



APAR INDUSTRIES LTD.

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SEC/0102/2017

By e-filing

1st February, 2017

National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. Scrip Symbol : APARINDS <u>Kind Attn.: The Manager, Listing Dept.</u>	BSE Ltd. Department of Corporate Services, 14 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code : 532259 <u>Kind Attn. : Department of Corporate Services</u>
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Ref. : Our Letter No. SEC/1801/2017 dated 18th January, 2017

Sub. : Submission of Standalone Un-audited Financial Results (Provisional) of the Company for the Third Quarter and Nine Months ended 31st December, 2016 (2016-17)

Listing Regulation : Regulation 33 & all other applicable Regulations, if any, of the SEBI (LODR) Regulations, 2015

Dear Sir,

The Board of Directors of the Company at its meeting held today, i.e. Wednesday, 1st February, 2017 have transacted and approved the Standalone Un-audited Financial Results (Provisional) set out in compliance with the Indian Accounting Standard (Ind-AS) for the Third Quarter and Nine Months ended 31st December, 2016 of the Current Financial Year 2016-17.

In this connection, we are sending herewith the following :

1. Copy of the Standalone Un-audited Financial Results (Provisional) of the Company for the Third Quarter & Nine Months ended 31st December, 2016 of the current Financial Year 2016-17 (**Annexure – 1**).
2. Copy of the Limited Review Report of the Statutory Auditors of the Company, M/s. Sharp & Tannan, Mumbai, on the above Un-audited Financial Results (**Annexure – 2**).

The Meeting of the Board of Directors concluded at 3.30 P.M.

You are requested to kindly take note of the above and bring the same to the notice of investors and members.

Thanking you,

Yours faithfully,
For Apar Industries Ltd.

(Sanjaya Kunder)
Company Secretary

Encl. : As above



APAR INDUSTRIES LIMITED

(AN ISO 9001:2000 COMPANY)

CIN : L91110GJ1989PLC012802

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

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016

(₹ in crore)

Sr. No.	Particulars	Standalone					
		3 months ended			9 months ended		Previous year ended
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	
1	Income from operations						
	(a) Sales/income from operations (Gross of excise duty)	1,240.37	1,369.97	1,281.51	3,799.21	3,992.89	5,465.61
	(b) Other operating income	6.64	11.71	6.53	23.09	23.41	31.63
	Total income from operations (Gross)	1,247.01	1,381.68	1,288.04	3,822.30	4,016.30	5,497.24
2	Expenses						
	(a) Cost of materials consumed	854.94	870.41	952.06	2,583.22	2,826.74	3,735.67
	(b) Purchases of stock-in-trade	17.87	24.59	12.71	51.65	53.82	68.18
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(49.45)	75.66	(81.70)	(81.70)	(67.00)	53.71
	(d) Excise duty	114.39	117.39	100.87	343.49	340.99	472.87
	(e) Employee benefits expense	26.78	25.43	22.45	78.01	67.62	90.27
	(f) Depreciation and amortisation expense	11.29	10.45	9.53	31.53	27.70	37.69
	(g) Other expenses	176.47	169.18	197.60	533.33	530.84	719.29
	Total expenses	1,152.29	1,293.11	1,213.52	3,539.53	3,780.71	5,177.68
	Less: Transfer to capital assets	0.32	1.29	0.10	2.56	0.21	0.48
	Net total expenses	1,151.97	1,291.82	1,213.42	3,536.97	3,780.50	5,177.20
3	Profit from operations before other income, finance costs and exceptional items (1-2)	95.04	89.86	74.62	285.33	235.80	320.04
4	Other income	1.99	4.26	3.20	10.22	6.49	9.92
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	97.03	94.11	77.82	295.55	242.29	329.95
6	Finance costs						
	Interest and other borrowing costs	19.16	20.90	24.86	63.53	62.60	89.84
	Applicable net loss on foreign currency transactions and translation	11.80	3.65	10.12	26.99	60.03	67.48
	Total	30.96	24.56	34.98	90.52	122.63	157.32
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	66.07	69.56	42.84	205.03	119.66	172.63
8	Exceptional items- Expense/(Income)	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7-8)	66.07	69.56	42.84	205.03	119.66	172.63
10	Tax expense	22.78	23.90	14.81	70.47	40.86	56.93
11	Net Profit from ordinary activities after tax (9-10)	43.29	45.66	28.03	134.56	78.80	115.70
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit for the period / year (11-12)	43.29	45.66	28.03	134.56	78.80	115.70
14	Other comprehensive income	(0.07)	(0.07)	(0.12)	(0.21)	(0.37)	(0.27)
15	Total comprehensive income (13+14)	43.22	45.59	27.91	134.35	78.43	115.43
16	Paid-up equity share capital (Face value of the share ₹ 10 each)	38.50	38.50	38.50	38.50	38.50	38.50
17	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year						722.26
18	Earnings Per Share (EPS) (₹) (before and after extraordinary items)						
	- Basic and Diluted (not annualised)	11.25	11.86	7.45	34.95	21.23	30.88



