

ANNUAL REPORT **2014-15**



# POWERING AHEAD!

**57 YEARS OF POWERFUL PERFORMANCE**  
"TOMORROW'S PROGRESS TODAY"



**APAR INDUSTRIES LTD.**

### 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.



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# Corporate Information

## Board of Directors

Dr. N. D. Desai	Chairman
Dr. N. K. Thingalaya	Independent Director
Mr. F. B. Virani	Independent Director
Mr. Kushal N. Desai	Managing Director
Mr. C. N. Desai	Managing Director
Mr. Rajesh Sehgal	Non-Executive Investor Director
Mr. Suyash Saraogi	Independent Director, w.e.f. 30th May, 2014
Mrs. Nina Kapasi	Independent Director, w.e.f. 30th May, 2014

## Audit Committee

Dr. N. K. Thingalaya	Chairman
Mr. F. B. Virani	
Mr. Rajesh Sehgal	
Mr. Kushal N. Desai	w.e.f. 30th May, 2014
Mr. Suyash Saraogi	w.e.f. 30th May, 2014
Mrs. Nina Kapasi	w.e.f. 30th May, 2014

## Auditors

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

## Chief Financial Officer

Mr. V.C. Diwadkar

## Company Secretary

Mr. Sanjaya Kunder

## Bankers

- |                           |   |                            |
|---------------------------|---|----------------------------|
| ■ Union Bank of India     | ■ Syndicate Bank                                | ■ Kotak Mahindra Bank Ltd. |
| ■ IDBI Bank Limited       | ■ ICICI Bank Ltd.                               | ■ State Bank of India      |
| ■ Standard Chartered Bank | ■ Indian Bank                                   | ■ Bank of Baroda           |
| ■ Axis Bank Ltd.          | ■ Credit Agricole – Corporate & Investment Bank |                            |
| ■ Bank of India           |   |                            |

## Registered Office

301, Panorama Complex,  
R. C. Dutt Road,  
Vadodara – 390 007 (Gujarat).  
**Tel :** (+91) (0265) 2339906, 2331935  
**Fax :** (+91) (0265) 2330309  
**E-mail :** com\_sec@apar.com  
**Website :** www.apar.com  
**CIN :** L91110GJ1989PLC012802

## Corporate Office

Apar House, Bldg. No. 5, 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

M/s. MCS Share Transfer Agent Limited  
Neelam Apartment, 88, Sampatrao  
Colony, Chhapan Bhog,  
Alkapuri, Vadodara – 390 007 (Gujarat).  
**Tel :** (+91) (0265) 2339397, 2350490  
**Fax :** (+91) (0265) 2341639  
**E-mail :** mcslttdbaroda@yahoo.com  
**Website :** www.mcsdel.com  
**CIN :** U67120WB2011PLC165872



# Financial Highlights for last five years (Consolidated)

(₹ in crore)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
<b>PROFIT AND LOSS ACCOUNT DATA :</b>					
Sales (Net of Excise)	5,122	4,633	4,651	3,595	3,033
% of Growth	11	[0]	29	19	36
Exports	1,673	1,555	1,413	1,025	744
Materials, Operating and other costs	4,791	4,269	4,282	3,332	2,775
Employee cost	79	67	57	48	40
Depreciation	31	27	24	22	21
Interest and Discounting charges	150	145	135	116	45
Profit before tax, exceptional & Extraordinary Items	73	129	155	79	154
% of Growth	(44)	(16)	97	(49)	51
Taxation	23	39	40	3	58
Profit after tax (PAT)	50	90	115	76	96
Exceptional items	0	1	5	2	-
Minority interest (Profit) / Loss	0	(0)	(1)	(1)	(1)
Balance of Profit	50	89	109	73	95
% of Growth	(44)	(19)	50	(23)	290
<b>BALANCE SHEET DATA :</b>					
Share Capital	38	38	38	38	32
Reserves & Surplus	691	658	588	485	319
Net worth	730	696	626	523	351
Minority interest	1	2	2	1	1
Loan Funds	361	314	135	210	136
Deffered Tax (Net)	27	22	10	13	9
<b>Total Liabilities</b>	<b>1,120</b>	<b>1,034</b>	<b>773</b>	<b>747</b>	<b>497</b>
Gross Block	603	541	436	355	328
Net Block	383	356	288	207	184
Investments including Goodwill on Consolidation	22	21	21	0	0
Net Current assets	715	657	464	540	312
<b>Total Assets</b>	<b>1,120</b>	<b>1,034</b>	<b>773</b>	<b>747</b>	<b>497</b>
<b>KEY RATIOS :</b>					
PAT to Sales (%)	0.97	1.91	2.35	2.03	3.14
Return on Net Worth (%)	6.98	13.54	19.86	17.15	30.03
Asset Turns (Revenue to total Assets)	1.76	1.76	2.06	1.91	2.05
Return on Capital Employed (%)	20.67	30.43	38.10	31.23	41.75
Debt to Equity Ratio	0.15	0.13	0.08	0.13	0.21
Earning per Equity Share (Basic) ₹	12.87	23.30	28.45	19.15	29.48
Rate of dividend % p.a.	35%	52.50%	52.50%	40%	60%
Book value per Equity Share ₹	189.58	180.72	162.62	136.03	108.68
Share Price as on 31st March (BSE)	370.10	144.70	108.45	161.85	214.90



# NOTICE

**NOTICE** is hereby given that the **TWENTY SIXTH** Annual General Meeting of the Equity Shareholders of **APAR INDUSTRIES LIMITED** will be held in the **Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007** on **Friday, the 7th August, 2015 at 2.15 P.M.** to transact the following business :

## Ordinary Business :

1. To receive, consider and adopt the Audited Financial statements of the Company including Consolidated Financial statements comprising the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and Cash flow for the year ended on that date together with Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on the Equity Shares of the Company.
3. To appoint a Director in place of Mr. Kushal N. Desai (DIN – 00008084), who retires by rotation and being eligible, offers himself for re-appointment.

## Special Business :

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Sharp & Tannan, Chartered Accountants, (Reg. No. 109982W), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting, till the conclusion of the 31st Annual General Meeting, subject to ratification by the Members at every Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and pursuant to the recommendation made by Nomination and Compensation-cum-Remuneration Committee of the Board of Directors of the Company and approval by the Board of Directors of the Company, **Mr. Kushal N. Desai** (DIN 00008084) 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 1st January, 2015 to 31st December, 2017, with substantial powers of management as of a Managing Director, as defined under Section 2(54) 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:

Rs. 350,000/- per month effective from 1st January, 2015 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.

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

### Category "A"

- (i) Unfurnished residential accommodation or House Rent Allowance upto 100 % of basic salary in lieu of housing accommodation.

Besides the rent of unfurnished residential accommodation, 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 for self and family, 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.

However, the above will not be included in the computation of ceiling on remuneration as specified in Section II and Section III of Schedule V of the Companies Act, 2013.

#### 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.

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.

#### 3. Commission :

In addition to the above salary and perquisites, he shall also be entitled to annually receive Commission upto 1 % of Net Profit of the Company in a particular financial year as may be determined under the provisions of Section 198 and other applicable provisions of the Act and be paid such commission pursuant to the recommendation of Nomination and Compensation-cum-Remuneration Committee of Directors of the Company.

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 Section 197 read with Schedule V of the Companies Act, 2013 as may be in force from time to time.

**FURTHER RESOLVED THAT** in the event of absence or inadequacy of profit in any financial 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 restricted, however, to the ceiling specified in the amended Section II of Part II of Schedule V of the Act as may be in force from time to time.

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and pursuant to the recommendation made by Nomination and Compensation-cum-Remuneration Committee of the Board of Directors of the Company and approval by the Board of Directors of the Company, **Mr. Chaitanya N. Desai** (DIN 00008091) be and is hereby re-appointed as Joint Managing Director

of the Company from 1st January, 2015 to 31st January, 2015 and from 1st February, 2015 to 31st December, 2017 as Managing Director of the Company, to act as such, for a further period of three years from 1st January, 2015 to 31st December, 2017, with substantial powers of management as of a Managing Director, as defined under Section 2(54) 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:

Rs. 350,000/- per month effective from 1st January, 2015 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.

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

#### Category "A"

- (i) Unfurnished residential accommodation or House Rent Allowance upto 100 % of basic salary in lieu of housing accommodation.

Besides the rent of unfurnished residential accommodation, 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 for self and family, 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.

However, the above will not be included in the computation of ceiling on remuneration as specified in Section II and Section III of Schedule V of the Companies Act, 2013.

#### 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.

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.

#### 3. Commission:

In addition to the above salary and perquisites, he shall also be entitled to annually receive Commission upto 1 % of Net Profit of the Company in a particular financial year as may be determined under the provisions of Section 198 and other applicable provisions of the Act and be paid such commission pursuant to the recommendation of Nomination and Compensation-cum-Remuneration Committee of Directors of the Company.

