scheme, the Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate. In respect of the Company's approved superannuation scheme, the Company makes specified contributions to the superannuation fund administered by the Company and the return on investments is adequate to cover the commitments under the scheme. The Company's contribution paid/payable under these schemes is recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service.

    Defined Benefit Plans: In respect of the Company's gratuity and leave wages schemes, the present value of the obligation under such scheme is determined based on actuarial valuation using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligation is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of profit and loss. Long term compensated absences are provided for based on actuarial valuation, made at the year end, by independent actuaries.

14. Translation of foreign currency :-
    (i) The Company translates foreign currency transactions during the year, at the conversion rates prevailing on transaction dates.
    (ii) Monetary items remaining unsettled at the year end are translated / reported at the year end rate. Exchange differences arising on such revaluation are recognised in the Statement of profit and loss.
    (iii) Non-Monetary items (other than fixed assets) are reported at the exchange rate at which they are accounted.
    (iv) In case of forward contracts, premium on the forward contracts is recognised as income or expense over the life of the contract.
    (v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement

Notes Accompanying to the Financial Statements

Note: 1. SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

of profit and loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

15. Derivative contracts:-

Derivative contract entered into, to hedge commodity/forex unexecuted Firm commitment and highly probable forecast transaction are recognised in the Financial Statement at fair value as on Balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the Statement of profit and loss or Balance sheet as the case may be after applying the test of hedge effectiveness. The gain or losses are recognised as 'Hedge Reserve' in the Balance Sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the Statement of profit and loss. The gains and losses on roll over or cancellation of derivative contract which qualify as effective hedge are recognised in the Statement of profit and loss in the same period in which the hedge item is accounted.

16. Export benefits/Incentives: -

The Company accounts for excise duty rebate on deemed and physical exports, duty entitlements and Focus benefits on physical exports on accrual basis. Premium on special import licence is credited in the accounts as and when realised. The benefits in the form of entitlements to Advance Licenses for duty free import of raw materials in respect of exports made are accounted when such imports are made.

17. Claims against the Company not acknowledged as debts: -

The demands under disputed showcause notices / orders of statutory authorities are provided in the accounts on the basis of management's estimate and the balance, if any are included in contingent liability.

18. Taxes on income:-

(a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.

(b) Deferred tax is recognised on timing differences between the accounted income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

(c) Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

19. Provision for contingencies:-

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Disclosure of contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When likelihood of such outflow is remote, no provision or disclosure is made. Provision arising from litigations, assessments by statutory authorities, etc. is made when the Company, based on legal advise wherever necessary, estimates that the liability has been incurred and the amount can be reasonably estimated.

20. Accounting for interest in joint ventures

Interest in joint ventures (i.e., jointly controlled entity) are accounted for as follows:

(a) income on investment in incorporated jointly controlled entity is recognised when the right to receive the same is established.

(b) investment in such joint venture is carried at cost after providing for any permanent diminution in value.

21. Borrowing costs

(a) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve month) to get ready for its intended use or sale.

(b) All other borrowing costs are recognised as expense in the period in which they are incurred.

22. Lease accounting

Operating lease rentals are expensed with reference to lease terms and other considerations.

Notes Accompanying to the Financial Statements

Note: 2. SHARE CAPITAL

(₹ in million)

	March 31, 2012	March 31, 2011
Authorised		
91,998,750 Equity shares of ₹ 10 each *(Previous year 91,998,750 Equity shares of ₹ 10 each)*	919.99	919.99
Issued		
35,972,394 Equity shares of ₹ 10 each *(Previous year 32,336,031 Equity shares of ₹ 10 each)*	359.72	323.36
Subscribed & Paid up		
35,972,394 Equity shares of ₹ 10 each fully paid *(Previous year 32,336,031 Equity shares of ₹10 each)*	359.72	323.36
Total	359.72	323.36

Share Capital Suspense Account

(₹ in million)

	March 31, 2012	March 31, 2011
Share Capital Suspense Account		
2,498,037 Equity shares of ₹ 10 each to be issued as fully paid up to the shareholders of erstwhile Uniflex Cables Limited as per the Scheme of Amalgamation	24.98	–
(Refer Note 2(b)(v))		
Total	24.98	–

Notes :

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

	March 31, 2012		March 31, 2011	
	No. of shares	₹ million	No. of shares	₹ million
Equity Shares				
At the beginning of the year	32,336,031	323.36	32,336,031	323.36
Issued during the period-fresh issue*	3,636,363	36.36	–	–
Outstanding at the end of the year	35,972,394	359.72	32,336,031	323.36

* The Company has issued and allotted 3,636,363 Equity shares (10.11% post allotment) of ₹ 10 each at a premium of ₹ 210 per share on preferential allotment basis on 4th May, 2011 to Templeton Strategic Emerging Markets Fund III, L.D.C. post allotment, the paid-up capital of the Company has been increased to ₹ 359.72 million consisting of 35,972,394 Equity Shares of ₹ 10 each fully paid.

b. Disclosure as required by Accounting Standard (AS) 14 Accounting for Amalgamations :

(i) Uniflex Cables Limited (UCL) was engaged in the business of manufacturing & sale of insulated Wires and Cables including Optical fibre and jelly- filled Cables.

(ii) UCL was declared as Sick Industrial Company by Hon'ble Board for Industrial & Financial Reconstruction (BIFR) on 15th October, 2010.

(iii) Pursuant to the Rehabilitation Scheme of UCL, envisaging Amalgamation of UCL with the Company by Hon'ble BIFR vide the Order dated 13th September, 2012 sanctioned Amalgamation retrospectively with effect from 1st April, 2010 (the appointed date). The Scheme has accordingly, been given effect in financial statements. The effective date of amalgamation is 18th September, 2012.

(iv) The amalgamation has been accounted for under the 'Pooling of Interest method' as prescribed by Accounting Standard (AS) 14 Accounting for Amalgamations, specified by the Companies (Accounting Standard) Rules, 2006. Accordingly, the assets, liabilities including contingent liabilities and reserve of UCL as at 1st April, 2010 have been taken at their book values as stipulated in the said Scheme.The reserves of the transferor Company have been transferred to the respective reserves.

(v) Based on the approved exchange ratio as provided in the Scheme, 2,498,037 number of equity shares will be issued to the equity share holders of UCL in the ratio of 1 equity share of the face value of ₹ 10 each in the Company for every 10 equity shares held in erstwhile UCL. In terms of the Scheme, the said equity shares, when issued and allotted by the Company shall rank, in all respects *pari-passu* with the existing equity shares of the Company. Pending allotment of the said equity shares, the amount has been disclosed under 'Share Capital Suspense Account' in Note 2.

Notes Accompanying to the Financial Statements

Note: 2. SHARE CAPITAL *(Contd...)*

(vi) The difference between the amount of share capital of the erstwhile UCL and the amount of fresh share capital issued by the Company on amalgamation amounting to ₹ 224.82 million is treated as capital reserve and has been added to the Capital Reserve of the Company.

(vii) The amalgamation has resulted in transfer of assets,liabilities and reserves as on 1st April, 2010 in accordance with the terms of the Scheme is as under:

Particulars	₹ in millions
Fixed Assets	560.58
Investment	23.24
Current Assets	1,376.68
	1,960.50
Less: Current Liabilities and Provisions	684.55
Less: Secured and Unsecured loans	1,322.12
Less: Transfer to Share Premium Account	423.92
Less: Transfer to Capital Reserve	17.05
Less: Transfer to Statement of profit and loss	(736.94)
Net Assets transferred	249.80
Consideration for Amalgamation	24.98
Balance transferred to Capital Reserve	224.82

(viii) As provided in the Scheme 1,635,388 number of equity shares to be issued by the Company in lieu of 16,353,875 number of equity shares held by the Company in the erstwhile UCL will be transferred to 'AIL Benefit Trust' for the sole benefit of the Company. Accordingly, the cost (net of provision for dimunition in value) of the aforesaid investment of the Company ₹ 278.83 million is reflected as "Receivable from AIL Benefit Trust", under 'Other Current Assets' in "Note 19".

(ix) After giving effect to the scheme net-worth of erstwhile UCL, has become positive and as such the company will make an application to Hon'ble BIFR to take discharge from BIFR.

(x) Deferred tax asset of ₹ 263.50 million has been created for carried forward losses/depreciation and timing differences of erstwhile UCL by crediting to General Reserve.

(xi) In view of amalgamation, current year figures are not strictly comparable to those of the previous year.

c Terms/rights attached to equity shares

(i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(ii) During the year ended 31 March, 2012, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 4 /-, (₹ 6 for FY 2011).

(iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes Accompanying to the Financial Statements

Note: 2. SHARE CAPITAL *(Contd...)*

d. Details of Shareholders holding more than 5% shares in the company

	March 31, 2012		March 31, 2011	
	No. of shares	% of holdings in the class	No. of shares	% of holdings in the class
Equity shares of ₹ 10 each fully paid				
Dr. N. D. Desai	6,804,939	18.92%	6,759,939	20.91%
Kushal N. Desai	6,831,778	18.99%	6,685,216	20.67%
Chaitanya N. Desai	6,820,610	18.96%	6,601,450	20.42%
Templeton Strategic Emerging Markets Fund III, L.D.C.	3,636,363	10.11%	–	–
Shinny Limited, Mauritius	2,635,138	7.33%	2,635,138	8.15%
Reliance Capital Trustee Co. Ltd. A/c. Reliance Diversified Power Sector Fund	1,914,238	5.32%	1,914,238	5.92%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shares reserved for issue under options

The Company provides share-based payment to its employees. During the year ended 31 March, 2012, an Employee Stock Option Plan (ESOP) was in existence.The relevant details of the scheme and the grant are as below:

Members' approval was obtained at the Annual General Meeting held on 9th August, 2007 for introduction of Employee Stock Option Scheme to issue and grant upto 1,616,802 options but the Board has granted 175,150 options till date.

	March 31, 2012	March 31, 2011
i. Outstanding at the beginning of the year	175,150	175,150
ii. Granted during the year	58,384	58,382
iii. Forfeited during the year	–	–
iv. Exercised during the year	–	–
v. Outstanding at the end of the year	175,150	175,150
vi. Excercisable at the end of the year	175,150	116,766

f. **Aggregate number of bonus shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :**

The Company has allotted 8,084,008 fully paid Bonus Equity Shares of ₹ 10 each, on 12th January, 2007 by utilisation of ₹ 80.84 million out of Capital Redemption Reserve in the ratio of 1 Bonus Equity Share for 3 equity shares held.

Notes Accompanying to the Financial Statements

Note: 3. RESERVES AND SURPLUS

(₹ in million)

		March 31, 2012	March 31, 2011
Capital Reserve			
Balance as per the last financial statements		4.95	4.95
Add: Capital subsidy received*.		3.00	–
Transferred on amalgamation of a subsidiary *(Refer Note 2(b)(vii))*		17.05	–
Balance over UCL amalgamation consideration *(Refer Note 2(b)(vi))*		224.82	–
Closing balance		249.82	4.95
Capital Redemption Reserve		147.55	147.55
Securities Premium Account			
Balance as per the last financial statements		588.52	588.52
Add: Premium on issue of shares *(Refer Note 2 (a))*		763.64	–
Transferred on amalgamation of a subsidiary *(Refer Note 2(b)(vii))*		423.92	–
Less: Share issue expenses		(23.95)	–
Closing Balance		1,752.13	588.52
Cash Flow Hedging Reserve**			
Balance as per the last financial statements		–	–
Add: (Deduction)/Addition during the year (net)		(165.81)	–
Closing Balance		(165.81)	–
General Reserve			
Balance as per the last financial statements		947.50	837.50
Add: Amount transferred from surplus balance in the Statement of profit and loss		89.00	110.00
Deferred Tax Asset created in respect of erstwhile UCL *(Refer Note 2(b)(x))*		263.50	–
Closing Balance		1,300.00	947.50
Surplus/(deficit) in the Statement of profit and loss			
Balance as per last financial statements		1,735.41	1,027.96
Add: Transferred on amalgamation of a subsidiary as on 1st April, 2010 *(Refer Note 2(b) (vii))*	(736.94)		–
Add: Net profit of UCL for FY 2010-11	(282.54)	(1,019.48)	
Add: Profit for the year		593.14	1,058.53
Less: Appropriations			
Transfer to General Reserve		(89.00)	(110.00)
Proposed final equity dividend (amount per share ₹ 4.00 *(Previous year ₹ 3.50)*)		(153.88)	(125.90)
Tax on proposed equity dividend		(24.96)	(20.91)
Interim equity dividend (amount per share ₹ nil *(Previous yearr ₹ 2.50)*)		–	(80.84)
Tax on interim equity dividend		–	(13.43)
Total appropriations		**(267.84)**	**(351.08)**
Net surplus In the Statement of profit and loss		**1,041.23**	**1,735.41**
Total Reserves and Surplus		**4,324.92**	**3,423.93**

* For Conductor Nalagarh Plant from Himachal Pradesh State Industrial Development Corporation Limited,Shimla.

**Effective 1st April, 2011, the Company has started accounting for derivative contracts, entered into to hedge commodity/ forex unexecuted firm commitments and highly probable forecast transactions.Gains or losses arising out of fair valuation of derivative contracts are recognised in the statement of profit and loss or balance sheet, as the case may be, after applying the test of hedge effectiveness. Gains or losses are recognised as 'Cash Flow Hedge Reserve' in the balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the Statement of profit and loss. Gain and losses on roll over or cancellation of derivative contract which qualify as effective hedge are recognised in the Statement of profit and loss in the same period in which the hedge item is accounted.

Notes Accompanying to the Financial Statements

Note: 4. LONG-TERM BORROWINGS *(₹ in million)*

	March 31, 2012	March 31, 2011
Secured Loans		
Term loans		
Foreign currency loan from banks *(Refer Note below)*	254.40	–
Unsecured Loans		
Deposits		
Deposits from directors	6.00	5.60
Deposits from public	86.08	141.78
Total	346.48	147.38

Note:

The Term loan is secured by exclusive charge on the assets acquired by the Company with the proceeds of the facility.

Terms of repayment of term loan- In August, 2014 ₹ 76.32 million, in August, 2015 ₹ 76.32 million and in August, 2016 ₹ 101.76 million.

Note: 5. DEFERRED TAX LIABILITIES (NET) *(₹ in million)*

	March 31, 2012	March 31, 2011
Deferred tax liability arising on account of timing difference in:		
Book and tax depreciation	197.23	120.48
Deferred tax assets arising on account of timing difference in:		
Provision for doubtful debts and advances	(43.27)	(10.15)
Provision for gratuity and leave salary	(9.91)	(7.58)
Voluntary retirement scheme	–	(0.26)
Expenses allowable on payment basis	(9.33)	(9.01)
Total	134.72	93.48

Note: 6. OTHER LONG-TERM LIABILITIES *(₹ in million)*

	March 31, 2012	March 31, 2011
Advance from customers	392.76	226.52
Deposits from dealers	17.74	17.54
Total	410.50	244.06

Note: 7. LONG-TERM PROVISIONS *(₹ in million)*

	March 31, 2012	March 31, 2011
Provision for employee benefits		
Provision for gratuity- In respect of Directors	3.35	2.66
Provision for leave benefits *(Refer Note 32)*	20.82	15.45
Total	24.17	18.11

Notes Accompanying to the Financial Statements

Note: 8. SHORT-TERM BORROWINGS *(₹ in million)*

	March 31, 2012	March 31, 2011
Secured Loans		
Working capital loans from banks *(Refer Notes below)*	713.37	608.07
Unsecured Loans		
Packing credit loan in foreign currency from Banks	727.58	250.00
Buyer's credit in foreign currency	7,838.85	4,529.69
Loans and Advances from related parties repayable on demand *(Refer Note 34)*	0.66	0.58
Public deposits	4.09	3.49
Director's deposits	38.50	38.50
Total	9,323.05	5,430.33

Note:

a) Out of Working capital loans from banks (secured) ₹ 647.96 million are secured by -

- hypothecation of specified stocks, specified book debts of the Company and movable plant and machinery at Nalagarh Unit.
- first charge by way of equitable mortgage by deposit of title deeds of Company's specified immovable properties, both present and future.
- first charge by way of equitable mortgage by deposit of title deeds of certain immovable properties of Apar Corporation Private Limited, a related party.

b) Balance Working capital loans (Secured) ₹ 65.41 million pertaining to erstwhile Uniflex Cables Ltd.(UCL) are secured by hypothecation of stock and debts of the cable division and first charge on the fixed assets of the cable division.