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**UNAUDITED STANDALONE SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES UNDER REGULATION 33 OF THE LISTING REGULATIONS
FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2016**

(₹ In crore)

Particulars	Standalone					
	3 months ended			9 months ended		Previous year ended
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
Segment Revenue (Gross of excise duty)						
Conductors	559.12	720.84	583.05	1,825.00	1,985.80	2,784.29
Transformer and Speciality Oils	457.74	444.82	478.87	1,354.91	1,489.62	1,954.04
Power/Telecom Cable	225.46	210.73	222.47	628.85	526.17	744.26
Others/Unallocated	10.03	11.27	7.24	30.04	23.18	28.86
Total	1,252.35	1,387.66	1,291.63	3,838.80	4,024.77	5,511.45
Less: Inter-Segment Revenue	5.34	5.98	3.59	16.50	8.47	14.21
Gross Sales/ Income from operations	1,247.01	1,381.68	1,288.04	3,822.30	4,016.30	5,497.24
Segment Results before finance costs and tax						
Conductors	50.45	44.47	28.14	137.13	84.20	130.98
Transformer and Speciality Oils	35.63	39.33	41.89	130.76	152.17	192.07
Power/Telecom Cable	18.25	13.70	13.59	42.04	23.26	29.36
Others	0.49	1.50	0.73	2.98	1.91	4.04
Total	104.82	99.01	84.36	312.91	261.54	356.44
Less : Finance costs	30.96	24.55	34.98	90.52	122.63	157.32
: Unallocable expenditure (net of income)	7.79	4.90	6.54	17.36	19.25	26.49
Profit before tax	66.07	69.56	42.84	205.03	119.66	172.63
Segment Assets						
Conductors	1,289.88	1,319.18	1,313.96	1,289.88	1,313.96	1,176.64
Transformer and Speciality Oils	902.09	829.27	856.67	902.09	856.67	785.48
Power/Telecom Cable	619.90	573.52	559.99	619.90	559.99	526.25
Others/Unallocated	71.07	66.47	53.28	71.07	53.28	153.82
Total	2,882.94	2,788.44	2,783.90	2,882.94	2,783.90	2,642.19
Segment Liabilities						
Conductors	997.28	991.22	1,079.12	997.28	1,079.12	901.56
Transformer and Speciality Oils	582.78	584.13	547.23	582.78	547.23	520.80
Power/Telecom Cable	292.16	244.89	260.34	292.16	260.34	319.56
Others/Unallocated	1,010.72	968.20	897.21	1,010.72	897.21	900.27
Total	2,882.94	2,788.44	2,783.90	2,882.94	2,783.90	2,642.19