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 Section 197 read with Schedule V of the Companies Act, 2013 as may be in force from time to time.

**FURTHER RESOLVED THAT** in the event of absence or inadequacy of profit in any financial 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 restricted, however, to the ceiling specified in the amended Section II of Part II of Schedule V of the Act as may be in force from time to time."

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 (3) and all other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. T. M. Rathi, the Cost Auditor having Membership No. 3964, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 be confirmed and be paid remuneration not exceeding Rs 1,20,000/-.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

**By Order of the Board,  
For Apar Industries Limited**

Place : Mumbai  
Date : May 14, 2015.

**Sanjaya Kunder  
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 be deposited at the company's registered office not less than 48 hours before the commencement of the meeting.**

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Members are requested to bring their attendance slip along with their copy of the annual report to the Meeting.
3. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, as per the provisions of the SEBI Circular dated May 29, 2000. Members are, therefore, advised in their own interest to dematerialise their shareholding to avoid inconvenience.

4. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from **Saturday, 1st August, 2015 to Friday, 7th August, 2015**, both days inclusive.
5. 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.
6. Members holding shares in electronic form may note that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents, M/s. MCS Share Transfer Agent Ltd. (MCS) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates among others. Such changes are to be advised only to the Depository Participant of the members with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / MCS.





7. The brief details of Directors seeking appointment / re-appointment 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. The relative Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting are annexed hereto.
9. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Registered Office of the Company during 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.
10. Corporate Members intending to send their Authorised Representative(s) to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative (s) to attend and vote on their behalf at the Meeting.
11. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the amounts of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Accounts 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 final dividend upto the financial year ended March 31, 2007 and the Interim Dividend for 2007-08 on equity shares paid on 19.11.2007 have been transferred to IEPF. The unpaid / unclaimed Dividend amount of Equity Shares of the Company paid on 05.09.2008 (Final Dividend – 2007-08) is due for transfer to the said fund in the month of November, 2015. Members who have not yet encashed their warrant(s) are requested to make their claims to the Company without any delay.  
  
Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 1st August, 2014 (date of last Annual General Meeting) on the website of the Company ([www.apar.com](http://www.apar.com)), as also on the website of the IEPF viz. ([www.iepf.gov.in](http://www.iepf.gov.in))
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar & Share Transfer Agent.
13. Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.
14. (a) As stated in Para No. 12(e) of the Directors' Report, the Company has not attached the Annual Accounts, Reports and other Statements in respect of – (a) Petroleum Specialities Pte. Ltd., Singapore (PSPL), Wholly Owned Subsidiary (WOS) of the Company; (b) Quantum Apar Speciality Oils Pty. Ltd., Australia, Subsidiary of PSPL, (c) Apar Lubricants Ltd., WOS of the Company and (d) Petroleum Specialities FZE, Sharjah, WOS of PSPL with the Annual Report of the Company for the financial year ended March 31, 2015.  
  
(b) A Statement showing information in aggregate of the said subsidiary Companies in compliance with the aforesaid provisions of the Act has been attached with the financial statements and forms a part of this Annual Report.
15. 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](http://www.apar.com).
16. The Company has already initiated / implemented the "Green Initiative" as per the Circulars issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices / documents and annual reports to the shareholders. The email addresses as made available in your respective Depository Participant (DP) accounts and downloaded from NSDL / CDSL will be deemed to be your email address for serving notices / documents including those covered under Section 136 read with Section 20 of the Companies Act, 2013.  
  
The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report among others shall also be displayed on the Company's website at [www.apar.com](http://www.apar.com). Members holding shares in electronic mode are, therefore, requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by sending an email to [investorservices@apar.com](mailto:investorservices@apar.com) quoting their registered ledger folio number. Shareholders can register their email address, by sending an Email at [investorservices@apar.com](mailto:investorservices@apar.com) quoting their Folio No. / DP ID – Client ID in order to facilitate the Company to serve the documents through the electronic mode.
17. **Voting through Electronic means :**  
  
Pursuant to Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility to the members in relation to the business to be transacted at the 26th Annual General Meeting to be held on **Friday, 7<sup>th</sup> August, 2015 at 2.15 p.m.** The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Ltd.  
  
The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting. The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com).  
  
The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able





to exercise their right at the meeting through ballot paper.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The e-voting facility will be available during the following voting period:

<b>Commencement of e-voting</b>	10.00 Hours of Monday, 3 <sup>rd</sup> August, 2015
<b>End of e-voting period</b>	17.00 Hours of Thursday, 6 <sup>th</sup> August, 2015

E-voting shall not be allowed beyond 17.00 Hours of 6<sup>th</sup> August, 2015. The e-voting module shall be disabled by CDSL for voting thereafter. During the e-voting period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the Cut-off-Date may cast their votes electronically. The Cut-off-Date for the purpose of e-voting – 31<sup>st</sup> July, 2015.

Please read the instructions given herein below for exercising the vote.

#### Instructions for E-Voting :

Members are requested to follow the below mentioned instructions to cast their vote through e-voting:

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Alpha-numeric DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for any company, then your existing password is to be used. If you are a first time user, follow the steps given in the table below.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on EVSN of APAR INDUSTRIES LTD.

(x) On the voting page, you will see Resolution Description and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "Resolutions File Link" if you wish to view the entire set of Resolutions.

(xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

#### For Members holding shares in Demat Form and Physical Form

<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field as mentioned on the mailing address sticker.</li> <li>In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details</b>  <b>OR</b>  <b>Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>



- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If you are a Demat account holder and have forgotten your password then enter the User ID and then enter the Characters or enter the image verification code as displayed and click on Forgot Password & enter the relevant details as prompted by the system.
- (xvi) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off-date i.e. 31st July, 2015, should follow the same procedure as mentioned above for e-Voting. However, if a person is already registered with CDSL for e-voting then existing password can be used for casting vote.
- (xvii) **Note for Corporate Shareholders:**  
**Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at

[www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (xix) The results of e-voting will be announced by the Company on its website and also informed to the stock exchanges. Kindly note that once you have cast your vote, you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.
- (xx) Members will find a Ballot Form as attached along with the Annual Report. Members can also opt for casting their vote in physical form by filling the said Ballot Form and post it by Courier to the address of the Registered Office of the Company addressing to the Scrutinizer. The Courier Charges shall be borne by the Company.
- (xxi) Mr. Hemang M. Mehta, Practicing Company Secretary, Vadodara, Gujarat (Membership No. FCS - 4965 & Certificate of Practice No. 2554) has been appointed as the Scrutinizer to scrutinize the e-voting, remote e-voting and polling paper process in a fair and transparent manner.
- (xxii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" / "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the facility of e-voting.
- (xxiii) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast in the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (xxiv) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.apar.com](http://www.apar.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Ltd. and NSE Limited.

#### Registered Office:

Apar Industries Limited  
 301, Panorama Complex,  
 R. C. Dutt Road,  
 Vadodara – 390 007 (Gujarat)  
**Tel.:** 0265 – 2339906, 2331935  
**Fax:** 0265 – 2330309  
**E-mail:** [com\\_sec@apar.com](mailto:com_sec@apar.com)  
**Website:** [www.apar.com](http://www.apar.com)

#### Registrar and Share Transfer Agent

M/s. MCS Share Transfer Agent Limited  
 Neelam Apartment, 88, Sampatrao Colony,  
 Chhapan Bhog, Alkapuri,  
 Vadodara – 390 007 (Gujarat)  
**Tel.:** 0265 – 2339397, 2350490  
**Fax:** 0265 – 2341639  
**E-mail:** [mcsltdbaroda@yahoo.com](mailto:mcsltdbaroda@yahoo.com)  
**Website:** [www.mcsdel.com](http://www.mcsdel.com)



## ANNEXURE TO NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NO. 4 :

Item No. 4 of the Notice relates to appointment of Sharp & Tannan, Chartered Accountants as Auditors of the Company for a period of consecutive five years.

Sharp & Tannan (S & T), Chartered Accountants, Mumbai, (Firm's Registration No. 109982W), were appointed as the Auditors of the Company for financial year 2014-15 at the Annual General Meeting (AGM) of the Company held on 1st August, 2014.

S & T have been the Auditors of the Company since 2010-11 and have completed a term of five years. As per the provisions of Section 139 of the Companies Act, 2013, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, S & T, are eligible for re-appointment for a further period of five years subject to ratification by the Members at every Annual General Meeting. Based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 14th May, 2015, proposed the appointment of S & T as the auditors of the Company for a period of five years to hold office from the conclusion of this AGM till the conclusion of the 31st AGM of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM).

The Board, therefore, commends the resolution for acceptance by the members.