Note: 9. TRADE PAYABLES *(₹ in million)*

	March 31, 2012	March 31, 2011
Trade payables (including acceptances) *(Refer Note below)*		
Due to micro and small enterprises	24.98	27.59
Due to other than micro and small enterprises	8,343.80	6,776.75
Due to subsidiary companies	187.99	12.23
Total	8,556.77	6,816.57

Note:

The disclosure as per The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act). *(₹ in million)*

	March 31, 2012	March 31, 2011
(a) (i) Delayed payments due - Principal amount	–	–
(ii) Interest due on the above.	–	–
(b) Total interest paid on all delayed payments during the year under the provision of the Act	–	–
(c) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	–	–
(d) Interest accrued but not due	–	–
(e) Total interest due but not paid	–	–

Note:

(The above information regarding micro enterprises and small enterprises has been determined on the basis of information available with the Company.)

Notes Accompanying to the Financial Statements

Note: 10. OTHER CURRENT LIABILITIES *(₹ in million)*

	March 31, 2012	March 31, 2011
Current maturities of long-term borrowings		
Deposits from directors	0.60	1.00
Deposit from public	97.08	69.28
Interest accrued but not due on borrowings	114.16	53.51
Investor Education and Protection Fund *(Refer Note (a) below)*		
Unclaim dividend	5.92	5.87
Unpaid matured deposits	–	0.06
Interest accrued on above	–	0.04
Creditors for capital expenditure	6.53	3.68
Statutory dues towards Government	131.97	98.91
Provision for materials/expenses	2,234.06	1,647.19
Others Payable *(Refer Note (b) below)*	1,425.56	417.74
Total	4,015.88	2,297.28

Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March, 2012.

(b) Other payable includes security deposit, book overdraft and advance from customers.

Note: 11. SHORT-TERM PROVISIONS *(₹ in million)*

	March 31, 2012	March 31, 2011
Provision for employee benefits		
Liability to the Employee Gratuity Fund *(Refer Note 32)*	2.63	–
Provision for leave benefits *(Refer Note 32)*	6.94	4.72
Sub-total	9.57	4.72
Other provisions		
Provision for taxes, *net of advance tax*	–	199.66
Proposed equity dividend	153.88	125.90
Provision for tax on proposed equity dividend	24.96	20.91
Sub-total	178.84	346.47
Total	188.41	351.19

Notes Accompanying to the Financial Statements

Note: 12. FIXED ASSETS *(₹ in million)*

	GROSS BLOCK						DEPRECIATION					NET BLOCK	
	As at 01-04-2011	Transfer on Amalgamation	Additions	Deductions	Other Adjustment	As at 31-03-2012	Upto 31-03-2011	Transfer on Amalgamation	For the year	Deductions/ Adjustment	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
(i) Tangible assets													
Land- Freehold	42.39	15.77	66.75	–	–	124.91	–	–	–	–	–	124.91	42.39
Land-Leasehold	94.00	24.02	–	–	–	118.02	7.63	0.15	1.78	–	9.56	108.46	86.37
Building	425.89	145.59	42.20	–	–	613.68	105.14	49.28	23.82	–	178.24	435.44	320.75
Plant and Machinery *(Refer Note below)*	1,197.26	1,014.43	137.30	(17.77)	2.56	2,333.78	488.35	644.47	163.04	(12.70)	1,283.16	1,050.62	708.91
Furniture and Fixtures	42.34	18.78	2.53	(0.02)	–	63.63	33.45	15.11	3.25	(0.02)	51.79	11.84	8.89
Equipments	73.94	36.11	11.26	–	–	121.31	55.82	18.51	6.93	–	81.26	40.05	18.12
Motor Vehicles	37.83	5.52	19.32	(6.86)	–	55.81	19.70	4.69	7.26	(6.18)	25.47	30.34	18.13
Sub total (i)	1,913.65	1,260.22	279.36	(24.65)	2.56	3,431.14	710.09	732.21	206.08	(18.90)	1,629.48	1,801.66	1,203.56
(ii) Intangible assets													
Specialised software	30.93	–	8.55	–	–	39.48	17.65	–	6.71	–	24.36	15.12	13.28
Sub total (ii)	30.93	–	8.55	–	–	39.48	17.65	–	6.71	–	24.36	15.12	13.28
Total (i+ii)	1,944.58	1,260.22	287.91	(24.65)	2.56	3,470.62	727.74	732.21	212.79	(18.90)	1,653.84		
31 March 2011	1,797.83	–	158.22	(11.47)	–	1,944.58	599.05	–	137.09	(8.40)	727.74		
(iii) Capital work-in-progress-Tangible assets													
Buildings												144.52	11.62
Plant and Machinery												68.34	10.07
Sub total (iii)												212.86	21.69
(iv) Intangible assets under development													
Specialised Software												3.49	–
Sub Total (iv)												3.49	–
Grand Total												2,033.13	1,238.53

Notes:

a. Includes ₹ 5.69 million, *(Previous year ₹ 5.87 million)* for capital expenditure on Research and development *(Refer Note 31(A))*.

b. In line with Notification No G.S.R. 914(E) dated 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India in respect of accounting periods commencing on or after the 1st April, 2011 for an enterprise which had earlier exercised the option under paragraph 46 and at the option of any other enterprise, the exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset.

Accordingly, ₹ 2.56 million *(Previous year ₹ nil)* have been capitalised to Plant and Machinery and ₹ 26.94 million, *(Previous year ₹ nil)* debited to Capital work in progress. *(Refer Note 1(14)(v))*

Notes Accompanying to the Financial Statements

Note: 13. NON-CURRENT INVESTMENTS

(₹ in million)

	March 31, 2012	March 31, 2011
A. Investment in Equity Instruments		
In Subsidiary Companies		
- 100,000; *(Previous year 100,000)* Ordinary shares of S$ 1 each fully paid in Petroleum Specialities Pte. Limited, Singapore	2.64	2.64
- Nil; *(Previous year 16,353,875)* Equity shares of Uniflex Cables Limited of ₹ 10 each, fully paid up (quoted) *(Amalgamated with the Company Refer Note 2(b)(vii))*	–	278.83
- 94,650 Equity shares of ₹ 100 each fully paid up in Marine Cables & Wires Private Limited** *(acquired on amalgamation of Uniflex Cables Ltd. (Refer Note 2(b)(vii))*	23.23	–
	25.87	281.47
In Joint Venture		
3,383,625 shares *(Previous year 3,383,625)* of Apar Chematek Lubricants Limited of ₹ 10 each, fully paid up	33.84	33.84
Total	59.71	315.31
B. Investment in Preference shares		
In Subsidiary Companies		
- 4 Preference Shares of ₹ 1,000 each fully paid up in Marine Cables & Wires Private Limited *(acquired on amalgamation of Uniflex Cables Ltd. (Refer Note 2(b) (vii))*	0.00	–
C. Investment in Government security		
- 6 Year National Savings Certificates	0.00	0.00
- 12 Year National Defence Certificates	0.01	0.01
- 6 Year National Savings Certificates	0.01	0.01
(held as security by Government Departments)		
Total	0.02	0.02
D. Other non-current Investment		
4,200 shares *(Previous year 4,200)* of Natpur Co-operative Bank Limited of ₹ 50 each	0.21	0.21
	59.94	315.54
Aggregate book value of unquoted investments	59.94	36.71
Aggregate book value of quoted investments	–	278.83
Aggregate market value of quoted investments	–	264.93

** Marine Cables & Wires Private Limited (MCWPL), a wholly-owned subsidiary of erstwhile Uniflex Cables Limited (UCL) has been declared as a sick industrial company by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR). Draft Rehabilitation Scheme (DRS) for its' expeditious revival which, *inter alia,* includes a Scheme of Amalgamation with the Company with cut off date as at 31st March, 2010 has been submitted to BIFR by Operating Agency (OA) appointed by BIFR, for its consideration. The shareholders of the Company have approved the DRS subject to the approval of BIFR. BIFR approval is awaited.

Note: 14. LONG-TERM LOANS AND ADVANCES

(₹ in million)

	March 31, 2012	March 31, 2011
Unsecured, considered good		
Capital advances	64.99	30.64
Security deposit	43.84	13.60
Others loans and advances	354.45	176.58
Total	463.28	220.82

Notes Accompanying to the Financial Statements

Note: 15. INVENTORIES

(₹ in million)

	March 31, 2012	March 31, 2011
Raw materials and components	2,940.56	1,974.74
Raw materials-in transit	1,711.43	1,273.84
Work-in-progress	727.21	302.10
Finished goods	1,128.01	620.93
Stock-in-trade	37.60	18.77
Stores and spares	117.68	82.97
Total	6,662.49	4,273.35

Note: 16. TRADE RECEIVABLES

(₹ in million)

	March 31, 2012	March 31, 2011
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	0.34	0.34
Unsecured, considered good	503.94	191.99
Unsecured, considered doubtful	133.34	24.22
	637.62	216.55
Less: Provision for doubtful debts	133.34	24.22
	504.28	192.33
Other receivables *(Refer Note below)*		
Secured, considered good	3.37	3.37
Unsecured, considered good	7,812.87	6,102.06
	7,816.24	6,105.43
Total	8,320.52	6,297.76

Note:

includes receivable from subsidiaries/ down-stream subsidiaries

(₹ in million)

	March 31, 2012	March 31, 2011
Due from subsidiary companies		
Uniflex Cables Limited (erstwhile subsidiary company now amalgamated)	–	131.12
Petroleum Specialities Pte. Limited	8.02	9.84
Total	8.02	140.96

Notes Accompanying to the Financial Statements

Note: 17. CASH AND BANK BALANCES

(₹ in million)

	March 31, 2012	March 31, 2011
Cash and cash equivalents		
Balances with banks:		
On current accounts	751.27	653.02
On deposits with original maturity of less than three months	160.00	–
On unpaid dividend account *(Refer Note (i) below)*	5.92	5.87
Unpaid matured deposits	–	0.10
Cash on hand	0.53	0.35
Funds in transit	51.47	27.10
Sub-total	**969.19**	**686.44**
Other bank balances		
Deposits with original maturity for more than three months but less than twelve months	20.67	20.00
Margin money deposit *(Refer Note (ii) below)*	7,255.94	3,126.26
Sub-total	**7,276.61**	**3,146.26**
Total	**8,245.80**	**3,832.70**

Note:

(i) There are no amounts due and outstanding to be credited to the Investor Education and Protection Funds as at 31st March, 2012.

(ii) Against letter of credits for Company's imports of raw materials and working capital loans.

Note: 18. SHORT-TERM LOANS AND ADVANCES

(₹ in million)

	March 31, 2012	March 31, 2011
Unsecured, considered good		
Loan and advances to related parties	12.80	1,752.48
Others		
Advances recoverable in cash or kind	689.76	800.11
Balances with statutory/government authorities	677.25	287.14
Total	**1,379.81**	**2,839.73**
Loans and advances to related parties include		
Loans to subsidiary companies		
Uniflex Cables Limited	–	1,749.43
Marine Cables & Wires Private Limited	12.77	3.05
Loans to other related parties		
AIL Benefit Trust	0.03	–
Total	**12.80**	**1,752.48**

(₹ in million)

Loans and advances to subsidiary companies	March 31, 2012	Maximum amount due at any time during the year	March 31, 2011	Maximum amount due at any time during the year
Poweroil Speciality Products FZE	–	–	–	4.65
Uniflex Cables Limited (Now A Division)	–	–	1,749.42	1,749.42
Petroleum Specialities Pte. Limited	–	–	–	0.16
Marine Cables & Wires Private Limited	12.77	18.97	3.05	3.05

Notes Accompanying to the Financial Statements

Note: 19. OTHER CURRENT ASSETS

(₹ in million)

		March 31, 2012	March 31, 2011
Interest accrued but not due on fixed deposits		248.73	85.85
Interest accrued but not due on security deposits		0.56	–
Assets held for sale		0.23	0.23
Receivable from AIL Benefit Trust (to be transferred) *(Refer Note 2(b)(viii))*			
- Original value of investment	834.37		–
- Provision for dimunition in value	(555.54)	278.83	–
Other receivable		16.28	41.18
Total		**544.63**	**127.26**

Note: 20. REVENUE FROM OPERATIONS

(₹ in million)

	March 31, 2012	March 31, 2011
Sale of products		
Finished goods	37,052.43	28,458.98
Raw material	252.70	886.22
Traded goods	100.30	180.27
Total	**37,405.43**	**29,525.47**
Sale of services	10.11	129.83
Other operating revenues		
Lease rent received	–	12.94
Exchange differences (net)	12.73	(20.30)
Others	312.89	237.14
Total	**325.62**	**229.78**
Revenue from operations (gross)	37,741.16	29,885.08
Less : Excise duty	3,195.78	2,651.67
Revenue from operations (net)	**34,545.38**	**27,233.41**

Note: 20.1 Details of products sold

(₹ in million)

	March 31, 2012	March 31, 2011
Finished goods sold		
Transformer oils/Special Grade - Pharmaceutical Oils/Other Specialities Oils - (including R.P. Oils)	19,917.37	15,347.69
AAC/AAAC/ACSR- Conductor, Aluminium Rods	13,462.65	13,111.29
Cables	3,672.41	–
Total	**37,052.43**	**28,458.98**
Raw materials sold		
Base Oils	236.75	158.96
Ferrous metal and Non-ferrous metals	15.95	727.26
Total	**252.70**	**886.22**
Traded goods sold		
Thermoplastic Elastomers	71.41	42.47
Lubricants	28.89	18.32
Vivatek	–	119.48
Total	**100.30**	**180.27**

Notes Accompanying to the Financial Statements

Note: 21. OTHER INCOME *(₹ in million)*

	March 31, 2012	March 31, 2011
Profit/(loss) on sale of fixed assets (net)	1.75	(0.22)
Dividend on short-term investment in liquid funds	1.58	1.49
Net gain on sale of investments	3.76	–
Total	7.09	1.27

Note: 22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED *(₹ in million)*

	March 31, 2012	March 31, 2011
Inventory at the beginning of the year	3,248.58	2,801.62
Add: On Amalgamation	163.79	–
Add: Purchases	29,738.72	21,993.91
	33,151.09	24,795.53
Less: inventory at the end of the year	4,651.98	3,248.58
Cost of raw materials and components consumed	**28,499.11**	**21,546.95**