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Notes:-

- 1) This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS), prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1st April, 2016, the Company has for the first time adopted Ind AS with a transition date of 1st April, 2015. Consequently, the results for the quarter ended 31st December, 2015, Nine Months ended 31st December, 2015 and previous year ended 31st March, 2016 have been restated to comply with Ind AS to make them comparable.
- 2) The above standalone unaudited financial results were reviewed by the Audit Committee of Directors and approved by the Board of Directors at their meetings held on 1st February, 2017. The statutory auditors of the Company have carried out a limited review of the above standalone results for the quarter ended 31st December, 2016. The Review Report has been filed with the stock exchanges and is also available on the Company's website.
- 3) The Company has also prepared a reconciliation of the net profit and reserves for the corresponding periods under the previously applicable Generally Accepted Accounting Principles ('previous GAAP') with the total comprehensive income and reserves as reported in these financial results under Ind AS. The net profit reconciliation for the quarter ended 31st December 2015, Nine Months ended 31st December 2015, previous year ended 31st March, 2016 and reserves reconciliation as at 31st March, 2016 are presented below:

Sr. No.	Nature of Ind AS Adjustments	Note Ref. No.	Profit Reconciliation			Reserve Reconciliation
			For the Quarter ended	For the Period ended	For the Year ended	As at
			31.12.2015	31.12.2015	31.03.2016	31.03.2016
	Net Profit after tax / Reserves as per previous Indian GAAP		68.02	120.10	156.98	725.96
1	Difference on account of revenue recognition net of related costs	a	1.96	(1.91)	1.66	(0.46)
2	Fair valuation of derivatives	b	0.22	0.56	0.31	(0.50)
3	Fair valuation of financial assets	c	0.02	(0.31)	(0.15)	0.18
4	Loan processing fees/ transaction costs	d	2.45	3.93	0.63	(4.87)
5	Profit on sale of treasury shares	e	(43.15)	(43.15)	(43.15)	-
6	Amortisation of prepaid lease rent due to discounting of deposits (net of related interest income)	f	(0.00)	(0.00)	0.00	(0.00)
7	Actuarial gain/ loss on defined benefit obligations	g	0.12	0.37	0.27	-
8	Income tax impact of above adjustments	h	(1.61)	(0.79)	(0.86)	1.96
	Net Profit after tax and before Other comprehensive income / Reserves as per Ind AS		28.03	78.80	115.70	722.26
	Other comprehensive income, net of income tax					
	Actuarial gain/ loss on defined benefit obligations		(0.12)	(0.37)	(0.27)	-
	Total Comprehensive income as per Ind AS		27.91	78.43	115.43	722.26

- a) **Difference on account of revenue recognition net of related costs:** Difference is on account of revenue recognition which is net of related costs.
- b) **Fair Valuation of derivatives:** As per Ind AS 109, Financial Instruments, derivative financial instruments are valued at fair value, Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of profit and loss for the subsequent periods.
- c) **Fair valuation of financial assets:** Under Ind AS, this financial assets have been classified as fair value through Statement of profit and loss, on the date of transition, and fair value changes on the date of transition, is recognised in opening reserves and changes thereafter have been recognised in Statement of profit and loss.
- d) **Loan processing fees / transaction costs:** Under Ind AS, all costs which are directly attributable and incremental to the origination of borrowing required to be reduced from the borrowing at inception and recognise as finance cost in Statement of profit and loss subsequent to the date of transition over the tenure of borrowing. Similarly, cost incurred on discounting of debtors, without recourse, needs to be expensed out.
- e) **Profit on sale of treasury shares:** As per para 33 of Ind AS 32, Financial Instruments: Presentation, If an entity reacquires its own equity instruments, those instruments ('treasury shares') shall be deducted from equity. No gain or loss shall be recognised in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Such treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration paid or received shall be recognised directly in equity.
- f) **Amortisation of prepaid lease rent due to discounting of deposits (net of related interest income):** Security deposits placed / received and which are non cancellable for limited period are to be recognised at their fair value at inception and difference between fair value and transaction price is to be charged to Statement of profit and loss for the subsequent periods.
- g) **Actuarial gain/ loss on defined benefit obligations:** Under previous GAAP, actuarial gains and losses were recognised in the Statement of profit and loss. Under Ind AS, the actuarial gains and losses from net defined benefit liability / asset is recognised in other comprehensive income net of tax.
- h) **Income tax impact of above adjustments:** The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Statement of profit and loss for the subsequent periods.