None of Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

### ITEM NOS. 5 & 6 :

The agenda item nos. 5 & 6 of the Notice relates to the approval for re-appointment and revision of remuneration and providing facilities to-

- a. Mr. Kushal N. Desai (KND) as Managing Director & Chief Executive Officer (CEO) for a further period of 3 years from 1st January, 2015 to 31st December, 2017 and
- b. Mr. Chaitanya N. Desai (CND) as Joint Managing Director of the Company for a further period of 3 years i.e. from 1st January, 2015 to 31st January, 2015 as Joint Managing Director and from 1st February, 2015 to 31st December, 2017 as Managing Director of the Company.

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

- a. Achieved substantial increase in the production and sales turnover.
- b. Improved its financial performance and net profits.
- c. Undertaken the expansion of manufacturing facilities of all segments of its businesses successfully.
- 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 Mr. KND and Mr. CND, Managing Directors. Hence, for continuous growth of all the divisions of the Company, it would be in the best interest of the Company to re-appoint them for a further period of 3 years w.e.f. 1st January, 2015.

Considering the present business environment and future business scenario, consequent to expansion of business operations and inflation in last five years, the present remuneration 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 of both the Managerial Personnel does not adequately commensurate with the responsibilities being shouldered by them jointly and severally. It was, therefore, proposed that whilst re-appointing them for a further term of 3 years, to also revise the remuneration within the ceilings prescribed by Schedule V read with Section 197 of the Companies Act, 2013, which permits a Company having profits in a financial year to pay any remuneration by way of salary, 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, on the recommendation of Nomination and Compensation-cum-Remuneration (NCR) Committee, the Board at their Meeting held on 31st October, 2014 has, subject to the approval of shareholders, re-appointed them with revision in remuneration as detailed in the resolution for a further period of 3 years w.e.f. 1st January, 2015. The Board of Directors on the recommendation of NCR Committee, have changed the designation of Mr. CND from Joint Managing Director to Managing Director w.e.f. 1st February, 2015.

In terms of Section 190 of the Companies Act, 2013, a copy of the abstract of the material terms of such re-appointment would be available for inspection by any member of the Company at the Registered Office of the Company during any working day between 11.00 Hrs. to 16.00 Hrs.

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

Dr. N. D. Desai, KND and CND, Directors, being relatives of one another are concerned and interested in these resolutions. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, about the resolutions set out at Item Nos. 5 & 6. The brief details viz. qualifications etc. of KND and CND are annexed to this notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

### ITEM NO. 7 :

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. T. M. Rathi, the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 for an amount not exceeding ₹1,20,000/- for conducting audit of the cost records of Oil, Conductors and Cable products of the Company for the FY 2015-16.

In accordance with the Provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.



None of Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board, therefore, commends the resolution for acceptance by the members.

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

Place : Mumbai  
Date : May 14, 2015.

**By Order of the Board,  
For Apar Industries Limited**

**Sanjaya Kunder  
Company Secretary**

### Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting.

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

Name of Director	Mr. Kushal N. Desai	Mr. C. N. Desai
Date of Birth	21.02.1967	15.07.1971
Date of Appointment	24.03.1999	29.05.1993
Expertise in specific functional areas	Electrical Engineering	Chemical Engineering
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.
List of other Companies in which Directorship held as on 31st March, 2015.	1. Apar Lubricants Ltd. 2. Apar Corporation Pvt. Ltd. 3. Scope Pvt. Ltd. 4. Catalis World Pvt. Ltd. 5. Petroleum Specialities Pte. Ltd., Singapore 6. Quantum Apar Speciality Oils Pty.Ltd., Australia 7. Apar Investments, INC. 8. Apar Investments (Singapore) Pte. Ltd. 9. Apar Technologies Pte. Ltd., Singapore 10. Maithili Trusteeship Services Pvt. Ltd. 11. Bhakti Nilayam Reality Pvt. Ltd. 12. Manufacturers of Petroleum Specialties Association 13. Petroleum Specialities, FZE	1. Apar Lubricants Ltd. 2. Apar Corporation Pvt. Ltd. 3. Scope Pvt. Ltd. 4. Catalis World Pvt. Ltd. 5. Apar Investments, INC 6. Petroleum Specialities Pte. Ltd., Singapore 7. Quantum Apar Speciality Oils Pty. Ltd., Australia 8. Maithili Trusteeship Services Pvt. Ltd. 9. Indian Electrical and Electronics Manufacturers Association 10. Petroleum Specialities, FZE
Chairman / Member of the Committee of other Public Companies on which the individual is a Director as on 31st March, 2015.	1. Apar Lubricants Ltd. - Audit Committee - <b>Chairman</b>	1. Apar Lubricants Ltd. - Audit Committee - <b>Member</b>
No. of Shares held in the Company as on 31st March, 2015.	73,78,428	73,67,260
Relationship between directors inter se	<b>Related to –</b> Dr. N. D. Desai, (Father) and Mr. C. N. Desai, (Brother)	<b>Related to –</b> Dr. N. D. Desai, (Father) and Mr. K. N. Desai, (Brother)



# Directors' Report

Dear Shareholders,

Your Directors have immense pleasure in submitting the 26th Annual Report of the Company together with the audited annual accounts showing the financial position of the Company for the year ended 31st March, 2015. Consolidated results include the results of (a) Petroleum Specialities Pte. Ltd., Singapore (PSPL), a Wholly-Owned Subsidiary of the Company (WOS) (b) Apar Lubricants Limited, a WOS (c) Quantum Apar Speciality Oils Pty. Ltd., Subsidiary of PSPL and (d) Petroleum Specialities FZE, Sharjah, a WOS of PSPL.

## 1. Financial results

(₹ in crore)

Particulars	Company		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Sales turnover (after deduction of excise duty )	5,010.97	4,481.90	5,121.86	4,631.63
Other income	8.37	4.47	1.75	4.47
Profit for the year before finance cost, depreciation / amortisation, tax expenses and exceptional items	249.62	279.90	253.79	305.40
Deducting therefrom:				
- Depreciation / amortisation	31.04	26.89	31.21	27.02
Finance Costs	150.09	145.81	149.85	145.48
<b>Profit before adjustment of exceptional items, transfer to capital assets, taxation and minority interest</b>	<b>68.49</b>	<b>107.20</b>	<b>72.73</b>	<b>132.90</b>
Exceptional items	0.25	0.86	0.25	0.86
Transfer to Capital Assets	0.01	3.51	0.01	3.51
<b>Profit before taxation for the year</b>	<b>68.23</b>	<b>102.83</b>	<b>72.47</b>	<b>128.53</b>
Deducting therefrom:				
- Tax expenses	20.37	34.04	23.06	38.62
<b>Net profit for the year after taxation and before minority interest</b>	<b>47.86</b>	<b>68.79</b>	<b>49.41</b>	<b>89.91</b>
<b>Adjustment of:</b>				
- Minority Interest (profit)/loss	..	..	0.1	-0.26
<b>Net profit after taxation and above adjustments</b>	<b>47.86</b>	<b>68.79</b>	<b>49.51</b>	<b>89.65</b>
Add: Profit brought forward from previous year	183.71	158.55	272.72	227.70
<b>Amount available for appropriations</b>	<b>231.57</b>	<b>227.34</b>	<b>322.23</b>	<b>317.35</b>
<b>Appropriation made by the Board of Directors:</b>				
- Transitional provisions for depreciation net of deferred tax	2.84		2.83	
- General reserve	5.00	20.00	5.00	21.00
- Tax on Dividend paid by Subsidiary company			0.11	
<b>Dividends on Equity shares :</b>				
- Proposed dividend at Rs. 3.50 (35.00%) per share (previous year Rs. 5.25 (52.50%))	13.47	20.20	13.47	20.20
- Income tax on dividends	1.42	3.43	1.42	3.43
- Leaving balance of profit carried to balance sheet	208.84	183.71	299.40	272.72
<b>Earnings per equity share (EPS)</b>				
- Basic & Diluted before & after extraordinary items	12.44	17.88	12.87	23.30



## 2. Dividend:

Despite unforeseen circumstances in terms of sudden reduction in base oil prices as explained in the following paras, the Board of Directors have maintained its policy on dividend payout ratio of 25 to 30% and recommended the dividend for FY 2014-15 on the capital of 38,496,769 Equity Shares of the face value of Rs. 10/- each fully paid @ Rs. 3.50 (35 %) per share [(previous year Rs. 5.25 (52.50 %) per share.)]

This dividend amounting to Rs. 14.89 Crores (including dividend tax) is payable after declaration by shareholders at the ensuing Annual General Meeting (AGM) and you are requested to declare the same.