Note: 22.1 Details of raw materials and components consumed *(₹ in million)*

	March 31, 2012	March 31, 2011
Non-ferrous metals	11,856.41	10,115.11
Ferrous metals	946.40	946.31
Chemicals	428.49	371.04
Base Oils	14,324.34	10,092.54
Others	943.47	21.95
Total	28,499.11	21,546.95

Note: 23. PURCHASES OF STOCK-IN-TRADE *(₹ in million)*

	March 31, 2012	March 31, 2011
Thermoplastic Elastomers	73.91	34.17
Lubricants	33.50	18.88
Vivatek	–	58.54
Total	107.41	111.59

Notes Accompanying to the Financial Statements

Note: 24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in million)

	March 31, 2012	March 31, 2011
Inventories at the end of the year		
Finished goods	1,128.01	620.93
Work-in-progress	727.21	302.10
Traded goods	37.60	18.77
Sub-total	**1,892.82**	**941.80**
Inventories at the beginning of the year		
Finished goods	620.93	671.20
Add: On amalgamation	148.54	–
Work-in-progress	302.10	249.47
Add: On amalgamation	187.64	–
Traded goods	18.77	10.29
Sub-total	**1,277.98**	**930.96**
Total	**(614.84)**	**(10.84)**

Note: 24.1 Details of inventory

(₹ in million)

	March 31, 2012	March 31, 2011
Finished goods		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	492.33	433.84
AAC/AAAC/ACSR- Conductors	567.78	187.09
Cables	67.90	–
Total	**1,128.01**	**620.93**
Work-in-progress		
Oil	78.42	49.01
Conductor	335.88	253.09
Cables	312.91	–
Total	**727.21**	**302.10**
Traded goods		
Thermoplastic Elastomers	19.74	9.48
Lubricants	17.86	9.15
Vivatek	–	0.14
Total	**37.60**	**18.77**

Note: 25. EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	March 31, 2012	March 31, 2011
Salaries, wages and bonus	387.59	214.51
Contribution to provident and other funds *(Refer Note 32)*	32.63	20.91
Staff welfare expenses	19.20	14.85
Total	**439.42**	**250.27**

Notes Accompanying to the Financial Statements

Note: 26. OTHER EXPENSES

(₹ *in million)*

		March 31, 2012	March 31, 2011
Consumption of stores and spares		98.34	68.19
Packing materials		1,174.05	976.74
Excise duty adjustment of finished goods stock		2.45	4.91
Storage charges		84.39	64.10
Power, electricity and fuel		471.58	307.61
Processing charges, fabrication and labour charges		257.76	172.62
Freight and forwarding charges		1,022.21	875.82
Rent		17.59	11.48
Rates and taxes		30.82	25.59
Insurance		39.46	33.30
Repairs and maintenance			
Plant and machinery		23.31	13.45
Buildings		7.23	1.49
Others		20.15	15.46
Advertising and sales promotion		8.68	7.55
Sales commission		127.65	85.42
Travelling and conveyance		61.14	52.66
Printing and stationery		13.15	11.19
Legal and professional fees		57.91	50.74
Directors' sitting fees		0.60	0.52
Commission to Chairman, Managing Director and Joint Managing Director		21.77	41.24
Discount and rebates		52.30	55.35
Lease rental		2.34	1.35
Donation		0.30	6.38
Royalty		21.20	13.62
Marketing fees		180.00	227.96
Bank charges and commission		61.08	70.93
Bad debts and advances written-off	26.45		28.62
Less: Provision for doubtful debts utilised	(8.93)		(0.83)
		17.52	27.79
Provision for doubtful debts and advances		107.89	10.32
Miscellaneous expenses		169.20	114.28
		4,152.07	3,348.06
Above expenses include research and development expenses *(Refer Note 31)*		16.94	9.03

Note: 26.1 Miscellaneous expenses including Auditors' Remuneration

(₹ *in million)*

	March 31, 2012	March 31, 2011
As auditor:		
Audit fee	3.24	2.90
In other capacity:		
Other services (certification fees)	1.24	0.10
Reimbursement of expenses	0.06	0.01
Cost auditor's remuneration		
For Audit fees	0.07	0.04
Total	4.61	3.05

Notes Accompanying to the Financial Statements

Note: 27. EXCEPTIONAL ITEMS

(₹ in million)

	March 31, 2012	March 31, 2011
Voluntary Retirement Compensation	19.57	–
Investment (Share/Share warrant) written-off	–	1.97
Total	19.57	1.97

Note: 28. FINANCE COSTS

(₹ in million)

	March 31, 2012	March 31, 2011
Interest expenses		
On fixed loan	58.40	49.07
Others	487.97	267.60
Bank charges for borrowing	134.72	97.84
Applicable net gain/loss on foreign currency transactions and translation	939.92	189.16
Sub-total	1,621.01	603.67
Interest income on		
Bank deposits	(462.93)	(232.78)
Others	(16.84)	(115.95)
Sub-total	(479.77)	(348.73)
Total	1,141.24	254.94

Note: 29. EARNINGS PER SHARE (EPS)

Sr. No.	Particulars	March 31, 2012	March 31, 2011
1	Profit after tax and before extraordinary items- in ₹ in million	593.14	1,058.53
2	Profit after tax and extraordinary items- in ₹ in million	593.14	1,058.53
3	Weighted Number of Equity Shares outstanding during the year*	38.14	32.34
4	Nominal Value of Equity Shares in ₹	10.00	10.00
5	Earnings Per Share - in ₹		
	Basic and Diluted (before extraordinary items)	15.55	32.74
	Basic and Diluted (after extraordinary items)	15.55	32.74

(* Includes 2,498,037 equity shares to be issued to erstwhile Uniflex shareholders).

Notes Accompanying to the Financial Statements

Note: 30. CONTINGENT LIABILITIES AND COMMITMENTS *(₹ in million)*

	Particulars	March 31, 2012	March 31, 2011
A)	**Contingent liabilities not provided for:**		
	(a) Claims against the Company not acknowledged as debts -		
	(i) Demand/ Show cause-cum-demand notices received and contested by the Company with the relevant appellate authorities:		
	Excise duty *(also refer Note (iii) below)*	44.03	43.53
	Service tax	1.98	1.98
	Customs duty	29.59	31.17
	Sales tax	104.70	62.70
	(ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	74.80	70.22
	(iii) Interest on delayed payment of excise duty, (which duty payment was revenue neutral) on certain deemed exports. Department has filed appeal in the Supreme Court against High Court Order in Company's favour.	44.51	44.51
	(iv) Labour matters	31.43	16.43
	(v) Others	59.80	–
	(b) (i) Guarantee given by the Company for credit facilities enjoyed by Petroleum Specialities Pte. Ltd., a wholly-owned subsidiary	508.80	446.00
	(ii) Guarantee given by the Company for credit facilities enjoyed by Uniflex Cables Limited, a subsidiary company.	–	1,000.00
	(c) Bills of exchange discounted	1,574.45	2,565.75
	(d) Taxation:		
	Disputed demands of income tax	39.92	39.92
B)	**Capital commitments**		
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	215.39	74.35

Note: 31. RESEARCH AND DEVELOPMENT EXPENSES : *(₹ in million)*

	Particulars	March 31, 2012	March 31, 2011
(A)	R & D Center-OIL (Rabale - DSIR Recognised)		
	a) Salary, wages and other benefits	12.82	6.16
	Consumables and chemicals	1.56	2.79
	sub-Total	14.38	8.95
	b) Capital expenditure	5.69	5.87
	Total (a+b)	**20.07**	**14.82**
(B)	R & D Center-Conductor (Silvasa)		
	Travelling expenses	0 .60	–
	Training expenses	1.36	0.08
	Consumables	0.58	–
	Others	0.02	–
	Total	**2.56**	**0.08**
	Grand Total (A+B)	**22.64**	**14.90**

Note: 32. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Defined Contribution Plan *(₹ in million)*

Particulars	March 31, 2012	March 31, 2011
Contributions to Defined Contribution Plan, recognised as expense for the year are as under:		
Employer's Contribution to Government managed Provident Fund and Family Pension Fund.	16.92	11.52
Employer's Contribution to Superannuation Fund.	6.23	5.53

Notes Accompanying to the Financial Statements

Note: 32. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS *(Contd...)*

Defined Benefit Plan

The Employees' Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.The obligation for leave encashment is recognised in the same manner as gratuity.

(₹ in million)

		March 31, 2012		March 31, 2011	
		Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
i)	Changes in Defined Benefit Obligation during the year				
	Defined Benefit obligation at beginning of the year *(Including on amalgamation Gratuity ₹ 13.93 million. Leave Encashment ₹ 3.69 million)*	50.14	23.87	33.06	17.26
	Current service cost	3.98	2.50	2.71	1.44
	Interest cost	3.98	1.97	2.58	1.40
	Actuarial (gain) / loss	2.72	4.31	0.73	3.28
	Benefits paid	(8.25)	(4.89)	(2.87)	(3.21)
	Defined Benefit obligation at end of the year	52.58	27.76	36.21	20.17
ii)	Changes in fair value of Plan Assets				
	Fair value of plan assets at beginning of the year *(Including on amalgamation ₹ 7.27 million)*	43.48	–	31.61	–
	Expected return on plan assets	3.73	–	2.76	–
	Actuarial gain / (loss)	(0.88)	–	0.44	–
	Employer contribution	11.86	4.89	4.27	3.21
	Benefit paid	(8.24)	(4.89)	(2.87)	(3.21)
	Fair value of plan assets at year end	49.95	–	36.21	–
	Actual return on plan assets	2.85	–	3.19	–
iii)	Net asset / (liability) recognised in the Balance Sheet as at 31st March, 2012				
	Fair Value of plan assets	49.95	–	36.21	–
	Present value of obligation	52.58	27.76	36.21	20.17
	Amount recognised in balance sheet	2.63	27.76	–	20.17
	Recognised under:				
	Long-term Provision *(Refer Note 7)*	–	20.82	–	15.45
	Short-term Provision *(Refer Note 11)*	2.63	6.94	–	4.72
	Total	**2.63**	**27.76**	–	**20.17**
iv)	Expense recognised during the year				
	Current service cost	3.98	2.50	2.71	1.44
	Interest cost	3.98	1.97	2.58	1.40
	Expected return on plan assets	(3.73)	–	(2.76)	–
	Net actuarial (gain) / loss	3.60	4.31	0.29	3.28
	Net Cost	**7.83**	**8.78**	**2.82**	**6.12**

Notes Accompanying to the Financial Statements

Note: 32. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS *(Contd...)*

v) Actuarial assumptions

	March 31, 2012		March 31, 2011	
	Gratuity (Funded) 1994-96 (Ultimate)	Leave Encashment (Unfunded) 1994-96 (Ultimate)	Gratuity (Funded) 1994-96 (Ultimate)	Leave Encashment (Unfunded) 1994-96 (Ultimate)
Mortality Table (LIC)				
Discount rate (per annum)	8.50%	8.50%	8.25%	8.25%
Expected rate of return on plan assets (per annum)	8.60%	–	8%	–
Rate of escalation in salary (per annum)	5%	5%	5%	5%
Attrition rate	2%	2%	2%	2%

vi) Broad Category of Plan Assets relating to Gratuity on a percentage of total Plan Assets *Percentage (%)*

	March 31, 2012	March 31, 2011
Public Securities	–	0.70
Special Deposit Schemes	–	–
State Govt. Securities	–	–
Private Sector Securities	100.00	99.30
	100.00	100.00

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan asset management.

Note: 33. INTEREST IN A JOINT VENTURE *(₹ in million)*

	March 31, 2012	March 31, 2011
I) Equity and liabilities		
1. Share Capital	33.84	33.84
2. Reserve and Surplus	13.51	21.37
3. Long-term Provisions	0.13	0.07
4. Current Liabilities		
(a) Trade Payable	3.04	0.09
(b) Other Current Liabilities	8.25	16.07
(c) Short-term Provisions	1.01	0.95
II) Assets		
1. Fixed Assets		
(a) Tangible assets	1.07	1.37
(b) Intangible assets	0.18	–
2. Deferred tax assets/(liability) (net)	3.60	(0.17)
3. Long-term Loans and Advances	18.39	15.44
4. Current assets		
(a) Inventories	0.79	–
(b) Trade Receivable	32.25	53.21
(c) Cash and cash equivalents	2.35	1.40
(d) Short-term Loans and Advances	1.16	1.13

Notes Accompanying to the Financial Statements

Note: 33. INTEREST IN A JOINT VENTURE *(Contd...)*

(₹ in million)

	March 31, 2012	March 31, 2011
III) Income		
1. Revenue from operations	109.58	114.17
2. Other Income	0.36	0.08
IV) Expenses		
1. Purchase of traded goods	15.42	–
2. Changes in inventories of stock-in-trade	(0.79)	–
3. Employee benefit Expenses	26.92	21.92
4. Depreciation and amortisation expenses	0.54	0.58
5. Other expenses	79.48	57.80
6. Profit Before Tax	(11.62)	33.94
7. Tax expenses	(3.77)	11.63
8. Net Profit/(loss)	(7.85)	22.31
V) Other matters		
1. Contingent Liabilities	–	–
2. Capital Commitments	–	–

Note: 34. RELATED PARTY DISCLOSURES

A. List of Related Parties

a) Subsidiary Companies:

(1) Petroleum Specialties Pte. Ltd., Singapore

(2) Power Oil Specialities Products FZE Sharjah (closed on 21st February, 2011)

(3) Quantum Apar Specialities Oil Pty. Ltd (subsidiary of Petroleum Specialities Pte. Ltd.)

(4) Marine Cables & Wires Private Limited (subsidiary of Apar Industries Limited after amalgamation of Uniflex Cables Ltd.)

b) Joint Venture Company:

Apar Chematek Lubricants Limited

c) Key Managerial Personnel:

Mr. K. N. Desai - Managing Director

Mr. C. N. Desai - Joint Managing Director

d) Chairman having significant influence:

Dr. N. D. Desai - Non Executive Chairman

e) Relatives of Key Managerial Personnel

Mrs. Noopur Kushal Desai

Mrs. Vineeta R. Srivastava

Mr. Rishabh K. Desai

Mrs. Jinisha C. Desai

Ms. Gaurangi K. Desai

Mrs. M. N. Desai

Mr. Rajeev Srivastava

Mr. Devharsh C. Desai

Ms. Krishangi R. Srivastava

Kum. Nikita C. Desai

Notes Accompanying to the Financial Statements

Note: 34. RELATED PARTY DISCLOSURES *(Contd...)*

f) Entities over which significant influence is exercised by key management personnel/individuals having significant influence:

Apar Corporation Private Ltd.

Scope Private Limited and its' subsidiaries, viz

a) Apar Investment (Singapore) Pte. Ltd.

b) Apar Investment Inc.

Kushal N. Desai Family Trust

Apar Technologies Private Ltd.

Kushal Chaitanya Desai Family Trust

Chaitanya N. Desai Family Trust

Catalis World Private Ltd.