4) The Board of Directors of the Company at its meeting held on 6th January, 2017 have approved buyback of upto 4,50,000 Equity Shares of Rs. 10/- each at a Price of Rs. 660/- per share aggregating to Rs. 29,70,00,000/- through the tender offer. The Record Date for the purpose of ascertaining the eligibility of shareholders to receive the offer was 20th January, 2017. The Draft Letter of Offer has been filed with SEBI.

5) Company's step down subsidiary(100%) i.e. Petroleum Specialities FZE, Humriyah (U.A.E) has started its production.

6) Additional information:

Key financial figures on Consolidated basis:

(₹ In crore)

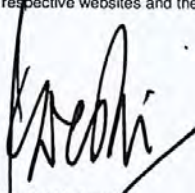
Particulars	Nine Months Ended		Year Ended
	31.12.2016	31.12.2015	31.03.2016
	Un-audited	Un-audited	Un-audited
Revenue (Gross of excise duty)	3,879.71	4,061.73	5,561.28
Profit before tax	206.74	123.36	177.56
Profit after tax	135.89	81.99	120.34
Add :- Profit after tax from Joint Venture	0.61	0.87	1.27
Total Profit after tax	136.49	82.87	121.60
Basic/Diluted EPS - in ₹	35.46	22.32	32.46

7) Others / Unallocated Segment Liabilities in the Segment Information includes Equity Share Capital and Reserves amounting to Rs. 895.36 crore as at 31st December, 2016, Rs. 851.86 crore as at 30th Sept, 2016, Rs. 760.64 crore as at 31st March, 2016 and Rs. 753.72 crore as at 31st Dec, 2015.

8) The financial results of the Company are being forwarded to the Stock Exchanges (BSE and NSE) for uploading on their respective websites and the same are also made available on the Company's website viz., www.apar.com.

9) Figures for previous periods / year have been regrouped, wherever necessary.

Place : Mumbai
Date: 1st February, 2017


(Kushal N. Desai)
Chairman and Managing Director
DIN : 00008084





**LIMITED REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS OF APAR INDUSTRIES LIMITED
PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATION AND REGULATION
REQUIREMENTS) REGULATIONS, 2015**

**TO THE BOARD OF DIRECTORS OF
APAR INDUSTRIES LIMITED**

We have reviewed the accompanying statement of unaudited financial results of **APAR INDUSTRIES LIMITED** ("the Company") for the quarter and nine months ended December 31, 2016, prepared and being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 which has been initialled by us for the identification purpose.

This statement is the responsibility of the Company's Management and has been reviewed by the Audit Committee and approved by the Board of Directors, in their respective meetings held on February 1, 2017. Our responsibility is to issue a report on the statement based on our review.

We conducted our review in accordance with the *Standard on Review Engagement (SRE) 2410 on "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results for the quarter and nine month ended December 31, 2016, read with notes thereon, prepared in accordance with applicable Accounting Standards i.e. Ind-AS prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other recognised practices and policies has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and SEBI Circular Dated July 5, 2016 as modified by Circular No. CIR/CFD/FAC/62/2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

The unaudited financial results for the comparative periods ended 31 March 2016 included in statements are based on published financial results for the said period prepared in accordance with the then applicable accounting standards and other accounting principles generally accepted in India as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind-AS which have been reviewed by us.

For Sharp & Tannan
Chartered Accountants
Firm Registration No.109982W
By the hand of

Vinayak M Padwal
Partner
Membership No. 049639

Mumbai, February 1, 2017.