## 3. Share Capital:

During the year under review, the Company has issued and allotted 26,072 Equity Shares of Rs. 10/- each at the premium of Rs.197.05 per share to the Employees of the Company under Apar Industries Limited Stock Option Plan – 2007 at an exercise price of Rs. 207.05 per share. Thereafter, on 14th May, 2015, the Company has further issued and allotted 266 Equity shares to the Employees under the said Plan.

Consequently, the Issued, Subscribed and Paid-up Equity Share Capital of the Company have increased to Rs. 38.50 Crores divided into 38,496,769 Equity Shares of Rs. 10/- each.

## 4. Amalgamation of Apar Lubricants Limited with the Company :

The Company's Wholly-owned Subsidiary, Apar Lubricants Limited (ALL) (formerly Apar ChemateK Lubricants Limited) is in the business of distribution and marketing of "ENI" brand, and its erstwhile AGIP brand auto lubricants, manufactured by the Company. In order to combine the said business with the existing Oil business of the Company, the Board of Directors of the Company have decided to amalgamate the said Wholly-Owned Subsidiary (WOS), ALL with the Company with effect from the Appointed Date of 1st January, 2015 subject to the approval of the Hon'ble High Court of Gujarat and other regulatory authorities. The Company has made necessary application to both NSE (designated Stock Exchange) and BSE under Clause 24(f) of the Listing Agreement for approval of the Scheme of Amalgamation.

## 5. Management Discussion and Analysis / Outlook :

### Management Discussion and Analysis

FY 2015 was a demanding year for the Indian power sector which had to navigate through uncertainties with regards to fuel supply, poor health of the distribution sector and a drastic drop in global crude oil prices witnessed in the second half of the year. However, one by one, the government has been addressing the challenges in the sector.

Already, over the last 10 months, the fuel security issue has been tackled head on with a transparent mechanism for allocating coal blocks via e-auction, 11,000 MW of stranded gas plants have been revived and the power ministry is also looking at innovative financing models and custom solutions to improve the health of discoms. Of late, there is also growing consensus on the need for comprehensive second

generation structural reforms in the power distribution sector. The power ministry expects bidding of up to Rs. 1 lakh Crores of transmission projects in next six to eight months to create a robust infrastructure across the country.

This augurs well for the Company, given our leading presence in the Indian transmission and distribution (T&D) sector – more than 70% of our revenues are from the power sector. Over the years, we have taken strong strategic initiatives by building new generation product capacities to support the technology shifts required for a high efficiency T&D network in the country. The new products are also attractive for our export markets.

Our continuous in-house R&D efforts and strategic tie-ups have spurred development of many new technology products for the Company like extra high voltage transformer oils, high temperature conductors, E-Beam cables and new generation optical fibre cables (OFC). These higher value added products, with good growth prospects will drive the company's growth and profitability going forward.

The company is in the top five largest conductor manufacturers and is the fourth largest transformer oil manufacturer in the world. We also have a strong product portfolio in cables and auto lubricants as well as other specialty oils. This well diversified product basket has helped the company maintain growth in what has been a very challenging environment. Apart from a diversified product mix, we have, over the years, been continuously building global presence. The Company today exports to over 100 countries.

Our global presence, strong technical capabilities, higher focus on R&D and improved operational efficiency has enabled the company to consolidate its leadership position across segments.

The opportunities and outlook that exist for the Company are as follows:

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

#### Global scenario

The global power sector is expected to grow by 66% between 2011-2035 mainly driven by China, India, Southeast Asia and the Middle East. Over \$16.4 trillion investment is expected in the power sector globally with 58% in generation and remainder in T&D. OECD countries are expected to account for \$6.2 trillion, mainly to replace ageing infrastructure and meet decarbonisation targets. In non-OECD countries, governments need to facilitate a larger role for private capital to raise the \$10 trillion needed to expand networks and generation capacity to meet rapid demand growth. The global power transformer market is expected to grow at a CAGR of 6.34% over the period 2014-2019.

#### Indian Scenario

The Indian power sector, after a dismal phase, is moving towards 'better days' buoyed by the renewed focus from the new central government. The 12th Five Year Plan lays special emphasis on development of the infrastructure sector, including power as an imperative for sustaining high growth, an investment of US\$ 1 trillion is required in the infrastructure sector in India.





The transmission and distribution sector can expect private sector investments of nearly Rs. 300,000 Crores over the next four years. The private sector will be supported by over Rs. 100,000 crores from the government through schemes such as the Deen Dayal Upadhyay Gram Jyoti Yojana and the Integrated Power Development Scheme to meet government's target of 24X7 power goal. The Centre has set a target to double coal production by 2019, thereby doubling power generation.

Gradual turnaround will be witnessed in Power sector with major steps taken by the Indian government:

- Increase in coal output by Coal India
- Successful coal mines bidding process
- Tariff revisions and financial restructuring plan to improve SEBs financial health

### Conductors

The estimated size of the Indian conductor industry for FY'14 was Rs.7,500 Crores. As per analysts forecast, the electrical conductors market in India is expected to grow at a CAGR of 13.56% over the period 2013-2018. The 12th Plan envisages 37,800 MW of inter-regional transmission capacity addition, along with about 1,09,000 circuit km (cKm) of transmission lines and 13,000 MW HVDC terminal capacity.

### Transformers

The transformer industry is expected to revive post the recent slowdown as the next wave of investment in the power sector kicks in. As per InfraInsights, the country's installed generation capacity is set to reach over 700 GW by 2030 (current capacity 261GW) and, if a simple thumb rule of 1.5 MVA transformation capacity is required to support 1 MW capacity addition is considered, new demand for transformer industry is likely to be over 700 GVA alone. During the 12th plan period, a total of 2,70,000 MVA of AC transformation capacity and 13,000 MW of HVDC systems are estimated to be added. With a goal to reduce overall power T&D losses, the Indian transmission sector is moving rapidly towards UHV from EHV, this in turn is likely to increase demand for 765kV and 1200 kV power transformers, pushing demand for higher voltage transformer oils.

### Cables Segment

The Rs. 14,000 crores (\$2.6 billion) cables market is expected to grow as the demand for cables will be driven by growing power sector, real estate, telecom and industries such as steel, oil & gas, chemicals, etc. The Elastomeric and E-Beam cables are used in wind mills, solar, railways and ship building and a good growth is expected in all these four segments in the medium to long term. Optical Fibre Cable (OFC) market is driven by growing demand from government's projects like NOFN and NFS and capex of the private telecom companies on strengthening 3G and rolling out of 4G networks to cater to ever growing mobile subscribers and wireline broadband in the country.

### Auto Lubes

Fiscal 2016 has started on a strong note for the passenger vehicle (PV) industry. The PV industry reported a strong growth of 20% for the month of April 2015. Increased proportion of first time buyers (who prefer entry level cars) and improvement in the urban income levels due to

improvement in the economy, boosted industry volumes. The demand for commercial vehicles is also expected to improve with HCVs posting strong growth and LCV's demand expected to revive over the period.

### Overall Business performance

Despite the sluggish domestic environment, the Company reported a healthy 11% growth in revenues in FY'15. Consolidated revenue increased to Rs. 5,122 crores as compared to Rs. 4,632 crores in FY'14, driven by over 40% growth in conductors. Our EBITDA was at Rs. 254 crores in FY'15 and our profit after tax was Rs. 49 cr. This has been possible due to the strategic initiatives taken by the company over the years such as building our presence in over 100 overseas markets and increasing capacities for new generation products across all our businesses. The year gone by saw successful commissioning of expansions done in last year to drive growth in high value products. Going forward, we see acceleration in our new higher value added segments spurring growth in India and abroad.

### Business Segments

#### Conductors

#### Performance review 2014-15

(₹ in crore)

Particulars	2014-15	2013-14	Variation (%)
Turnover	2,320	1,654	40%
Segment profit / (Loss)	117	110	7%
Export	997	448	106%

The conductors segment had a record year in terms of volumes, due to increased export business. The margins were under pressure due to the unprecedented increase in aluminium premiums & low market prices in the domestic market. Overall, the higher volumes generated economies of scale and helped in mitigating the lower margins to maintain the profitability of this business.

The new Continuous Casting & Rolling Mill became operational in Athola, and has performed satisfactorily. The various steps taken to improve the efficiency in order to boost productivity and reduce costs have also yielded positive results.

During the year, the first turnkey project for new generation High Temperature Low Sag (HTLS) conductors was successfully executed. New orders have been received for HTLS conductors from various clients including PowerGrid. As the company's experience increases in HTLS business, we are building qualification requirements for future tenders and improving efficiency in executing these projects. The margins for the HTLS business is higher as compared to conventional conductors, and is likely to improve the profitability of the conductor division.

New business in the international market was adversely affected on account of Chinese competition which enjoyed an advantage of lower Aluminium prices as compared to the rest of the world. However, this market distortion is expected to be reduced in the future, and the company is hopeful to regain its usual level of export business. Meanwhile, the



company is making full efforts to develop markets in new geographies.