Gayatri Associates

AIL Benefit Trust

B. Related Party Transactions

i) Subsidiary companies: *(₹ in million)*

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Purchase of Raw materials	1,493.27	1,498.78
2	Sale of finished goods/ Raw materials	181.60	1,201.47
3	Sale of capital goods	–	4.46
4	Cost of lease assets	–	27.34
5	Lease rent received	–	12.94
6	Job work done for Subsidiary	–	1.68
7	Job work done by Subsidiary	32.59	28.30
8	Reimbursement received on Deputation of Manpower	–	18.00
9	Reimbursement (received) of expenses	0.09	0.04
10	Interest from Uniflex Cables Ltd	–	102.95
11	Guarantees given by the Company on behalf of Petroleum Specialities Pte. Ltd., & Uniflex Cables Ltd.	508.80	1,446.00
12	Security deposit received	–	0.10
13	Interest paid	–	4.39
14	Balance outstanding as on 31.03.2012		
	a) Payable to subsidiary for supply of raw materials, security deposit	187.99	13.93
	b) Receivable from subsidiary company for supply of raw material, finished goods capital goods and services	20.80	140.96
	c) Receivable from subsidiary company for advances given	–	1,752.48

ii) Joint Venture Company (Apar Chematek Lubricants Limited): *(₹ in million)*

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Marketing fees	180.00	227.96
2	Sale of goods	30.85	–
3	Balance outstanding as on 31.03.2012		
	Payable for services	51.90	106.43
	Receivable for goods	4.62	–

Notes Accompanying to the Financial Statements

Note: 34. RELATED PARTY DISCLOSURES *(Contd...)*

iii) Key Managerial Personnel : *(₹ in million)*

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Interest paid	3.80	17.00
2	Directors' remuneration	25.13	38.13
3	Dividends paid (payment basis)	46.50	98.84
4	Sitting fees	0.03	–
5	Outstanding as on 31.03.2012		
	Loans and deposits payable	37.50	37.50

iv) Chairman having significant influence *(₹ in million)*

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Interest paid	0.78	7.74
2	Director's commission	7.26	13.75
3	Legal and professional fees	5.10	4.79
4	Sitting fees	0.12	0.14
5	Dividends paid (payment basis)	23.66	50.30
6	Outstanding as on 31.03.2012		
	Loans and deposits payable	7.60	7.60

v) Relatives of Key Managerial Personnel: *(₹ in million)*

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Interest paid	7.66	11.09
2	Dividends paid (payment basis)	0.03	0.06
3	Outstanding as on 31.03.2012		
	Loans and deposits	62.05	99.75

vi) Entities over which key management personnel/individual having significant influence *(₹ in million)*

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Interest paid	1.34	2.30
2	Rent paid	6.30	6.30
3	Dividends paid (payment basis)	0.99	2.11
4	Outstanding as on 31.03.2012		
	Loans and deposits taken	0.68	0.58

Notes Accompanying to the Financial Statements

Note: 34. RELATED PARTY DISCLOSURES *(Contd...)*

C. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
i) Purchase of raw materials		
- Petroleum Specialities Pte. Ltd.	1,493.27	1,496.39
ii) Sale of finished goods/ raw materials		
- Petroleum Specialities Pte. Ltd.	181.60	98.01
- Poweroil Speciality Products FZE	–	9.62
- Uniflex Cables Ltd.	–	1,093.84
iii) Sale of capital goods		
- Uniflex Cables Ltd.	–	4.46
iv) Lease assets		
- Uniflex Cables Ltd.	–	27.34
v) Lease rental		
- Uniflex Cables Ltd.	–	12.94
vi) Job work done for subsidiary		
- Uniflex Cables Ltd.	–	1.68
vii) Job work done by subsidiary		
- Uniflex Cables Ltd.	–	28.30
viii) Reimbursement received on deputation of Man power		
- Uniflex Cables Ltd.	–	18.00
ix) Interest received		
- Uniflex Cables Ltd.	–	102.95
x) Guarantees given by the Company on behalf of subsidiary companies		
- Petroleum Specialities Pte. Ltd.	508.80	446.00
- Uniflex Cables Ltd.	–	1,000.00
xi) Interest paid		
- Dr. N. D. Desai	0.78	7.74
- Kushal N. Desai	0.48	8.35
- Chaitanya N. Desai	3.33	8.65
- Rishabh K. Desai	1.83	3.32
- Vineeta R. Srivastava	3.60	5.84
- Petroleum speciality Pte. Ltd.	–	4.22
- Apar Corporation Private Ltd.	1.31	2.03
xii) Dividends paid (payment basis)		
- Dr. N. D. Desai	23.66	50.30
- Kushal N. Desai	23.40	49.73
- Chaitanya N. Desai	23.11	49.11
xiii) Legal and professional fees		
- Dr. N. D. Desai	5.10	4.79
xiv) Rent paid		
- Apar Corporation Private Ltd.	6.30	6.30
xv) Marketing fees		
- Apar Chematek Lubricants Ltd.	180.00	227.96
xvi) Director remuneration		
- Kushal N. Desai	12.49	19.02
- Chaitanya N. Desai	12.64	19.11
- Dr. N. D. Desai	7.26	13.75
xvii) Sitting fees		
- Kushal N. Desai	0.01	–
- Chaitanya N. Desai	0.02	–
- Dr. N. D. Desai	0.12	0.14

Notes Accompanying to the Financial Statements

Note: 35. SEGMENT INFORMATION

The Company's operations predominantly relate to manufacture of Conductors, Transformer/Speciality Oils and Power/ Telecom cables which businesses have been identified as primary segments based on the Company's risk profile and internal reporting structure.

a. Primary Segments (Business Segments)

FY 2011-12

(₹ in million)

Particulars	Conductor	Transformer & Speciality Oils	Power/Telecom Cables	Others	Elimination	Total
Revenue						
External sales (net of excise duty)	12,813.60	18,159.24	3,500.86	71.68	–	34,545.38
Other income	1.65	–	0.09	5.35	–	7.09
Inter-Segment Sales	812.02	19.91	42.18	–	(874.11)	–
Total revenue	**13,627.27**	**18,179.15**	**3,543.13**	**77.03**	**(874.11)**	**34,552.47**
Segment results before finance costs and tax	583.93	1,401.11	28.44	7.55	–	2,021.03
Less: Finance costs						1,141.24
Less: Other unallocated expenditure net of unallocable Income						284.09
Profit before tax						595.70
Tax expense						2.56
Profit after tax						593.14
Capital employed						
Segment assets	7,353.07	16,613.59	2,787.90	37.74	–	26,792.30
Unallocable corporate and other assets						917.31
Total Assets						**27,709.61**
Segment liabilities	6,240.72	13,656.45	743.61	10.13	–	20,650.91
Unallocable corporate and other liabilities						285.99
Total liabilities					–	**20,936.90**
Capital expenditure	49.86	106.74	257.14	–	–	413.74
Capital expenditure - Unallocable						30.19
Depreciation and Amortisation	74.27	41.72	79.60	–	–	195.58
Depreciation and Amortisation - Unallocable						17.21
Non-cash expenses other than depreciation	–	–	–	–	–	–

Notes Accompanying to the Financial Statements

Note: 35. SEGMENT INFORMATION *(Contd...)*

FY 2010-11

(₹ in million)

Particulars	Conductor	Transformer & Speciality Oils	Others	Elimination	Total
Revenue					
External sales (net of excise duty)	13,258.80	13,921.77	52.84	–	27,233.41
Other income	(0.29)	0.00	1.56	–	1.27
Inter-Segment Sales	0.15	10.22	–	(10.37)	–
Total revenue	**13,258.66**	**13,931.99**	**54.40**	**(10.37)**	**27,234.68**
Segment results before finance costs and tax	515.11	1,583.92	7.32		2,106.35
Less: Finance costs					254.94
Less: Other unallocated expenditure net of unallocable Income					256.76
Profit before tax					1,594.65
Tax expense					536.12
Profit after tax					1,058.53
Capital employed					
Segment assets	6,186.55	10,643.62	18.42	–	16,848.59
Unallocable corporate and other assets					2,297.10
Total Assets					**19,145.69**
Segment liabilities	4,454.33	9,235.31	0.69	–	13,690.33
Unallocable corporate and other liabilities					496.29
Total liabilities					**14,186.62**
Capital expenditure	65.53	96.92	–	–	162.45
Capital expenditure - Unallocable					27.03
Depreciation and Amortisation	75.77	41.86	–	–	117.64
Depreciation and Amortisation - Unallocable					19.46
Non-cash expenses other than depreciation	–	1.97	–	–	1.97

b. Secondary Segments (Geographical Segments)

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Segment Revenue		
- Within India*	25,700.81	21,781.60
- Outside India	8,844.57	5,451.81
	34,545.38	**27,233.41**
*Include deemed exports ₹ 698.39 million *(Previous year ₹ 696.36 million)*		
Segment Assets		
- Within India	25,942.06	18,026.01
- Outside India	1,767.55	1,119.68
	27,709.61	**19,145.69**

- The Company's tangible fixed assets are located entirely in India.

c. Segment revenue and results

The expenses which are not directly attributable to the business segment are shown as unallocable corporate/other expenses (net of miscellaneous income).

Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally of fixed assets, debtors and inventories.

Segment liabilities primarily include creditors and other liabilities.

Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocable corporate assets and liabilities respectively.

Notes Accompanying to the Financial Statements

Note: 36. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Type of Instruments	Nos.	Mt.	Amount $/Euro/GBP in million	₹ in million
(I) Particular of derivative instruments outstanding as at 31st March, 2012				
(a) In respect of commodity				
Futures/option at London Metal Exchange (in Mt.) - USD	108.00	19,191.00	50.89	2,589.49
	(73.00)	(19,380.00)	(58.25)	(2,597.92)
(b) In respect of foreign currency				
Forward contracts - buy contracts - USD	86.00		209.12	10,639.96
	(75.00)		(134.77)	(6,010.67)
Forward contracts - buy contracts - EURO	5.00		5.07	343.97
	–		–	–
(II) All the derivative instruments entered by the Company during the year were for hedging purposes and not for any speculative purposes.				
(III) Unhedged foreign currency exposures				
In US $ - Payable (net)			88.18	4,485.93
		(74.60)	(3,327.18)	
In Euro - Payable (net)			0.04	2.98
		(0.35)	(21.77)	
In GPB - Receivable (net)			0.01	0.97
		–	–	
(iv) Premium in case of forward contracts not expired and			–	174.65
pertaining to the future period			–	(86.81)

(Figures in brackets are in respect of previous year)

Note: 37. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD (AS) 19 LEASES :

(₹ in million)

	March 31, 2012	March 31, 2011
(i) Operating lease income recognised in the Statement of profit and loss	–	12.94
(ii) Depreciation recognised in the Statement of profit and loss includes a charge on account of assets given on operating lease.	–	4.94
(iii) Future minimum lease income under lease agreements		
Not later than one year	–	15.28
Later than one year and not later than five years	–	35.46
Later than five years	–	–

(iv) Assets given on operating lease

(₹ in million)

	March 31, 2012		March 31, 2011	
	Gross Block	Accumulated Depreciation	Gross Block	Accumulated Depreciation
Machinery and equipment	–	–	82.63	8.39

(v) Significant leasing arrangements

The agreements provide for early termination by the Company after giving six month's notice and restricted to sub-lease. Assets are given on lease for a period of five years.

Notes Accompanying to the Financial Statements

Note: 38. VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in million)

	March 31, 2012	March 31, 2011
Raw materials and Components	17,691.54	12,363.03
Stores and spare parts	2.38	2.12
Capital goods	32.65	11.07
Total	17,726.57	12,376.22

Note:-

Imports through canalising agencies and items of foreign origin purchased locally are excluded.

Note: 39. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ in million)

	March 31, 2012	March 31, 2011
Professional fees	8.28	2.40
Royalty	19.92	13.52
Interest and bank charges	267.87	195.40
Commission and foreign travel	64.83	58.22
Others	38.33	9.68
Total	399.23	279.22

Note: 40. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

	March 31, 2012		March 31, 2011	
	% of total Consumption	Value (₹ million)	% of total Consumption	Value (₹ million)
Raw materials				
Imported at landed cost (including duty and clearing charges incurred in India)	63.48	18,092.65	61.73	13,300.43
Indigenous	36.52	10,406.46	38.27	8,246.52
Total	100.00	28,499.11	100.00	21,546.95
Components and Spare parts				
Imported (at landed cost)	3.04	2.98	3.11	2.12
Indigenous	96.96	95.36	96.89	66.07
Total	100.00	98.34	100.00	68.19

Note: 41. NET DIVIDEND REMITTED IN FOREIGN CURRENCY

(₹ in million)

	March 31, 2012	March 31, 2011
a) No. of shareholders	1	1
b) No. of shares held	3,636,363	3,635,138
c) Year of dividend	2010-11	2009-10, 2010-11
d) Amount remitted - ₹	12.73	27.26

Notes Accompanying to the Financial Statements

Note: 42. EARNING IN FOREIGN EXCHANGE (ACCRUAL BASIS) *(₹ in million)*

	March 31, 2012	March 31, 2011
Export of goods calculated on FOB basis	8,844.57	5,451.81
Deemed exports	698.39	696.36
Others *(freight, insurance and interest)*	315.57	298.85
Total	9,858.53	6,447.02

Note: 43. ₹ '0 'indicate amount less than ₹ 5,000

Note: 44. As per the Accounting Standard (AS) 28 Impairment of Assets, the Company has reviewed the potential generation of economic benefit from its fixed assets. Accordingly, no impairment loss is required to be provided in the financial statements.

Note: 45. Till year ended 31st March, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended 31 March, 2012,the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified previous year's figures to confirm to this year's classification. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

Signature to Note 1 to 45

SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
by the hand of

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 27th September, 2012

For and on behalf of the Board of Directors

Kushal N. Desai
Managing Director & Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 27th September, 2012

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies

		Petroleum Specialities Pte. Limited, Singapore		Quantum Apar Speciality Oils Pty. Limited, Australia		Marine Cables & Wires Private Limited, India
	Particulars	In USD	₹ in million	In AUD	₹ in million	₹ in million
(a)	Capital	59,101	2.64	300,000	10.29	9.47
(b)	Reserve	10,863,537	554.60	359,528	23.79	(44.69)
(c)	Total Assets	15,545,700	792.46	4,321,722	232.20	39.53
(d)	Total Liabilities	4,623,062	235.22	3,662,193	198.11	74.75
(e)	Details of investment	–	–	–	–	–
	(Except in case of investment in Subsidiaries)					
(f)	Turnover	60,917,629	2,936.21	9,291,526	466.91	35.05
(g)	Profit before taxation	2,754,628	157.11	447,599	36.26	(10.37)
(h)	Provision for taxation	461,745	22.13	163,333	5.60	–
(i)	Profit after taxation	2,292,883	134.98	284,266	30.66	(10.37)
(j)	Proposed dividend	Nil	Nil	Nil	Nil	Nil

As on 31.03.2012: 1 U.S. Dollar (USD) = ₹ 50.8800, 1 Australian Dollar (AUD) = ₹ 54.0969

Consolidated
Financial Statements

Consolidated Auditors' Report

To

The Board of Directors of Apar Industries Limited on Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of Apar Industries Limited and its subsidiaries and jointly controlled entity ('the Apar Group') as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. In respect of the financial statements of subsidiaries and jointly controlled entity, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries and jointly controlled entity are based solely on the reports of the other auditors. The details of total assets, total revenues and net cash flows in respect of these subsidiaries and the jointly controlled entity, to the extent to which they are reflected in the consolidated financial statements are given below:

   Audited by other auditors:

   ₹ *million*

	Total assets	Total revenues	Net cash flows
Subsidiaries	1062.41	3444.99	(133.03)
Jointly controlled entity	59.78	109.94	0.95

4. We report that, the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 Consolidated Financial Statements and (AS) 27 Financial Reporting of Interest in Joint Ventures, specified by the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and on the basis of the separate audited financial statements of the Apar Group included in the consolidated financial statements.