The domestic market is now showing signs of picking up with PowerGrid's inventories of conductors depleting. The Company is expected to make up its volumes in the domestic segment. As the government pushes its agenda of "Power for All", the demand is expected to be better as compared to the previous couple of years.

#### Risks and concerns

The cyclical nature of the power business has an obvious impact on our performance. Project delays from the customers' side may result in underutilization of capacity even though the order book is robust. There can be delay in debtor collections due to stress at the customers' end. Regional political instability and changes in the external environment in certain export markets affect execution of delivery. The volatility in Aluminium premiums has been an area of concern mainly with respect to the exports business, and is a challenge to manage in the absence of any hedging mechanism. With corrections in the premium levels, this factor is expected to be of lesser significance going forward. This reduction in premiums to normal levels gradually will also help in mitigating the market distortion created by relatively lower Chinese Aluminium prices. The possibility of GST getting implemented with effect from 1st April 2016 may change the competitiveness of our present operations. The Company has already bought land in Orissa and will review this project based on the GST policy development.

#### (ii) Specialty Oil

##### Performance review 2014-15

Particulars	Company			Consolidated		
	2014-15	2013-14	Variation (%)	2014-15	2013-14	Variation (%)
Turnover	2,122	2,247	- 6%	2,251	2,396	- 6%
Segment profit / (Loss)	98	158	- 38%	102	184	- 44%
Export	640	719	- 11%	751	866	- 13%

(₹ in crore)

Transformer and Specialty Oil revenues declined on account of the steep fall in crude prices in second half of FY'15. Global oil prices witnessed an abrupt slump in H2FY'15 wherein crude prices fell from about \$90 per barrel in September, 2014 to \$53 per barrel in December, 2014 and a further slide down to about \$48 per barrel in January, 2015. The entire supply chain, from crude producers to refineries including the base oil producers, were in panic mode. This had a negative impact on our oil business due to backward looking contract pricing with refineries resulting in mismatch of inventory price and selling price.

But the Company managed to come out of the situation through strategic steps including deinventorying. Although margins were impacted temporarily, they are expected to recover.

However, increased volumes in industrial & automotive oils provided partial buffer. Total global shipments were up marginally in FY'15 from 327,226 KL to 328,123 KL. As we enter FY'16, the inventory overhang at high prices is behind

the company with margins moving towards normal levels.

Auto lubes segment continued to grow despite slowdown in the auto market with sales up 11.5% YoY on a volume basis in FY'15 driven by growing OEMs sales, increased promotions and direct channel marketing efforts. New range of products in motorcycle oils also helped increase sales. The net sales of "ENI" (erstwhile AGIP) brand of automotive lubricants manufactured by the company with a license and technical know-how from ENI-S.P.A of Italy increased to Rs. 193.04 crores in comparison to Rs.184.59 crores in the previous year – up by 5%.

We feel that the most difficult period for the oil division is now actually behind us and division's performance will improve going forward as our branded offering contribution increases.

#### Risks and concerns

The company is exposed to volatility in the prices of its raw materials & in the foreign exchange rates. However, in order to mitigate its risks, the Company continues to exercise prudence in its inventory control & hedging strategies. Also, addition in global refining capacities has resulted in a mismatch in demand and supply which has an effect on base oil prices. The prices of long term buy contracts take time to correct if there is a fluctuation in crude prices as the formula prices are always backward looking. Debtor's collection period can increase on account of stress financial conditions of customers. The company had to implement strict credit controls to limit exposure to customers having cash flow issues. There is also increased competition at the lower end of the specialty oil market in sub segments like white oil which can affect margins.

#### (iii) Uniflex Cables division Performance review, 2014-15

(₹ in crore)

Particulars	2014-15	2013-14	Variation (%)
Turnover	560	573	-2%
Segment profit / (Loss)	20	(4)	NA
Export	78	216	-64%

The cables business revenue was marginally down due to drop in HT-LT cables as a result of the company's conscious decision to restrict sales in the low margin segment. However, this was offset by 96% & 48% growth in high value-added optical fiber and Elastomeric/E-Beam cables, respectively. The contribution of these 2 types increased from 29% in FY'14 to 51% in FY'15 whereas low value XLPE contribution is down from 69% in FY'14 to 47% in FY'15.

Elastomeric Cables witnessed a sharp increase in demand



from the windmill and the solar sector, especially with some of the tax initiatives that have been announced as well as orders from BBNL and other telecom service providers for Optical Fibers coming in. We have the largest market share in Elastomeric Cables for the Wind Energy side and are rapidly building up our capability on the Solar Energy side with our E-Beam Cables.

Revenue from Elastomeric Cables will increase in FY'16 with government's push for renewable energy and demand from solar and wind sector.

#### Risks and concerns

The excess capacity in the industry & the lack of reforms in the distribution segment have resulted in sluggish demand for LT & HT Cables and depressed price levels. Commercial terms from many EPC contractors are neither financially viable nor secure, limiting sales to a great extent. Infrastructure spending in Railways and Defense has been low in the last 3 years resulting in smaller than expected addressable market. With the increased budget allocation to these sectors, this situation is likely to improve in the next 8-9 months. Collection periods can get extended and delivery schedule delayed due to lack of financial arrangements by key customers in the renewable energy sector and EPC contractors. In optical fibre cables, clientele is concentrated with few telcos and BSNL/BBNL, the cyclical nature of their tendering has a bearing on the industry order situation.

#### (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\$ 24.52 Million as against US\$ 54.20 Million in the previous year and Profit after tax stood at US\$ 0.61 Million as against US\$ 2.23 Million in the previous year. Operations of its downstream subsidiaries are:

##### - Quantum Apar Speciality Oils Pty. Ltd., Australia (Quantum)

PSPL holds 65% equity in Quantum. It has reported Net sales of AUD 9.02 Million as against AUD 10.01 Million in the previous year and Profit after tax of AUD 0.07 Million as against AUD 0.04 Million in the previous year.

##### - Petroleum Specialities FZE (PSF)

PSPL has taken steps to set up a manufacturing facility in the Hamriyah Free Zone Authority, UAE, for the manufacture of a comprehensive range of Speciality Oils and Lubricants. The Plant will have State of the Art facilities to store, blend and process a wide range of Speciality Oils and Lubricants for the Power, Cosmetics, Industrial and Automotive verticals. For the purpose, it has incorporated on 18th November, 2014, a wholly owned subsidiary Company in the Free Trade Zone, Sharjah, UAE. The Plant is expected to be commissioned in and around first quarter of FY'17.

##### (ii) Apar Lubricants Limited (ALL), a WOS Company:

During the year under review, ALL has reported total

Income of Rs. 17.72 Crores as against Rs. 16.95 Crores in the previous year and earned a Net Profit after tax of Rs. 3.23 Crores as against Rs. 4.14 Crores in the previous year.

#### (c) Cautionary statement

The statements made in the Management Discussion & Analysis section, describing the Company's goals, expectations and predictions among others 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 the 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 among others.

#### (d) Internal control systems (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 savings 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 intervals.

#### (e) Development of human resources

The Company promotes an 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 as detailed in an attachment to this report. The Company also takes adequate steps for in-house training of employees and maintaining a safe and healthy environment.

#### 6. Directors and Key Managerial Personnel :

Mr. Kushal N. Desai, Director shall retire by rotation at the ensuing annual general meeting of the Company and he, being eligible, offers himself for re-appointment.

At the Annual General Meeting held on 1st August, 2014, the shareholders of the Company-

- a. re-appointed the existing Independent Directors, Dr. N. K. Thingalaya and Mr. F. B. Virani as Independent



Directors of the Company under the Companies Act, 2013 each to hold office for five consecutive years upto the conclusion of 30th Annual General Meeting of the Company in the calendar year 2019.

- b. appointed Mr. Suyash Saraogi and Mrs. Nina Kapasi as Independent Directors under the Act for a period of five consecutive years upto the conclusion of 30th Annual General Meeting of the Company in the calendar year 2019.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Board of Directors had on the recommendation of Nomination and Compensation-cum-Remuneration Committee re-appointed –

- a. Mr. Kushal N. Desai as Managing Director and Chief Executive Officer of the Company for a further period of three years from 1st January, 2015 to 31st December, 2017.
- b. Mr. Chaitanya N. Desai as Managing Director of the Company for a further period of three years i.e. from 1st January, 2015 to 31st January, 2015 as Joint Managing Director and from 1st February, 2015 to 31st December, 2017 as Managing Director.

Details of the proposal for re-appointment of Mr. Kushal N. Desai and Mr. Chaitanya N. Desai are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 and Statement pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges as annexed to the Notice of the 26th Annual General Meeting.