5. We report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the Apar Group, we are of the opinion that the said consolidated financial statements, read together with the Significant Accounting Policies in Note 1 and the Notes to the Financial Statements in Note 2 to 36, give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Apar Group as at 31st March, 2012;

   ii) in the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Apar Group for the year ended on that date; and

   iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Apar Group for the year ended on that date.

SHARP & TANNAN
Chartered Accountants
Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No. 033013

Mumbai, 27th September, 2012

Consolidated Balance Sheet as at March 31, 2012

(₹ in million)

	Note No.	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	359.72	323.36
(b) Share capital suspense account	2	24.98	–
(c) Reserves and surplus	3	4,848.43	3,190.86
		5,233.13	3,514.22
2. Minority Interest		11.63	5.21
3. Non-Current Liabilities:			
(a) Long-term borrowings	4	346.48	147.38
(b) Deferred tax liabilities (net)	5	131.12	88.80
(c) Other long-term liabilities	6	410.50	242.36
(d) Long-term provisions	7	26.20	7.70
		914.30	486.24
4. Current Liabilities			
(a) Short-term borrowings	8	9,489.68	5,855.35
(b) Trade payables	9	8,400.39	7,034.90
(c) Other current liabilities	10	4,091.31	2,394.77
(d) Short-term provisions	11	189.53	378.14
		22,170.91	15,663.16
Total		28,329.97	19,668.83
ASSETS			
1. Non-Current Assets:			
(a) Fixed assets			
(i) Tangible assets	12	1,834.53	1,768.50
(ii) Intangible assets	12	15.29	13.28
(iii) Capital work-in-progress	12	212.86	62.23
(iv) Intangible assets under development	12	3.49	–
		2,066.17	1,844.01
(b) Non-current investments	13	0.23	0.23
(c) Long-term loans and advances	14	455.01	261.95
		2,521.41	2,106.19
2. Current Assets:			
(a) Inventories	15	6,835.29	4,926.30
(b) Trade receivables	16	8,653.54	6,888.92
(c) Cash and bank balances	17	8,319.35	4,146.62
(d) Short-term loans and advances	18	1,455.75	1,470.27
(e) Other current assets	19	544.63	130.53
		25,808.56	17,562.64
Total		28,329.97	19,668.83
Significant Accounting Policies	1		
Contingent Liabilities and Commitments	29		

The accompanying notes form an integral part of consolidated financial statements

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
by the hand of

For and on behalf of the Board of Directors

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 27th September, 2012

Kushal N. Desai
Managing Director & Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 27th September, 2012

Consolidated Statement of Profit and Loss for the year ended March 31, 2012

(₹ in million)

	Notes	March 31, 2012	March 31, 2011
INCOME:			
Revenue from operations (gross)	20	39,162.06	33,203.91
Less: Excise duty		3,195.78	2,873.58
Revenue from operations (net)		35,966.28	30,330.33
Other income	21	7.09	1.35
Total Revenue (i)		35,973.37	30,331.68
EXPENSES:			
Cost of raw materials and components consumed	22	29,454.31	23,698.46
Purchases of stock-in-trade		107.41	111.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(615.60)	(37.01)
Employee benefits expense	24	478.15	397.29
Other expenses	25	4,389.02	3,972.47
Exceptional items	26	19.57	–
Total Expenses (ii)		33,832.86	28,142.80
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (i-ii)		2,140.51	2,188.88
Depreciation and amortisation expense		217.71	205.16
Finance costs	27	1,155.28	445.28
Profit Before Tax		767.52	1,538.44
Tax Expenses:			
Current tax		165.81	518.37
Deferred tax		(40.53)	16.90
Taxes for earlier years		(98.75)	42.76
Total		26.53	578.03
Profit After Tax but Before Minority Interest for the year		740.99	960.41
Minority Interest (Profit)/loss		(10.61)	(7.15)
Profit for the year		730.38	953.26
Earnings Per Equity Share:			
(a) Basic	28	19.15	29.48
(b) Diluted		19.15	29.48
Significant Accounting Policies	1		

The accompanying notes form an integral part of consolidated financial statements

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
by the hand of

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 27th September, 2012

For and on behalf of the Board of Directors

Kushal N. Desai
Managing Director & Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 27th September, 2012

Consolidated Cash Flow Statement for the year ended March 31, 2012

(₹ in million)

	2011-12		2010-11	
A. CASH FLOWS FROM OPERATING ACTIVITIES :				
Profit before taxation		767.52		1,538.44
Adjustments for:				
Depreciation and amortisation	217.71		205.16	
(Profit)/loss on sale of fixed assets(net)	(1.75)		0.22	
Foreign currency translation reserve	7.62		(36.82)	
Unrealised exchange loss/(gain)	724.79		(131.98)	
Profit on sale of investments	(3.76)		–	
Dividend on investments	(1.58)		(1.49)	
Interest expense (net)	80.64		134.99	
		1,023.67		170.08
Operating profit before working capital changes in :		1,791.19		1,708.52
(Increase)/decrease in trade and other receivables	(1,548.01)		(2,880.41)	
(Increase)/decrease in inventories	(1,909.00)		(534.46)	
increase / (decrease) in trade and other payables	2,130.99		2,365.55	
		(1,326.02)		(1,049.32)
Cash generated from/(used in) operations		465.17		659.20
Direct taxes paid (net of refunds)		(215.99)		(181.35)
Net cash from/(used in) operating activities		249.18		477.85
B. CASH FLOWS FROM INVESTING ACTIVITIES :				
Purchase of fixed assets	(445.00)		(261.18)	
Sale of fixed assets	8.06		3.28	
Investment in mutual funds (Net)	3.76		–	
Dividend received	1.58		1.49	
Net cash from/(used in) investing activities		(431.60)		(256.41)

Consolidated Cash Flow Statement *(Contd...)* for the year ended March 31, 2012

(₹ in million)

	2011-12		2010-11	
C. CASH FLOWS FROM FINANCING ACTIVITIES :				
Proceeds/(repayments) from/of fixed deposits (net)	(27.36)		17.23	
Proceeds from issue of shares (net of expenses)	776.05		–	
Proceeds/(repayments) from short-term borrowings	3,621.34		(253.91)	
Proceeds/(repayments) of long-term borrowings	254.40		(308.74)	
Capital subsidy received	3.00		–	
Interest paid (net)	(125.52)		(134.84)	
Dividend paid	(125.85)		(242.52)	
Tax on dividends	(20.91)		(40.28)	
Net cash from/(used in) financing activities		4,355.15		(963.06)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		4,172.73		(741.62)
Cash and cash equivalents at the beginning of year		4,146.62		4,888.24
Cash and cash equivalents at the end of year		8,319.35		4,146.62

Notes :

1) Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 Cash Flow Statements.
2) Purchase of fixed assets includes movement of capital work-in-progress during the year.
3) Cash and cash equivalents represents cash and bank balances and include margin money of ₹ 7,255.94 million; *(Previous year ₹ 3,126.26 million)* and unrealised gain of ₹ 1.19 million ; *(Previous year unrealised loss ₹ 3.29 million)* on account of translation of foreign currency bank balances.
4) Previous year's figures have been regrouped wherever necessary.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
by the hand of

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 27th September, 2012

For and on behalf of the Board of Directors

Kushal N. Desai
Managing Director & Chief Executive Officer

H. N. Shah
Director

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Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 27th September, 2012

Notes Accompanying to the Consolidated Financial Statements

Note: 1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of financial statements:-

   The financial statements are prepared on accrual basis under the historical cost convention and comply in all material aspects with the generally accepted accounting principles in India, the Accounting Standards prescribed under Section 211 (3C) of Companies Act, 1956 and the applicable provisions thereof.

2. Use of estimates:-

   The preparation of financial statements is in conformity with generally accepted accounting principles ("GAAP") which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Basis of preparation and principles of consolidation: -

   The Consolidated Financial Statements relate to Apar Industries Limited (the Company) and its subsidiary companies, viz., Petroleum Specialities Pte. Ltd., a company incorporated in Singapore and its down-stream subsidiary, viz., Quantum Apar Speciality Oils Pty. Ltd., a company incorporated in Australia, Marine Cables & Wires Private Limited, a company incorporated in India. It also includes 50% share in Apar Chematek Lubricants Ltd., a company incorporated in India, 50:50 Joint Venture with Chematek S.P.A., Italy (hereinafter referred to as the "Group").

   The Consolidated Financial Statements have been prepared on the following basis:

   (i) Subsidiaries

   The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra group balances, intra group transactions and also resulting unrealised profits or losses. The consolidation procedures are in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements', notified by the Companies (Accounting Standards) Rules, 2006.

   The excess of the cost to the company of its investment in subsidiary / Associate companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary / Associates companies as on the date of investment is in excess of cost of investment of the company, it is recognised as 'Capital Reserve' and shown under the head 'Reserve and Surplus', in the consolidated financial statements.

   Minority interests in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

   In case of foreign subsidiaries, revenue items are consolidated at the average exchange rates that prevailed during each month of the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains and losses arising on conversion are recognised in the currency fluctuation reserve.

   The financial statements of the subsidiary /Joint Venture considered for consolidation are drawn up to the same reporting date as that of the Company.

   The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's' stand alone financial statements.

   (ii) Joint Venture

   Interest in a jointly controlled entity is accounted using proportionate consolidation method.

   (iii) Investment in Associates

   Investments in entities in which the parent company or any of its subsidiaries has significant influence but not a controlling interest,

Notes Accompanying to the Consolidated Financial Statements

Note: 1. SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

are reported according to the equity method i.e. investment is initially recorded at cost, identifying any goodwill arising at the time of acquisition. The carrying amount of investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The Consolidated Statement of profit and loss includes the investor's share of the results of the operations of the investee.

4. Fixed assets, depreciation and amortisation:-
   - (i) Fixed assets are stated at cost of acquisition / construction (net of CENVAT) less accumulated depreciation. Cost includes purchase price and other costs attributable to acquisition / construction of fixed assets.
   - (ii) Depreciation on assets is provided at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 (except as stated in (iii) below):
     - (a) On written down value method except in respect of building and plant and machinery purchased after 30.4.1987, which are depreciated on straight line method.
     - (b) Capital expenditure in respect of which ownership does not vest with the Company is amortised over a period of five years. Leasehold land is amortised over the period of lease.
     - (c) Certain items of plant and machinery which have been considered to be continuous process plant by the management are depreciated at the prescribed rates.
     - (d) In respect of Cable division (erstwhile Uniflex Cables Limited) all assets are depreciated on straight line method.
   - (iii) In the cases where the estimated useful life of the asset is less as compared to useful life estimated in Schedule XIV of the Companies Act, 1956, such assets are depreciated at rates higher than those prescribed under Schedule XIV of the Companies Act, 1956.

Asset	Rate
Factory building at Nalagarh	Over the lease period

   - (iv) In respect of assets costing less than ₹ 5,000 each and temporary structures, 100% depreciation is provided in the year of addition.
   - (v) Borrowing costs attributable to acquisition/construction of qualifying assets within the meaning of the Accounting Standard (AS) 16 on "Borrowing Costs" are capitalised as a part of the cost of fixed assets.
   - (vi) Pre-operation expenses including trial run expenses (net of revenue) are capitalised.

5. Impairment of assets: -

   The Group assess, at each balance sheet date, whether there is any indication of impairment of the carrying amount of the Group's assets. An impairment loss is recognised in the Statement of profit and loss wherever the carrying amount of the assets exceeds its estimated recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discounting factor. Impairment losses are recognised in the Statement of profit and loss. The impairment loss recognised in prior accounting period is reversed if there has been change in recoverable amount.

6. Investments: -

   Investments other than in subsidiaries, Joint Ventures and Associates have been accounted as per Accounting Standard (AS) 13 'Accounting for Investments'.

7. Inventories:-

   Inventories are valued at lower of standard cost or net realisable value. Cost includes material cost, cost of labour and attributable manufacturing overheads. Cost of materials is arrived at on weighted average basis except in respect of Cable division (erstwhile Uniflex Cables Limited) where it is on FIFO basis. Inventory of scrap is valued at estimated realisable value. Inventories of finished goods include excise duty as applicable.

8. Government grants: -
   - (i) Government grants are recognised in the financial statements when they are received and there is reasonable assurance that the Company will comply with the conditions attached to them.

Notes Accompanying to the Consolidated Financial Statements

Note: 1. SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

(ii) Government grants, which are in the nature of refundable interest free loans received from government/semi-government authorities, are credited to secured/unsecured loans.

(iii) Government grants which are in the nature of subsidies received from government/semi-government authorities and which are non-refundable are credited to reserves.

9. Employee stock options:-

In respect of the employee stock options, the excess of fair price on the date of grant over the exercise price is recognised as deferred compensation cost amortised over vesting period.

10. Voluntary retirement schemes:-

Compensations paid under voluntary retirement schemes are amortised over a period not exceeding 5 years, up to 31st March, 2010. The expenses incurred after 31st March, 2010 are charged to Statement of profit and loss.

11. Enterprise resource planning cost:

Cost of implementation of ERP Software including all related direct expenditure is amortised over a period of five years on successful implementation.

12. Share issue expenses:

Share issue expenses are written off against share premium account if any or amortised over a period of five years.

13. Revenue recognition: -

(i) Sale of goods is recognised on despatch to customers and on date of shipment in case of exports. Sales exclude amounts recovered towards sales tax and excise duty and is net of returns.

(ii) Price variation claims are accounted in accordance with the terms of contract and/or upon admittance by customers.

(iii) Dividend income on investment is recognised when the right to receive payment is established.

(iv) In respect of service activities, income is recognised as and when services are rendered.

14. Post-employment benefits:

Defined Contribution Plans: In respect of the Company's provident fund scheme, the Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the return on notified interest rate. In respect of the Company's approved superannuation scheme, the Company makes specified contributions to the superannuation fund administered by the Company and the return on investments is adequate to cover the commitments under the scheme. The Company's contribution paid/payable under these schemes is recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service.

Defined Benefit Plans: In respect of the Company's gratuity and leave wages schemes, the present value of the obligation under such scheme is determined based on actuarial valuation using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligation is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of profit and loss. Long term compensated absences are provided for based on actuarial valuation, made at the year end, by independent actuaries.

15. Translation of foreign currency:-

(i) The Group translates foreign currency transactions during the year, at the conversion rates prevailing on transaction dates.

(ii) Monetary items remaining unsettled at the year end are translated/reported at the year end rate. Exchange differences arising on such revaluation are recognised in the Statement of profit and loss.

(iii) Non-Monetary items (other than fixed assets) are reported at the exchange rate at which they are accounted.

(iv) In case of forward contracts, premium on the forward contracts is recognised as income or expense over the life of the contract.

Notes Accompanying to the Consolidated Financial Statements

Note: 1. SIGNIFICANT ACCOUNTING POLICIES *(Contd...)*

(v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

16. Derivative contracts:-

Derivative contract entered into, to hedge commodity/forex unexecuted Firm commitment and highly probable forecast transaction are recognised in the Financial Statement at fair value as on Balance Sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the Statement of profit and loss or Balance sheet as the case may be after applying the test of hedge effectiveness. The gain or losses are recognised as 'Hedge Reserve' in the Balance Sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the Statement of profit and loss. The gains and losses on roll over or cancellation of derivative contract which qualify as effective hedge are recognised in Statement of profit and loss in the same period in which the hedge item is accounted.

17. Export benefits/Incentives: -

The Group accounts for excise duty rebate on deemed and physical exports and duty entitlements/focus benefits on physical exports on accrual basis. Premium on special import licence is credited in the accounts as and when realised. The benefits in the form of entitlements to Advance Licenses for duty free import of raw materials in respect of exports made are accounted when such imports are made.

18. Claims against the Group not acknowledged as debts: -

The demands under disputed showcause notices / orders of statutory authorities are provided in the accounts on the basis of management's estimate and the balance, if any are included in contingent liability.

19. Taxes on income:-

(a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.

(b) Deferred tax is recognised on timing differences between the accounted income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

(c) Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised

20. Provision for contingencies:-

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Disclosure of contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When likelihood of such outflow is remote, no provision or disclosure is made. Provision arising from litigations, assessments by statutory authorities, etc. is made when the Group based on legal advise wherever necessary estimates that the liability has been incurred and the amount can be reasonably estimated.

21. Borrowing costs

(a) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve month) to get ready for its intended use or sale.

(b) All other borrowing costs are recognised as expense in the period in which they are incurred.

Notes Accompanying to the Consolidated Financial Statements

Note: 2. SHARE CAPITAL *(₹ in million)*

	March 31, 2012	March 31, 2011
Authorised		
91,998,750 Equity shares of ₹ 10 each *(Previous year 91,998,750 Equity shares of ₹ 10 each)*	919.99	919.99
Issued		
35,972,394 Equity shares of ₹ 10 each *(Previous year 32,336,031 Equity shares of ₹ 10 each)*	359.72	323.36
Subscribed & Paid up		
35,972,394 Equity shares of ₹ 10 each fully paid *(Previous year 32,336,031 Equity shares of ₹10 each)*	359.72	323.36
Total	359.72	323.36

Share Capital Suspense Account *(₹ in million)*

	March 31, 2012	March 31, 2011
Share Capital Suspense Account		
2,498,037 Equity shares of ₹ 10 each to be issued as fully paid up to the shareholders of erstwhile Uniflex Cables Limited as per the Scheme of Amalgamation	24.98	–
(Refer Note 2(b)(v))		
Total	24.98	–

Notes :

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

	March 31, 2012		March 31, 2011	
	No. of shares	₹ million	No. of shares	₹ million
Equity Shares				
At the beginning of the year	32,336,031	323.36	32,336,031	323.36
Issued during the period-fresh issue*	3,636,363	36.36	–	–
Outstanding at the end of the year	**35,972,394**	**359.72**	**32,336,031**	**323.36**

* The Company has issued and allotted 3,636,363 Equity shares (10.11% post allotment) of ₹ 10 each at a premium of ₹ 210 per share on preferential allotment basis on 4th May, 2011 to Templeton Strategic Emerging Markets Fund III, L.D.C. post allotment, the paid-up capital of the Company has been increased to ₹ 359.72 million consisting of 35,972,394 Equity Shares of ₹ 10 each fully paid.

b. Disclosure as required by Accounting Standard (AS) 14 Accounting for Amalgamations :

(i) Uniflex Cables Limited (UCL) was engaged in the business of manufacturing & sale of insulated Wires and Cables including Optical fibre and jelly- filled Cables.

(ii) UCL was declared as Sick Industrial Company by Hon'ble Board for Industrial & Financial Reconstruction (BIFR) on 15th October, 2010.

(iii) Pursuant to the Rehabilitation Scheme of UCL, envisaging Amalgamation of UCL with the Company by Hon'ble BIFR vide the Order dated 13th September, 2012, sanctioned Amalgamation retrospectively with effect from 1st April, 2010 (the appointed date). The Scheme has accordingly, been given effect in financial statements. The effective date of amalgamation is 18th September, 2012.

(iv) The amalgamation has been accounted for under the 'Pooling of Interest method' as prescribed by Accounting Standard (AS) 14 Accounting for Amalgamations, specified by the Companies (Accounting Standard) Rules, 2006. Accordingly, the assets, liabilities and reserve of UCL as at 1st April, 2010 have been taken at their book values as stipulated in the said Scheme.The reserves of the transferor Company have been transferred to the respective reserves.

(v) Based on the approved exchange ratio as provided in the Scheme, 2,498,037 number of equity shares will be issued to the equity share holders of UCL in the ratio of 1 equity share of the face value of ₹ 10 each in the Company for every 10 equity shares held in erstwhile UCL. In terms of the Scheme, the said equity shares, when issued and allotted by the Company shall rank, in all respects *pari-passu* with the existing equity shares of the Company. Pending allotment of the said equity shares, the amount has been disclosed under "Share Capital Suspense Account" in note no 2.

Notes Accompanying to the Consolidated Financial Statements

Note: 2. SHARE CAPITAL *(Contd...)*

(vi) The difference between the amount of share capital of the erstwhile UCL and the amount of fresh share capital issued by the Company on amalgamation amounting to ₹ 224.82 million is treated as capital reserve and has been added to the Capital Reserve of the Company.

(vii) The amalgamation has resulted in transfer of assets,liabilities and reserves as on 1st April, 2010 in accordance with the terms of the Scheme is as under:

Particulars	₹ in millions
Fixed Assets	560.58
Investment	23.24
Current Assets	1,376.68
	1,960.50
Less: Current Liabilities and Provisions	684.55
Less: Secured and Unsecured loans	1,322.12
Less: Transfer to Share Premium Account	423.92
Less: Transfer to capital Reserve	17.05
Less: Transfer to Statement of profit & loss *	(736.94)
Net assets transferred	249.80
Consideration for amalgamation	24.98
Balance transferred to Capital Reserve	224.82

* ₹ 411.94 millions, pertaining to losses prior to becoming subsidiary, considered in Reserve and Surplus under the head "Surplus / (deficit) in the Statement of profit and loss.

(viii) As provided in the Scheme 1,635,388 number of equity shares to be issued by the Company in lieu of 16,353,875 number of equity shares held by the Company in the erstwhile UCL will be transferred to 'AIL Benefit Trust' for the sole benefit of the Company. Accordingly, the cost (net of provision for diminution in value) of the aforesaid investment of the Company ₹ 278.83 million is reflected as "Receivable from Trust", under 'Other Current Assets' in "Note 19".

(ix) After giving effect to the scheme net-worth of erstwhile UCL, has become positive and as such the company will make an application to Hon'ble BIFR to take discharge from BIFR.

(x) Deferred tax asset of ₹ 263.50 million has been created for carried forward losses/depreciation and timing differences of erstwhile UCL by crediting to General Reserve.

(xi) In view of amalgamation current year figures are not strictly comparable to those of the previous year.

c. Terms/rights attached to equity shares

(i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(ii) During the year ended 31 March, 2012, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 4/, (₹ 6 for FY 2011).

(iii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes Accompanying to the Consolidated Financial Statements

Note: 2. SHARE CAPITAL *(Contd...)*

d. Details of Shareholders holding more than 5% shares in the company

	March 31, 2012		March 31, 2011	
	No. of shares	% of holdings in the class	No. of shares	% of holdings in the class
Equity shares of ₹ 10 each fully paid				
Dr. N. D. Desai	6,804,939	18.92%	6,759,939	20.91%
Kushal N. Desai	6,831,778	18.99%	6,685,216	20.67%
Chaitanya N. Desai	6,820,610	18.96%	6,601,450	20.42%
Templeton Strategic Emerging Markets Fund III, L.D.C.	3,636,363	10.11%	–	–
Shinny Limited, Mauritius	2,635,138	7.33%	2,635,138	8.15%
Reliance Capital Trustee Co. Ltd. A/c. Reliance Diversified Power Sector Fund	1,914,238	5.32%	1,914,238	5.92%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shares reserved for issue under options

The Company provides share-based payment to its employees.During the year ended 31 March, 2012, an Employee Stock Option Plan (ESOP) was in existence.The relevant details of the scheme and the grant are as below:

Members' approval was obtained at the Annual General Meeting held on 9th August, 2007 for introduction of Employee Stock Option Scheme to issue and grant upto 1,616,802 options but the Board has granted 175,150 options till date.

	March 31, 2012	March 31, 2011
a. Outstanding at the beginning of the year	175,150	175,150
b. Granted during the year	58,384	58,382
c. Forfeited during the year	–	–
d. Exercised during the year	–	–
e. Outstanding at the end of the year	175,150	175,150
f. Exercisable at the end of the year	175,150	116,766

f. **Aggregate number of bonus shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :**

The Company has allotted 8,084,008 fully paid Bonus Equity Shares of ₹ 10 each, on 12th January, 2007 by utilisation of ₹ 80.84 million out of Capital Redemption Reserve in the ratio of 1 Bonus Equity Share for 3 equity shares held.

Notes Accompanying to the Consolidated Financial Statements

Note: 3. RESERVES AND SURPLUS *(₹ in million)*

	March 31, 2012	March 31, 2011
Capital Reserve		
Balance as per the last financial statements	4.95	4.95
Add: Capital subsidy received*.	3.00	–
Transferred on amalgamation of a subsidiary *(Refer Note 2(b)(vii))*	17.05	–
Balance over UCL amalgamation consideration *(Refer Note 2(b)(vi))*	224.82	–
Closing balance	249.82	4.95
Capital Redemption Reserve	147.55	147.55
Securities premium account		
Balance as per the last financial statements	588.52	588.52
Add: Premium on issue of shares *(Refer Note 2 (a))*	763.64	–
Transferred on amalgamation of a subsidiary *(Refer Note 2(b)(vii))*	423.92	–
Less: Share issue expenses	(23.95)	–
Closing Balance	1,752.13	588.52
Cash Flow Hedging Reserve**		
Balance as per the last financial statements	–	–
Add: (Deduction)/Addition during the year (net)	(165.81)	–
Closing Balance	(165.81)	–
Currency Fluctuation Reserve	(36.68)	(48.48)
General Reserve		
Balance as per the last financial statements	947.50	837.50
Add: Amount transferred from surplus balance In the Statement of profit and loss	89.00	110.00
Deferred Tax Asset created in respect of erstwhile UCL *(Refer Note 2(b)(x))*	263.50	–
Closing Balance	1,300.00	947.50
Surplus/(deficit) in the Statement of profit and loss		
Balance as per last financial statements	1,550.82	948.64
Less: Transfer on Amalgamation of subsidiary *(Refer Note 2(h)(vii)*	(411.94)	–
Add: Profit for the year	730.38	953.26
Less: Appropriations		
Transfer to general reserve	(89.00)	(110.00)
Proposed final equity dividend (amount per share ₹ 4.00 (*Previous year ₹ 3.50*))	(153.88)	(125.90)
Tax on proposed equity dividend	(24.96)	(20.91)
Interim equity dividend (amount per share ₹ nil (*Previous year ₹ 2.50*))	–	(80.84)
Tax on interim equity dividend	–	(13.43)
Total appropriations	(267.84)	(351.08)
Net surplus in the statement of profit and loss	1,601.42	1,550.82
Total	4,848.43	3,190.86

* For Conductor Nalagarh Plant from Himachal Pradesh State Industrial Development Corporation Limited, Shimla.

** Effective 1st April, 2011, the Company has started accounting for derivative contracts, entered into to hedge commodity/ forex unexecuted firm commitments and highly probable forecast transactions.Gains or losses arising out of fair valuation of derivative contracts are recognised in the Statement of profit and loss or balance sheet, as the case may be, after applying the test of hedge effectiveness. Gains or losses are recognised as 'Cash Flow Hedge Reserve' in the balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the Statement of profit and loss. Gain and losses on roll over or cancellation of derivative contract which qualify as effective hedge are recognised in the Statement of profit and loss in the same period in which the hedge item is accounted.

Notes Accompanying to the Consolidated Financial Statements

Note: 4. LONG-TERM BORROWINGS

(₹ in million)

	Non-current portion	
	March 31, 2012	March 31, 2011
Secured Loans		
Term loans		
Foreign currency loan from banks *(Refer Note below)*	254.40	–
Unsecured Loans		
Deposits		
Deposits from directors	6.00	5.60
Deposits from public	86.08	141.78
Total	346.48	147.38

Note:

The Term loan is secured by exclusive charge on the assets acquired by the Company with the proceeds of the facility.

Term of repayment of term loan - in August, 2014 ₹ 76.32 million, in August, 2015 ₹ 76.32 million and in August, 2016 ₹ 101.76 million.

Note: 5. DEFERRED TAX LIABILITIES (NET)

(₹ in million)

	March 31, 2012	March 31, 2011
Deferred tax liability arising on account of timing difference in:		
Book and tax depreciation	197.23	115.63
Deferred tax assets arising on account of timing difference in:		
Provision for doubtful debts and advances	(43.27)	(10.15)
Provision for gratuity and leave salary	(9.91)	(7.58)
Voluntary retirement scheme	–	(0.26)
Expenses allowable on payment basis	(9.33)	(9.01)
Sub-total	134.72	88.63
Share of Joint Venture (net) *(Refer Note 31(b))*	(3.60)	0.17
Total	131.12	88.80

Note: 6. OTHER LONG-TERM LIABILITIES

(₹ in million)

	March 31, 2012	March 31, 2011
Advance from customers	392.76	226.52
Deposits from dealers	17.74	15.84
Total	410.50	242.36

Note: 7. LONG-TERM PROVISIONS

(₹ in million)

	March 31, 2012	March 31, 2011
Provision for employee benefits		
Provision for gratuity - other Employees	1.47	1.43
Provision for gratuity - In respect of Directors	3.35	2.66
Provision for leave benefits	21.25	3.54
Share of Joint Venture *(Refer Note 31(b))*	0.13	0.07
Total	26.20	7.70

Notes Accompanying to the Consolidated Financial Statements

Note: 8. SHORT-TERM BORROWINGS *(₹ in million)*

	March 31, 2012	March 31, 2011
Secured Loans		
Working capital loans from banks *(Refer Notes below)*	713.37	608.07
Unsecured Loans		
Packing credit loan in foreign currency from Banks	727.58	253.57
Buyer's credit in foreign currency	7,838.85	4,714.01
Loans and advances from related parties repayable on demand *(Refer Note 32)*	167.29	237.71
Public deposits	4.09	3.49
Director's deposits	38.50	38.50
Total	9,489.68	5,855.35

Note:

a) Out of Working capital loans from banks (secured) ₹ 647.96 million are secured by -

- hypothecation of specified stocks, specified book debts of the Company and movable plant and machinery at Nalagarh Unit.
- first charge by way of equitable mortgage by deposit of title deeds of Company's specified immovable properties, both present and future
- first charge by way of equitable mortgage by deposit of title deeds of certain immovable properties of Apar Corporation Private Limited, a related party.

b) Balance Working capital loans (Secured) ₹ 65.41 million pertaining to erstwhile Uniflex Cables Ltd. (UCL) are secured by hypothecation of stock and debts of the cable division and first charge on the fixed assets of the cable division.