The Board recommends re-appointments / appointments of all the above Directors.

Pursuant to the provisions of Section 203 of the Companies Act 2013, appointments of Mr. Kushal N. Desai, Managing Director and Chief Executive Officer, Mr. V.C. Diwadkar, Chief Financial Officer and Mr. Sanjaya Kunder, Company Secretary as Key Managerial Personnel (KMPs) of the Company were formalized.

#### **Board Evaluation :**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Compensation-cum-Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **Remuneration Policy :**

The Board has, on the recommendation of Nomination and Compensation-cum-Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

#### **Meetings :**

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year, four Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **7. Deposits :**

In view of the new Companies Act, 2013, the Company has decided not to accept any further deposits and repaid all the deposits prematurely. There were no outstanding deposits and no amount remaining unclaimed with the Company as on 31st March, 2015.

#### **8. Particulars of Loans, Guarantees or Investments :**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **9. Directors' Responsibility Statement :**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- i. that in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii. that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the financial year ended on that date.
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts have been prepared on a going concern basis.
- v. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **10. Related Party Transactions :**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company



with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

## 11. Auditors : Statutory Auditors

In terms of Section 139 of the Companies Act, 2013, the first term of appointment of M/s. Sharp & Tannan, the Statutory Auditors of the Company shall expire on the conclusion of ensuing 26th AGM. In terms of the said Section read with The Companies (Audit and Auditors) Rules, 2014, they can be appointed for another term of 5 years subject to ratification by the Members at every Annual General Meeting.

M/s. Sharp & Tannan, have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company.

The Audit Committee at its meeting held on 14th May, 2015 has recommended their appointment as Statutory Auditors of the Company for the 2nd term of 5 years to end on conclusion of 31st Annual General Meeting to be held in the year 2020. You are requested to approve their appointment.

### Cost Auditors :

Pursuant to Section 148 of the Companies Act, 2013, read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of Conductors, Oils and Cables Divisions of the Company are required to be audited by a Cost Accountant. Your Directors, on the recommendation of the Audit Committee, appointed Mr. T.M.Rathi to audit the cost accounts of the Company for the financial year 2015 on a remuneration of Rs. 1,20,000/-. A Resolution seeking members' ratification for the appointment and remuneration payable to Mr. T. M. Rathi, Cost Auditor is included at Item No. 7 of the Notice convening the Annual General Meeting.

### Secretarial Auditors :

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Hemang M. Mehta of H. M. Mehta & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure I".

## 12. Other Information :

### a. Green Initiative

To support the "Green Initiative" taken by the Ministry of Corporate Affairs (MCA), to contribute towards

a 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 the shareholders by electronic mode wherever possible.

Further, the Company has started using recyclable steel drums in place of wooden pallets in its Conductors Divisions in order to protect the environment and reduce costs for the Company.

### b. Corporate Social Responsibility (CSR)

The Board of Directors constituted a Corporate Social Responsibility (CSR) Committee in terms of the provisions of Section 135(1) of the Companies Act, 2013 on 30th May, 2014. This CSR Committee reviews and restates the Company's CSR policy in order to make it more comprehensive and aligned with the activities specified in Schedule VII of the Companies Act, 2013.

With the strong belief in the principle of Trusteeship, Apar Group continues to serve the community through a focus on healthcare, education, Food and mid-day meal for children, Environmental sustainability and Health and Welfare of Senior Citizens initiatives.

The Annual Report on CSR activities is annexed herewith as "Annexure - II".

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

- i) Particulars relating to Employee Stock Option Scheme - "Annexure - III"
- ii) Particulars of Information as per Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - a Statement showing the names and other particulars of the Employees drawing remuneration in excess of the limits set in the Rules - "Annexure - IV (a)" and Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - "Annexure - IV(b)".
- iii) Particulars relating to conservation of energy, technology absorption, research & development and foreign exchange earnings and outgo - "Annexure - V".
- iv) Report on Corporate Governance and auditors' certificate regarding compliance of conditions of corporate governance.
- v) Statement containing brief financial details of the subsidiaries.

### d. Extract of Annual Return :

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure - VI".

- e. 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 subsidiaries, Quantum Apar Speciality Oils Pty. Ltd., Australia and Petroleum Specialities FZE, Sharjah, WOS of PSPL and Apar Lubricants Limited, a WOS of the Company. As per the provisions of Section 129(3) read with Section 136 of the Companies Act, 2013, a statement containing brief financial details of the said subsidiaries for the year ended March 31, 2015 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.

### 13. General :

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.

3. No Managing Director of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 14. 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 : May 14, 2015.

**Dr. N. D. Desai**  
Chairman





# Annexure – I to the Directors' Report

Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2015

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-Not Applicable as the Company has not issued any securities through a Public Issue or Right issue during the financial year under review;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (made effective from 28th October, 2014);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not Applicable as the Company has not issued and listed on any stock exchanges any debt securities during the financial year under review;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not Applicable as the Company has not delisted its equity shares from any stock exchanges during the financial year under review; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not Applicable as the Company has not bought back any of its securities during the financial year under review and

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India-Not Applicable as not notified during the financial year under review and shall come into force w.e.f 1st July, 2015.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), respectively.



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

**We further report that**

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

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

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

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with **Labour Laws, Environmental Laws** and other applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period:

The Board of Directors of the Company at their meeting held on 5th February, 2015 has, subject to the necessary consents / sanctions of the concerned authorities and the Hon'ble High Court of Gujarat at Ahmedabad judicature, approved the amalgamation / merger with the Company of the entire undertaking on a going concern basis of Company's wholly owned subsidiary namely Apar Lubricants Limited (ALL) w.e.f. the Appointed date, 1st January, 2015 on the terms and conditions mentioned in the draft Scheme of Amalgamation between the Apar Lubricants Limited (ALL) (Transferor Company) and Apar Industries Limited (AIL) (Transferee Company) and their respective members / shareholders.

For H. M. Mehta & Associates  
Hemang M. Mehta- Proprietor  
FCS No.: 4965  
C P No.: 2554

Place: Vadodara  
Date: 7th May, 2015

## Annexure - II to the Directors' Report Annual Report on Corporate Social Responsibility (CSR) Activities – 2014-15

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company has framed the Corporate Social Responsibility (CSR) Policy in terms of the provisions of Section 135(1) of the Companies Act, 2013.

The CSR activities of the Company mainly aims at Principle of Trusteeship, by serving the community through a focus on -

- |  |                                       |
|--|---------------------------------------|
| i. Healthcare                            | ii. Education,                        |
| iii. Food and Mid-day meal for children  | iv. Environmental sustainability and, |
| v. Health and Welfare of Senior Citizens |                                       |

initiatives. The CSR activities of the Company are more aligned with the activities specified in Schedule VII of the Companies Act, 2013.

**Weblink :**

<http://www.apar.com/FinancialPDFs/CSR%20Policy.pdf>

2. **Composition of the CSR Committee :**

Dr. N. D. Desai	--	Chairman
Mr. F. B. Virani	--	Independent Director
Mr. K. N. Desai	--	Managing Director & Chief Executive Officer (CEO)

3. **Average Net Profit of the company for last 3 financial years :**

Average Net Profit : Rs. 76.76 Crores.

4. **Prescribed CSR Expenditure (2% of this amount as in item 3 above) :**

Rs. 1.54 Crores

5. **Details of CSR spent during the financial year :**

- a. **Total amount spent for the financial year:**

Rs. 0.14 Crores

- b. **Amount unspent, if any;**

Rs. 1.40 Crores.



c. Manner in which the amount spent during the financial year is detailed below :

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area or other 2.specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or Programs wise  Rs. Crore	Amount spent on the projects or programs Subheads: 1.Direct expenditure on projects or program  2.Over- heads:  Rs. Crore	Cumulative expenditure upto to the reporting period.  Rs. Crore	Amount spent: Direct or through implementing agency  Rs. Crore
1.	Health – Donation to Marrow Donor Registry (India), Mumbai for their “Voluntary Marrow Donor & Blood Stem Cell Donation” programme	Health-care	Mumbai - Maharashtra	---	0.10	0.10	0.10
2.	Education – Donation to Maat Pita Smruti Trust, Rajkot	Education	Rajkot – Gujarat	---	0.01	0.01	0.01
3.	Education – Donation to Adarsh Buniyadi School, Khatalwad Gram Panchayat	Education	Khatalwad – Gujarat	---	0.013	0.013	0.013
4.	Education – Donation to Jagriti Sewa Sansthan	Education	Mumbai – Maharashtra	---	0.018	0.018	0.018
	<b>TOTAL</b>				<b>0.141</b>	<b>0.141</b>	<b>0.141</b>

6. Reasons for spending less :

Projects have been identified and evaluated and amounts will be spent as per the need and cash flow availability of the Company.

7. Responsibility Statement :

The Committee hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

sd/-  
(Kushal N. Desai)  
Managing Director & CEO

sd/-  
(Dr. N. D. Desai)  
Chairman – CSR Committee



## Annexure III 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 and amended to date (the SEBI Guidelines). The Nomination and Compensation-cum-Remuneration Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme.

The disclosures stipulated under the SEBI Guidelines are :

a.	Options granted by the Compensation Committee	:	175,150
b.	Exercise price	:	₹ 207.05 per option
c.	Options vested	:	175,150
d.	Options exercised:	:	26,338 (upto 31st March 2015 - 26, 072 options and on 14th May 2015 - 266 options)
e.	The total number of shares arising as a result of exercise of options	:	26,338
f.	Options lapsed	:	139,407
g.	Variation in terms of options	:	See note 1 below
h.	Money realised by exercise of options	:	₹ 5,453,282.90
i.	Total number of options in force	:	9,405
j.	Employee-wise details of options granted to:		
i.	Senior Management Personnel / Directors		
(a)	Dr. N. K. Thingalaya	:	4,000*
(b)	Shri F.B.Virani	:	4,000**
(c)	Mr. V.C. Diwadkar, CFO and Mr. Sanjaya Kunder, C.S. have exercised 1,952 and 133 options respectively and equal number of shares were allotted. Balance options lapsed.		
	* Of these, 2/3rd Options lapsed.		
	** Of these, 2/3rd Options lapsed and 1/3rd Options exercised and equal no. of shares (1,333) allotted.		
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	:	₹ 12.44

### 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 were 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. The Company has also obtained listing and trading approvals from both the Stock Exchanges viz. BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in respect of 26,072 Equity Shares allotted to the employees under the scheme and in respect of 266 equity shares allotted on 14th May, 2015, the Company is in the process of obtaining Listing and Trading approvals.
- 4) The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed at the Annual General Meeting held on 9th August, 2007. The Certificate would be placed at the Annual General Meeting for inspection by members.



## Annexure IV (a) to the Directors' Report

Information pursuant to Section 197 of the Companies Act, 2013, read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2015.

Names	Age (Years)	Designation / Nature of Duty	Qualifications	Experience (Years)	Remuneration (₹)	Date of Commencement of Employment	Last Employment and Designation
Mr. Kushal N. Desai	48	Managing Director	B.Sc. (Hons.), (Ele.Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	26	14,246,960	24.03.1999	GE Lighting (India) Ltd. - President
Mr. Chaitanya N. Desai	43	Managing Director	B.Sc. (Hons.), (Chem.Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	21	14,543,065	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, accommodation and 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.
- 4) Information regarding remuneration and particulars of other employees of the Company will be available for inspection by the members at the Corporate office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, where upon, a copy would be sent.

## Annexure IV (b) to the Directors' Report

Details Pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	% increase/decrease (-) in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director / to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Dr. N. D. Desai, Chairman	(-) 26%	22.67 : 1	
2.	Mr. Kushal N. Desai, Managing Director	(-) 17%	27.08 : 1	Net Sales increased by 12% and Profit after tax reduced by 30% due to reasons explained in the Directors Report
3.	Mr. Chaitanya N. Desai, Managing Director	(-) 16%	27.64 : 1	
4.	Dr. N. K. Thingalaya, Independent Director*	55%	037 : 1	



5.	Mr. F. B. Virani, Independent Director*	67%	0.40 : 1	
6.	Mr. Suyash Saraogi, Independent Director*	** -	0.21 : 1	
7.	Smt. Nina Kapasi, Independent Director*	** -	0.29 : 1	
8.	Mr. Rajesh Sehgal, Investor Director	*** NA	NA	
9.	Mr. V. C. Diwadkar, Chief Financial Officer	12%		Net Sales increased by 12% and Profit after tax reduced by 30% due to reasons explained in the Directors Report
10.	Mr. Sanjaya R. Kunder, Company Secretary	14%		

\* Independent directors are paid only sitting fees.

\*\* Appointed during the year under review. Hence not comparable with previous year.

\*\*\*No remuneration and sitting fees paid to the Investor Director.

- ii) The median remuneration of employees of the Company during the financial year was ₹ 5.26 lakh
- iii) In the financial year, there was an increase of 27% in the median remuneration of employees;
- iv) There were 1008 permanent employees on the rolls of Company as on March 31, 2015;
- v) Relationship between average increase in remuneration and company performance:- Net sales increased by 12% and Profit after Tax for the financial year ended March 31, 2015 reduced by 30% whereas the increase in median remuneration was 27%.
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:  
The total remuneration of Key Managerial Personnel increased marginally by 8% from ₹ 3.44 crore in 2013-14 to ₹3.73 crore in 2014-15 whereas the Profit before Tax decreased by 34% to ₹ 68.23 crore in 2014-15 (₹ 102.83 crore in 2013-14).
- vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2015 was ₹ 1420 crore (₹ 557 crore as on March 31, 2014).  
b) Price Earnings ratio of the Company was 29.74 as at March 31, 2015 and was 8.09 as at March 31, 2014  
c) Percentage increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year :- The Company had come out with initial public offer (IPO) in 1991. The share price of the company first listed on BSE in April 1991 at ₹ 15.50 per share of the face value of ₹ 10 per share. Share price of the Company quoted on BSE on 31st March, 2015 was ₹ 370.10 per share of Company. Percentage increase in the Net-worth of the Company was 5% as compared to previous year.
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 18 % whereas the increase in the managerial remuneration for the same financial year was 8%.
- ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Compensation-cum-Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- xi) Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.





## Annexure V to the Directors' Report

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

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2015.

#### I. Conservation of Energy :

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

###### Conductor Division :

- i) Replacement of HPSV /HPMV light fittings to LED for plant lighting.
- ii) Auto –tap changeover transformer installed.
- iii) AC drive installed in place of DOL starter for energy saving.
- iv) Installed AC drive in blowers.
- v) Cooling tower water temperature and fan timer controlling system through VFD installed.
- vi) Temperature controlling and recording system installed.
- vii) Burner design modification to reduce furnace oil consumption.

###### Oil Division :

- i) 4414 KWH Solar power generated, reduced the carbon emissions.
- ii) Replaced the inefficient light fitting with the efficient light fittings in the plant with same lumens output.
- iii) Maintained power factor above 0.995.
- iv) Steam condensate recovery system is working efficiently, recovering @ 75%.
- v) System for Blending time control is installed to save power wastages after completion of blending.
- vi) Rain water harvesting is being done & the same is used in the boiler for steam generation.
- vii) Installed screw type compressor with VFD in place of reciprocating compressor, reduced the power consumption.
- viii) Installed the lighting saver unit of 75KVA to reduce the lighting power consumption.
- ix) Compressed air leakages monitored regularly & maintained the leakages below 10%.

###### Cable Division :

- i) Rectification of steam leakages thereby reducing consumption of Natural gas.
- ii) Introduced A.C. VFD drives on equipments to reduce power consumption.
- iii) Recycling of Condensed water & divert to STP plant to conserve water.
- iv) Water separator fabrication & fitting in Boilers to reduce moisture percentage from steam result in quality improvement of steam.
- v) Replacement of variable frequency system for spooler of wire drawing machine to energy efficient variable A.C. tension system on machines.

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

- i) Conversion of Aluminium furnaces with better design and construction to save on energy consumption.
- ii) Conversion of DC drives system to efficient AC drive in main motors to save energy cost.
- iii) Improving the efficiencies of RBD machines.
- iv) Drives installation for water pump and oil pumps to improve the efficiency and save energy.
- v) Investment proposed for upgradation of extrusion lines for energy saving by converting DC system to AC system.
- vi) All DG Synchronizing panel for controlling & stabilizing the power system.
- vii) Replacement of inefficient light fitting with the efficient/energy conservation light fitting in the plant.
- viii) Installed the 300CFM screw type Air compressor with VFD in place of reciprocating compressor to reduce the power consumption.

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

- a) Reduction in Furnace Oil/ Gas consumption and in turn to reduction in cost of production.
- b) Power savings by 3 % to 5 % .
- c) Power consumption of drawing reduced by 5% to 10 % .
- d) Cooling tower energy consumption reduced by 3 units per day .