Note: 9. TRADE PAYABLES *(₹ in million)*

	March 31, 2012	March 31, 2011
Trade payables (including acceptances)		
Total outstanding dues of micro and small enterprises	24.98	37.51
Total outstanding dues of other than micro and small enterprises	8,374.68	6,997.30
Share of Joint Venture *(Refer Note 31(b))*	0.73	0.09
Total	8,400.39	7,034.90

Note: 10. OTHER CURRENT LIABILITIES *(₹ in million)*

	March 31, 2012	March 31, 2011
Current maturities of long-term borrowings		
Deposits from directors	0.60	1.00
Deposit from public	97.08	69.28
Interest accrued but not due on borrowings	170.07	54.74
Investor Education and Protection Fund *(Refer Note (a) below)*		
Unclaim dividend	5.92	5.87
Unpaid matured deposits	–	0.06
Interest accrued on above	–	0.04
Creditors for capital expenditure	6.53	5.29
Statutory dues towards Government	141.20	125.39
Provision for materials/expenses	2,234.06	1,666.63
Others Payable *(Refer Note (b) below)*	1,427.60	450.40
Share of Joint Venture *(Refer Note 31(b))*	8.25	16.07
Total	4,091.31	2,394.77

Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March, 2012.

(b) Other payable includes security deposit, book overdraft and advance from customers.

Notes Accompanying to the Consolidated Financial Statements

Note: 11. SHORT-TERM PROVISIONS *(₹ in million)*

	March 31, 2012	March 31, 2011
Provision for employee benefits		
Liability to the Employee Gratuity Fund	2.69	6.71
Provision for leave benefits	6.99	20.74
Share of Joint Venture *(Refer Note 31(b))*	1.01	0.95
Sub-total	10.69	28.40
Other provisions		
Provision for taxes, *net of advance tax*	–	217.27
Proposed equity dividend	153.88	125.90
Provision for tax on proposed equity dividend	24.96	20.91
Share of Joint Venture *(Refer Note 31(b))*	–	(14.34)
Sub-total	178.84	349.74
Total	189.53	378.14

Note: 12. FIXED ASSETS *(₹ in million)*

	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	01.04.2011	Addition	Disposal	Other Adjustment	31.03.2012	01.04.2011	For the year	Disposal/ Adjustment	31.03.2012	31.03.2012	31.03.2011
i) Tangible assets											
Land- Freehold	42.39	66.75	–	–	109.14	–	–	–	–	109.14	42.39
Land-Leasehold	136.90	–	–	–	136.90	9.04	1.91	–	10.95	125.95	127.86
Building	587.52	42.20	–	–	629.72	160.75	24.33	–	185.08	444.64	426.77
Plant and Machinery *(Refer Note below)*	2,266.40	137.83	(17.77)	2.56	2,389.02	1,163.86	166.68	(12.83)	1,317.71	1,071.31	1,102.54
Furniture and Fixtures	62.36	2.53	(0.02)	–	64.87	49.54	3.30	(0.02)	52.82	12.05	12.82
Equipment	110.17	11.26	–	–	121.43	74.38	7.00	–	81.38	40.05	35.79
Motor Vehicles	43.35	19.32	(6.86)	–	55.81	24.39	7.26	(6.18)	25.47	30.34	18.96
Share of Joint Venture *(Refer Note no 31(b))*	2.98	0.20	(0.02)	–	3.16	1.61	0.50	–	2.11	1.05	1.37
Sub total (i)	3,252.07	280.09	(24.67)	2.56	3,510.05	1,483.57	210.98	(19.03)	1,675.52	1,834.53	1,768.50
ii) Intangible assets											
Specialised software	30.93	8.55	–	–	39.48	17.65	6.71	–	24.36	15.12	13.28
Share of Joint Venture *(Refer Note no 31(b))*	–	0.21	–	–	0.21	–	0.04	–	0.04	0.17	–
Sub total (ii)	30.93	8.76	–	–	39.69	17.65	6.75	–	24.40	15.29	13.28
Total (i+ii)	3,283.00	288.85	(24.67)	2.56	3,549.74	1,501.22	217.73	(19.03)	1,699.92	1,849.82	1,781.78
31 March 2011	3,090.58	204.72	(12.30)	–	3,283.00	1,304.61	205.16	(8.55)	1,501.22		
iii) Capital work-in-progress-Tangible assets											
Buildings										144.52	35.73
Plant and Machinery										68.34	26.50
Sub total (iii)										212.86	62.23
iv) Intangible assets under development											
Specialised Software										3.49	–
Sub total (iv)										3.49	–
Grand total										2,066.17	1,844.01

Note:

a. Includes ₹ 5.69 million, *(Previous year ₹ 5.87 million)* for capital expenditure on Research and development *(Refer Note 31 (A))*

b. In line with Notification No G.S.R. 914(E) dated 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India in respect of accounting periods commencing on or after the 1st April, 2011 for an enterprise which had earlier exercised the option under paragraph 46 and at the option of any other enterprise, the exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset.

Accordingly, ₹ 2.56 million *(Previous year ₹ nil)* have been capitalised to Plant and Machinery and ₹ 26.94 million, *(Previous year ₹ nil)* debited to Capital works in progress. *(Refer Note 1(15)(v))*

Notes Accompanying to the Consolidated Financial Statements

Note: 13. NON-CURRENT INVESTMENTS

(₹ in million)

	March 31, 2012	March 31, 2011
A. Government of India securities:		
- 6 Year National Savings Certificates	0.00	0.00
- 12 Year National Defence Certificates	0.01	0.01
- 6 Year National Savings Certificates	0.01	0.01
(held as security by Government Departments)		
	0.02	0.02
B. Non Trade:		
4,200 shares (Previous year 4,200) of Natpur Co-operative Bank Limited of ₹ 50 each	0.21	0.21
Total	0.23	0.23
Aggregate book value of unquoted investments	0.23	0.23
Aggregate book value of quoted investments	–	–
Aggregate market value of quoted investments	–	–

Note: 14. LONG-TERM LOANS AND ADVANCES

(₹ in million)

	March 31, 2012	March 31, 2011
Unsecured, considered good		
Capital advances	64.99	42.83
Security deposit	43.84	41.07
Others loans and advances	327.79	176.95
Share of Joint Venture (Refer Note 31(b))	18.39	1.10
Total	455.01	261.95

Note: 15. INVENTORIES

(₹ in million)

	March 31, 2012	March 31, 2011
Raw materials and components	3,112.59	2,267.36
Raw materials-in transit	1,711.43	1,273.84
Work-in-progress	727.21	489.75
Finished goods	1,128.01	769.47
Stock-in-trade	37.60	18.77
Stores and spares	117.68	107.11
Share of Joint Venture *(Refer Note 31(b))*	0.77	–
Total	6,835.29	4,926.30

Notes Accompanying to the Consolidated Financial Statements

Note: 16. TRADE RECEIVABLES

(₹ in million)

	March 31, 2012	March 31, 2011
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	0.34	0.34
Unsecured, considered good	503.94	258.74
Unsecured, considered doubtful	133.34	24.22
	637.62	283.30
Less: Provision for doubtful debts	133.34	24.22
	504.28	259.08
Other receivables		
Secured, considered good	3.37	3.37
Unsecured, considered good	8,139.59	6,626.47
Share of Joint Venture *(Refer Note 31(b))*	6.30	–
	8,149.26	6,629.84
Total	**8,653.54**	**6,888.92**

Note: 17. CASH AND BANK BALANCES

(₹ in million)

	March 31, 2012	March 31, 2011
Cash and cash equivalents		
Balances with banks:		
On current accounts	822.41	912.06
Deposits with original maturity of less than three months	160.00	0.55
On unpaid dividend account *(Refer Note (i) below)*	5.92	5.87
Unpaid matured deposits	–	0.10
Cash on hand	0.59	1.06
Funds in transit	51.47	27.10
Sub-total	1,040.39	946.74
Other bank balances		
Deposits with original maturity for more than three months but less than twelve months	20.67	72.22
Margin money deposit *(Refer Note (ii) below)*	7,255.94	3,126.26
Sub-total	7,276.61	3,198.48
Share of Joint Venture *(Refer Note 31(b))*	2.35	1.40
Total	**8,319.35**	**4,146.62**

Note:

(i) There are no amounts due and outstanding to be credited to the Investor Education and Protection Funds as at 31st March, 2012.

(ii) Against letter of credits for Company's imports of raw materials and working capital loans.

Notes Accompanying to the Consolidated Financial Statements

Note: 18. SHORT-TERM LOANS AND ADVANCES *(₹ in million)*

	March 31, 2012	March 31, 2011
Unsecured, considered good		
Loan and advances to related parties	13.89	–
Others		
Advances recoverable in cash or kind	759.65	1,008.75
Balances with statutory/government authorities	681.05	460.39
Share of Joint Venture *(Refer Note 31(b))*	1.16	1.13
Total	1,455.75	1,470.27
Loans and advances to related parties include		
Loans to other related parties		
AIL Benefits Trust	0.03	–
Apar Investment Inc	13.86	–
Total	13.89	–

Note: 19. OTHER CURRENT ASSETS *(₹ in million)*

		March 31, 2012	March 31, 2011
Interest accrued but not due on fixed deposits		248.73	88.58
Interest accrued but not due on security deposits		0.56	0.54
Assets held for sale		0.23	0.23
Receivable from AIL Benefit Trust (to be transferred) *(Refer Note No 2(b)(vii))*			
- Original value of investment	834.37		
- Provision for dimunition in value	(555.54)	278.83	–
Other receivable		16.28	41.18
Total		544.63	130.53

Note: 20. REVENUE FROM OPERATIONS *(₹ in million)*

	March 31, 2012	March 31, 2011
Sale of products		
Finished goods	38,435.33	31,699.29
Raw material	252.70	886.20
Traded goods	100.30	180.27
Share of Joint Venture *(Refer Note 31(b))*	19.59	0.19
Total	38,807.92	32,765.95
Sale of services	10.11	128.21
Other operating revenues		
Exchange differences (net)	17.31	(14.20)
Others	326.72	323.95
Total	344.03	309.75
Revenue from operations (gross)	39,162.06	33,203.91
Less : Excise duty	3,195.78	2,873.58
Revenue from operations (net)	35,966.28	30,330.33

Notes Accompanying to the Consolidated Financial Statements

Note: 21. OTHER INCOME *(₹ in million)*

	March 31, 2012	March 31, 2011
Profit/(loss) on sale of fixed assets (net)	1.75	(0.22)
Dividend on short-term investment in liquid funds	1.58	1.49
Net gain on sale of investment	3.76	–
Share of Joint Venture *(Refer Note 31(b))*	–	0.08
Total	7.09	1.35

Note: 22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED *(₹ in million)*

	March 31, 2012	March 31, 2011
Inventory at the beginning of the year	3,541.20	3,029.25
Add: Purchases	30,737.13	24,210.41
	34,278.33	27,239.66
Less: inventory at the end of the year	4,824.02	3,541.20
Cost of raw materials and components consumed	29,454.31	23,698.46

Note: 23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE *(₹ in million)*

	March 31, 2012	March 31, 2011
Inventories at the end of the year		
Finished goods	1,128.01	769.47
Work-in-progress	727.21	489.75
Traded goods	38.37	18.77
	1,893.59	1,277.99
Inventories at the beginning of the year		
Finished goods	769.47	843.67
Work-in-progress	489.75	387.02
Traded goods	18.77	10.29
	1,277.99	1,240.98
	(615.60)	(37.01)

Note: 24. EMPLOYEE BENEFITS EXPENSE *(₹ in million)*

	March 31, 2012	March 31, 2011
Salaries, wages and bonus	398.81	328.05
Contribution to provident and other funds	33.09	29.28
Staff welfare expenses	19.33	18.04
Share of Joint Venture *(Refer Note 31(b))*	26.92	21.92
Total	478.15	397.29

Notes Accompanying to the Consolidated Financial Statements

Note: 25. OTHER EXPENSES *(₹ in million)*

		March 31, 2012	March 31, 2011
Consumption of stores and spares		98.34	92.20
Packing materials		1,174.05	1,041.35
Excise duty adjustment of finished goods stock		2.45	3.98
Storage charges		84.39	64.10
Power, electricity and fuel		478.90	391.79
Processing charges, fabrication and labour charges		242.42	207.32
Freight and forwarding charges		1,207.53	1,158.89
Rent		23.94	19.77
Rates and taxes		31.49	29.42
Insurance		45.72	41.68
Repairs and maintenance			
Plant and machinery		24.05	22.86
Buildings		7.42	4.72
Others		20.32	17.07
Advertising and sales promotion		8.86	52.91
Sales commission		132.54	139.12
Travelling and conveyance		61.97	64.67
Printing and stationery		13.16	13.87
Legal and professional fees		78.44	75.56
Directors' sitting fees		0.60	0.61
Commission to Chairman,Managing Director and Joint Managing Director		21.77	41.24
Discount and rebates		55.32	59.00
Lease rental		2.34	1.71
Donation		0.30	6.43
Royalty		21.20	13.62
Marketing fees		90.00	113.98
Bank charges and commission		64.05	81.01
Bad debts and advances written-off	26.87		38.15
Less: Provision for doubtful debts utilised	(8.93)		(0.83)
		17.94	37.32
Provision for doubtful debts and advances		107.89	10.32
Miscellaneous expenses		192.14	152.61
Share of Joint Venture *(Refer Note 31(b))*		79.48	13.34
Total		**4,389.02**	**3,972.47**
Above expenses include research and development expenses *(Refer Note 30)*		16.94	9.03

Note: 26. EXCEPTIONAL ITEMS *(₹ in million)*

	March 31, 2012	March 31, 2011
Voluntary Retirement Compensation	19.57	–
	19.57	–

Notes Accompanying to the Consolidated Financial Statements

Note: 27. FINANCE COSTS *(₹ in million)*

	March 31, 2012	March 31, 2011
Interest expenses		
On fixed loan	58.40	94.86
Others	502.93	291.43
Bank charges for borrowing	134.72	121.12
Applicable net gain / (loss) on foreign currency transactions and translation	939.92	189.16
Sub-total	**1,635.97**	**696.57**
Interest income on		
Bank deposits	(462.93)	(236.08)
Others	(17.40)	(15.21)
Share of Joint Venture *(Refer Note 31(b))*	(0.36)	–
Sub-total	**(480.69)**	**(251.29)**
Total	**1,155.28**	**445.28**

Note: 28. EARNINGS PER SHARE (EPS)

Sr. No.	Particulars	March 31, 2012	March 31, 2011
1	Profit after tax and before extraordinary items- in ₹ in million	730.38	953.26
2	Profit after tax and extraordinary items- in ₹ in million	730.38	953.26
3	Weighted Number of Equity Shares outstanding during the year*	38.14	32.34
4	Nominal Value of Equity Shares in ₹	10.00	10.00
5	Earnings Per Share - in ₹		
	Basic and Diluted (before extraordinary items)	19.15	29.48
	Basic and Diluted (after extraordinary items)	19.15	29.48

(* Includes 2,498,037 equity shares to be issued to erstwhile Uniflex shareholders).

Note: 29. CONTINGENT LIABILITIES AND COMMITMENTS *(₹ in million)*

	Particulars	March 31, 2012	March 31, 2011
A)	**Contingent liabilities not provided for:**		
	(a) Claims against the Company not acknowledged as debts -		
	(i) Demand/ Show cause-cum-demand notices received and contested by the Company with the relevant appellate authorities:		
	Excise duty (also refer note (iii) below)	44.03	45.04
	Service tax	1.98	1.98
	Customs duty	29.59	65.48
	Sales tax	104.70	102.94
	(ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	74.80	70.22
	(iii) Interest on delayed payment of excise duty, (which duty payment was revenue neutral) on certain deemed exports. Department has filed appeal in the Supreme Court against High Court Order in Company's favour.	44.51	44.51
	(iv) Labour matters	31.43	31.43
	(v) Others	59.80	46.99
	(b) Bills of exchange discounted	1,574.45	2,565.75
	(c) Taxation:		
	Disputed demands of income tax	39.92	57.56
B)	**Capital commitments**		
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	215.39	84.32

Notes Accompanying to the Consolidated Financial Statements

Note: 30. RESEARCH AND DEVELOPMENT EXPENSES : *(₹ in million)*

	Particulars	March 31, 2012	March 31, 2011
(A)	R & D Center-OIL (Rabale - DSIR Recognised)		
	a) Salary, wages and other benefits	12.82	6.16
	Consumables and chemicals	1.56	2.79
	sub-Total	14.38	8.95
	b) Capital expenditure	5.69	5.87
	Total (a+b)	20.07	14.82
(B)	R & D Center-Conductor (Silvasa)		
	Travelling expenses	0 .60	–
	Training expenses	1.36	0.08
	Consumables	0.58	–
	Others	0.02	–
	Total	2.56	0.08
	Grand Total (A+B)	22.64	14.90

Note: 31. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 Consolidated Financial Statements and Accounting Standard (AS) 27 Financial Reporting of Interest in Joint Ventures, notified by Companies (Accounting Standards) Rules, 2006.

(a) The subsidiaries (which along with Apar Industries Limited, the parent, constitute the Group) considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	% voting power held as on March 31, 2012	% voting power held as on March 31, 2011
Petroleum Specialities Pte Ltd.	Singapore	100	100
Quantum Apar Speciality Oils Pty Ltd - (Subsidiary of Petroleum Specialities Pte Ltd.)	Australia	65	65
Poweroil Speciality Products FZE (closed 21st February, 2011)	U.A.E	–	100
Uniflex Cables Limited (Amalgamated with Apar Industries Limited)	India	–	65.47
Marine Cables & Wires Private Limited	India	100	65.47

(b) Interests in Joint Ventures

The Group's interests in jointly controlled entity (incorporated Joint Venture) is:

Name of the Company	Country of Incorporation	% of ownership interest as at March 31, 2012	% of ownership interest as at March 31, 2011
Apar Chematek Lubricants Limited	India	50	50

(₹ in million)

	March 31, 2012	March 31, 2011
I) Equity and liabilities		
1. Share Capital	33.84	33.84
2. Reserve and Surplus	13.51	21.37
3. Long-term Provisions	0.13	0.07
4. Current Liabilities		
(a) Trade Payable	3.04	0.09
(b) Other Current Liabilities	8.25	16.07
(c) Short-term Provisions	1.01	0.95

Notes Accompanying to the Consolidated Financial Statements

Note: 31. *(Contd...)*

(₹ in million)

	March 31, 2012	March 31, 2011
II) Assets		
1. Fixed Assets		
(a) Tangible assets	1.07	1.37
(b) Intangible assets	0.18	–
2. Deferred tax assets/(liability) (net)	3.60	(0.17)
3. Long-term Loans and Advances	18.39	15.44
4. Current assets		
(a) Inventories	0.79	–
(b) Trade Receivable	32.25	53.21
(c) Cash and cash equivalents	2.35	1.40
(d) Short-term Loans and Advances	1.16	1.13
III) Income		
1. Revenue from operations	109.58	114.17
2. Other Income	0.36	0.08
IV) Expenses		
1. Purchase of traded goods	15.42	–
2. Changes in inventories of stock-in-trade	(0.79)	–
3. Employee benefit Expenses	26.92	21.92
4. Depreciation and amortisation expenses	0.54	0.58
5. Other expenses	79.48	57.80
6. Profit Before Tax	(11.62)	33.94
7. Tax expenses	(3.77)	11.63
8. Net Profit/(loss)	(7.85)	22.31
V) Other matters		
1. Contingent Liabilities	–	–
2. Capital Commitments	–	–

Note: 32. RELATED PARTY DISCLOSURES

A. List of Related Parties

a) Joint Venture Company:
Apar Chematek Lubricants Ltd.

b) Key Managerial Personnel:
Mr. K. N. Desai - Managing Director
Mr. C. N. Desai - Joint Managing Director
Mr. G. Sudhakar - Director - Petroleum Specialities Pte. Limited

c) Chairman having significant influence:
Dr. N. D. Desai - Non Executive Chairman

d) Relatives of Key Managerial Personnel
Mrs. Noopur Kushal Desai
Mrs. Vineeta R. Srivastava
Mr. Rishabh K. Desai
Mrs. Jinisha C. Desai
Ms. Gaurangi K. Desai
Mrs. M. N. Desai
Mr. Rajeev Srivastava
Mr. Devharsh C. Desai
Ms. Krishangi R. Srivastava
Kum. Nikita C. Desai

Notes Accompanying to the Consolidated Financial Statements

Note: 32. RELATED PARTY DISCLOSURES *(Contd...)*

e) Entities over which significant influence is exercised by key management personnel/individuals having significant influence:

Apar Corporation Private Ltd.

Scope Private Limited and its' subsidiaries, viz

a) Apar Investment (Singapore) Pte. Ltd.

b) Apar Investment Inc.

Kushal N. Desai Family Trust

Apar Technologies Private Ltd.

Kushal Chaitanya Desai Family Trust

Chaitanya N. Desai Family Trust

Catalis World Private Ltd.

Gayatri Associates

AIL Benefit Trust

B. Related Party Transactions

i) Joint Venture Company (Apar Chematek Lubricants Limited):

(₹ in million)

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Marketing fees	180.00	113.98
2	Sale of goods	30.85	–
3	Balance outstanding as on 31.03.2012		
	Payable for services	51.90	53.21
	Receivable for goods	4.62	–

ii) Key Managerial Personnel :

(₹ in million)

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Interest paid	3.80	22.11
2	Directors' remuneration	26.53	39.28
3	Dividends paid (payment basis)	46.50	98.84
4	Sitting fees	0.03	0.03
5	Outstanding as on 31.03.2012		
	Loans and deposits payable	37.50	37.50

iii) Chairman having significant influence

(₹ in million)

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Interest paid	0.78	8.58
2	Director's commission	7.26	13.75
3	Legal and professional fees	5.10	4.79
4	Sitting fees	0.12	0.15
5	Dividends paid (payment basis)	23.66	50.30
6	Outstanding as on 31.03.2012		
	Loans and deposits payable	7.60	7.60

iv) Relatives of Key Managerial Personnel:

(₹ in million)

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Interest paid	7.66	11.09
2	Dividends paid (payment basis)	0.03	0.06
3	Outstanding as on 31.03.2012		
	Loans and deposits	62.05	99.75

Notes Accompanying to the Consolidated Financial Statements

Note: 32. RELATED PARTY DISCLOSURES *(Contd...)*

v) Entities over which key management personnel/individual having significant influence *(₹ in million)*

Sr. No.	Transactions	March 31, 2012	March 31, 2011
1	Interest paid	10.72	16.66
2	Sale of goods	–	0.07
3	Rent paid	7.20	7.11
4	Arranging Fees	4.18	3.97
5	Dividends paid (payment basis)	0.99	2.11
6	Outstanding as on 31.03.2012		
	Payable for Loans and advances given	167.32	237.62
	Receivable towards Loans and advances given	13.86	8.02

C. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year *(₹ in million)*

Particulars	March 31, 2012	March 31, 2011
i) Interest paid		
- Dr. N. D. Desai	0.78	8.58
- Kushal N. Desai	0.48	9.30
- Chaitanya N. Desai	3.33	12.81
- Rishabh K. Desai	1.83	3.32
- Vineeta R. Srivastava	3.60	5.84
- Apar Corporation Private Limited	8.51	13.25
- Apar Investment Inc.	2.21	3.15
ii) Dividends paid (payment basis)		
- Dr. N. D. Desai	23.66	50.30
- Kushal N. Desai	23.40	49.73
- Chaitanya N. Desai	23.11	49.11
iii) Legal and professional fees		
- Dr. N. D. Desai	5.10	4.79
iv) Rent paid		
- Apar Corporation Private Ltd.	6.30	6.30
- Apar Technologies Private Limited	0.90	0.81
v) Marketing fees		
- Apar Chematek Lubricants Ltd.	180.00	113.98
vi) Director remuneration		
- Kushal N. Desai	12.49	19.02
- Chaitanya N. Desai	12.64	19.11
- Dr. N. D. Desai	7.26	13.75
- Mr. G. Sudhakar - Director - Petroleum Specialities Pte. Limited	1.40	1.15
vii) Sitting fees		
- Dr. N. D. Desai	0.12	0.15
- Kushal N. Desai	0.01	0.01
- Chaitanya N. Desai	0.02	0.02
viii) Arranging fees		
- Apar Investment Inc.	4.18	3.97

Notes Accompanying to the Consolidated Financial Statements

Note: 33. SEGMENT INFORMATION

The Company's operations predominantly relate to manufacture of Conductors and Transformer/Speciality Oils which businesses have been identified as primary segments based on the Company's risk profile and internal reporting structure.

a. Primary Segments (Business Segments)

FY 2011-12

(₹ in million)

Particulars	Conductor	Transformer & Speciality Oils	Power/Telecom Cables	Others	Elimination	Total
Revenue						
External sales (net of excise duty)	12,813.60	19,577.68	3,503.32	71.68	–	35,966.28
Other income	1.65	–	0.09	5.35	–	7.09
Inter-Segment Sales	812.02	19.91	42.18	–	(874.11)	–
Total revenue	**13,627.27**	**19,597.59**	**3,545.59**	**77.03**	**(874.11)**	**35,973.37**
Segment results before finance costs and tax	583.93	1,590.23	25.18	7.55	–	2,206.89
Less: Finance costs						1,155.28
Less: Other unallocated expenditure net of unallocable Income						284.09
Profit before tax						767.52
Tax expense						26.53
Profit after tax						740.99
Capital employed						
Segment assets	7,353.07	17,230.45	2,791.41	37.74	–	27,412.67
Unallocable corporate and other assets						917.31
Total Assets						**28,329.98**
Segment liabilities	6,240.72	13,566.69	755.58	10.13	–	20,573.12
Unallocable corporate and other liabilities						285.99
Total Liabilities						**20,859.11**
Capital expenditure	49.86	107.82	257.13	–	–	414.81
Capital expenditure -Unallocable						30.19
Depreciation and Amortisation	74.27	43.65	82.59	–	–	200.51
Depreciation and Amortisation-Unallocable						17.21
Non-cash expenses other than depreciation	–	–	–	–	–	–

Notes Accompanying to the Consolidated Financial Statements

Note: 33. SEGMENT INFORMATION *(Contd...)*

FY 2010-11

(₹ in million)

Particulars	Conductor	Transformer & Speciality Oils	Power/Telecom Cables	Others	Elimination	Total
Revenue						
External sales (net of excise duty)	12,166.84	15,000.44	3,122.23	40.82	–	30,330.33
Other income	(0.29)	0.08	–	1.56	–	1.35
Inter-Segment Sales	1,092.11	422.79	30.69	12.02	(1,557.61)	–
Total revenue	**13,258.66**	**15,423.31**	**3,152.92**	**54.40**	**(1,557.61)**	**30,331.68**
Segment results before finance costs and tax	514.18	1,826.22	(77.22)	7.32	–	2,270.50
Less: Finance costs						445.28
Less: Other unallocated expenditure net of unallocable Income						286.78
Profit before tax						1,538.44
Tax expense						578.03
Profit after tax						960.41
Capital employed						
Segment assets	6,186.53	11,256.48	1,806.12	18.42	(136.53)	19,131.02
Unallocable corporate and other assets						537.81
Total Assets						**19,668.83**
Segment liabilities	4,454.31	9,267.10	621.46	0.69	(136.53)	14,207.03
Unallocable corporate and other liabilities						494.59
Total Liabilities						**14,701.62**
Capital expenditure	65.53	97.54	71.08	–	–	234.15
Capital expenditure -Unallocable						27.03
Depreciation and Amortisation	75.78	43.80	66.12	–	–	185.71
Depreciation and Amortisation-Unallocable						19.46
Non-cash expenses other than depreciation	–	–	–	–	–	–

b. Secondary Segments (Geographical Segments)

(₹ in million)

	March 31, 2012	March 31, 2011
Segment Revenue		
- Within India*	25,710.62	22,887.88
- Outside India	10,255.66	7,442.45
	35,966.28	**30,330.33**
* Include deemed exports ₹ 698.39 million *(Previous year ₹ 696.36 million)*		
Segment Assets		
- Within India	25,547.57	17,896.35
- Outside India	2,782.41	1,772.48
	28,329.98	**19,668.83**

c. **Segment revenue and results**

The expenses which are not directly attributable to the business segment are shown as unallocable corporate/other expenses (net of miscellaneous income).

Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally of fixed assets, debtors and inventories.

Segment liabilities primarily include creditors and other liabilities.

Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocable corporate assets and liabilities respectively.

Notes Accompanying to the Consolidated Financial Statements

Note: 34. ₹ '0' indicate amount less than ₹ 5,000

Note: 35. As per the Accounting Standard (AS) 28 Impairment of Assets, the Company has reviewed the potential generation of economic benefit from its fixed assets. Accordingly, no impairment loss is required to be provided in the financial statements.

Note: 36. Previous year figures

Till year ended 31st March, 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended 31 March, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year's figures to confirm to this year's classification. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

Signature to Note 1 to 36

SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
by the hand of

For and on behalf of the Board of Directors

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 27th September, 2012

Kushal N. Desai
Managing Director & Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 27th September, 2012

APAR INDUSTRIES LTD.

Registered Office: 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007

PROXY FORM

FOLIO NO. :
CLIENT ID NO. :
DP ID NO. :

NO. OF EQUITY SHARES :

I/We ______________________________ of ______________________________

being **Equity Shareholder(s)** of Apar Industries Limited hereby appoint ______________________________

of ______________________________ or failing him/her ______________________________

of ______________________________ as my / our Proxy to attend and vote for me / us and on my / our behalf at the 23rd Annual General Meeting of the Equity Shareholders of the Company to be held on Friday, 9th November, 2012 at 12.00 Noon at the Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 and at any adjournment thereof.

As witness my / our hand(s) this ______________day of ______________2012.

Affix Re. 1 Revenue Stamp

Signature (s) of shareholder (s)

N. B. This Proxy Form must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting. The Proxy need not be a Shareholder of the Company.

APAR INDUSTRIES LTD.

Registered Office: 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007.

23RD ANNUAL GENERAL MEETING – 9th November, 2012

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting Venue)

FOLIO NO. :
CLIENT ID NO. :
DP ID NO. :

NO. OF EQUITY SHARES :

Name of the attending member (in block letters) ______________________________

Name of proxy (in block letters) ______________________________

(to be filled by the proxy attending instead of the member)

I hereby record my presence at the 23rd **Annual General Meeting** to be held on **Friday, 9th November, 2012 at 12.00 Noon at the Auditorium of Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara-390 007.**

Member's / Proxy's Signature

Notes: 1) Interested joint members may obtain attendance slip from the Regd. Office of the Company.

2) Members /Joint members / Proxies are requested to bring attendance slip with them. Duplicate slips will not be issued at the entrance of the Auditorium.

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