4) Total Energy Consumption and Energy Consumption per unit of production :

(A) Power and Fuel Consumption:

(i) Electricity :

		2014-15	2013-14
(a)	Purchased units	49,485,394	39,666,580
	Total Amount (Rs./crore)	27.44	21.97
	Rate/Unit (Rs.)	5.54	5.54
(b)	Own Generation Through Diesel Generator (Units)	698,858	419,336
	Average Units generated per liter of diesel oil	2.70	2.75
	Average Cost of Unit (Rs.)	20.63	19.90

(ii) Furnace Oil :

Quantity (KL.)	5,775	7,026
Total Amount (Rs./crore)	19.39	28.77
Average Rate/KL.( ₹)	33,585	40,946

(iii) Natural Gas:

Quantity (M3)	2,816,935	1,138,435
Total Amount (Rs./crore)	10.32	4.53
Average Rate/M <sup>3</sup> (₹)	36.64	39.79

(iv) LPG:

Quantity (KL.)	15,428	--
Total Amount (Rs./crore)	0.09	--
Average Rate/KL.(₹)	59.72	--

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

		2014-15				2013-14			
		Electricity (Units)	Furnace Oil (liters)	Natural Gas (M3)	LPG (liters)	Electricity (Units)	Furnace Oil (liters)	Natural Gas (M3)	LPG (liters)
(i)	<b>Oil Division :</b> Per KL output of Oil	8.82	1.28	--	--	8.16	1.15	--	--
(ii)	<b>Conductors Division :</b> Per MT output of Aluminum/Alloy Conductors	194	36	22	0.37	192	63	7	--
(iii)	<b>Cable Division:</b> Per Km. of cable	136	--	56	--	125	--	101	--

Reasons for change in consumption: change in Product mix

II. Technology Absorption and Research & Development :

1. Research and Development (R&D) :

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

- Development of special alloys such as high conductivity alloys.
- Development of in house facility to co- relate thermo mechanical properties of conductors.



- c) Re-designed tools, jigs, dies for process improvement and commercial production of HTLS.
- d) Development and establishment of test facilities, fittings and jigs for complete conductor UTS test, stress and strain test, ampacity.
- e) Development of specialty elastomeric, XLPE, recycling of PTFE scrap, PVC building wires, pressure tight cables, hybrid rubber cables with integrated fiber optics, electron beam irradiated solar and windmill cables, heavy and low tow cables for Indian Navy, development of EB XLPE.
- f) DSIR approval for the R&D Centre at Rabale has been extended for the next three years.
- g) The work carried out by the R&D team on product development/Optimization of specific metal working fluids and rust preventive oils has resulted in successful introduction into market for product trials and customer approvals.
- h) Systematic evaluation of product complaints and training to laboratory team in identifying the root cause analysis has resulted in stabilizing the products.
- i) Development work on value added products such as petroleum jelly and horticultural spray oils, PTFE based lubricants is in progress.
- j) Recertification audit of Rabale Laboratory for NABL has been successfully completed.
- k) Development of systematic program for condition monitoring and training the customers/dealers/distributors in proper utilization of products is in progress.

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

- a) Testing facility and its result boosted customer's confidence in product.
- b) Development of thermal alloys helped to execute commercial order of HTLS conductors.
- c) Additional facility helped to avoid crisis and testing at third party laboratory.
- d) The facility helped in evaluation of conductor performance criteria and to provide data on reliability of design and configuration, service requirements.
- e) New orders awaited in FY 2015-16 for specialty underwater cables.
- f) Cost reduction of various compounds.
- g) Energy savings.
- h) Product acceptance by customers.
- i) Bench marking and product evaluation to improve the product performance.
- j) Commercial production has been commenced.
- k) Benefits in Custom Duty, Central Excise and Income Tax.

**(iii) Future plan of action:**

- a) New alloys as per customer demand.
- b) To continue to carry the R&D activity and try to absorb it in above mentioned areas to reduce cost especially of the E-beam cables.
- c) To further develop finer particle PTFE powder and explore PTFE recycling business in the paint, printing ink, moulding applications etc.
- d) Develop 33 KV Elastomeric cables for export market.
- e) Development of metal working fluids, rust preventive Oils.
- f) Research collaborations with Universities in the areas of Tribology/analytical evaluation of lubricants for product development and optimization.

**(iv) Expenditure on R&D:**

- a) Capital = Rs. 0.03 crore
- b) Revenue = Rs. 6.28 crore
- c) Total = Rs. 6.31 crore
- d) Total R&D Expenditure as a percentage of total turnover = 0.13%.

**2. Technology Absorption, Adaptation and Innovation :**

Technology imported (in last five years)	Year of Import	Has technology been fully absorbed
License to manufacture high performance conductor (ACCC)	2012	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 :

##### (i) Total foreign exchange used :

(₹ in crore)

		2014-15	2013-14
(a)	Raw Materials (CIF)	3,043.23	2,978.18
(b)	Stores & Spares	2.63	1.72
(c)	Capital Goods	18.05	14.21
(d)	Others	70.86	59.79
		<b>3,134.77</b>	<b>3,053.90</b>

##### (ii) Total foreign exchange earned:

(₹ in crore)

		2014-15	2013-14
(a)	Physical Exports (FOB)	1,512.15	1,367.14
(b)	Deemed Exports (eligible for export incentives)	151.48	14.25
(c)	Others	71.20	56.52
		<b>1,734.83</b>	<b>1,437.91</b>



**Annexure VI to the Directors' Report**  
**Form No. MGT-9**  
**Extract of Annual Return**

as on the financial year ended on **31.03.2015**

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

<b>I. Registration and other details :</b>			
i)	CIN	:	L91110GJ1989PLC012802
ii)	Registration Date	:	28th September, 1989
iii)	Name of the Company	:	Apar Industries Limited
iv)	Category / Sub-Category of the Company	:	Company having Share Capital (Public Limited)
v)	Address of the Registered office and contact details	:	301, Panorama Complex, R.C. Dutt Road, Vadodara – 390 007, Gujarat. Phone No. : (0265) 2339906, 2331935 Fax No. : (0265) 2330309
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MCS Share Transfer Agent Limited Neelam Apartment, 88, Sampatrao Colony, Chhapanbhog, Alkapuri, Vadodara – 390 007, Gujarat. Phone No. (0265) – 2339397, 2350490. Fax No. : (0265) 2341639

<b>II. Principal business activities of the company:</b>			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Transformer & Speciality Oils	2710	42.00
2.	AAC/AAAC/ACSR Conductors	7614	46.00
3.	Power / Telecom Cable	8544	11.00
4.	Others	--	1.00

<b>III. Particulars of holding, subsidiary and associate companies :</b>					
Sr. No.	Name and address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Petroleum Specialties Pte. Ltd., Singapore (PSPL), Wholly – owned subsidiary (WOS) of the Company	Foreign Company 200403112K	Subsidiary	100%	2 (87) (ii)
2.	Quantum Apar Speciality Oils Pty. Ltd., Australia, subsidiary of PSPL	Foreign Company ABN 35 120 536 816	Subsidiary	65%	2 (87) (ii)
3.	Apar Lubricants Limited, Wholly owned subsidiary of the Company	U23209GJ2006PLC082221	Subsidiary	100%	2 (87) (ii)
4.	Petroleum Specialities FZE, Sharjah	13975	Subsidiary of PSPL	100%	2 (87) (ii)



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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year – 01.04.2014				No. of Shares held at the end of the year – 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	22297062	--	22297062	57.959	22196762	--	22196762	57.659	-0.300
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corpo.	110978	--	110978	0.288	111278	--	111278	0.289	0.001
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other....									
AIL Benefit Trust	1635387	--	1635387	4.251	1635387	--	1635387	4.248	-0.003
Maithili N. Desai Family Pvt. Trust	--	--	--	--	100000	--	100000	0.260	0.260
Sub-total (A) (1):-	24043427	--	24043427	62.498	24043427	--	24043427	62.456	-0.042
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corpo.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	24043427	--	24043427	62.498	24043427	--	24043427	62.456	- 0.042
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2222659	740	2223399	5.780	3537725	740	3538465	9.192	3.412
b) Banks / FI	253	156	409	0.001	1405	156	1561	0.004	0.003
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(S)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	1995577	70	1995647	5.187	2280586	--	2280586	5.924	0.737
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):	4218489	966	4219455	10.968	5819716	896	5820612	15.120	4.152





2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1179985	7608	1187593	3.086	1973781	6587	1980368	5.144	2.058
ii) Overseas	4971501	--	4971501	12.923	3636363	--	3636363	9.446	-3.477
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	2318468	232998	2551466	6.632	2060021	209270	2269291	5.895	-0.737
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1244672	--	1244672	3.235	497337	--	497337	1.292	-1.943
c) Others (Specify)									
Foreign Individual	87968	9388	97356	0.253	103210	6968	110178	0.286	0.033
HUF	152563	--	152563	0.397	138879	--	138879	0.361	-0.036
Trust & Foundation	2398	--	2398	0.006	48	--	48	0.000	--
<b>Sub-total (B)(2):</b>	<b>9957555</b>	<b>249994</b>	<b>10207549</b>	<b>26.533</b>	<b>8409639</b>	<b>222825</b>	<b>8632464</b>	<b>22.424</b>	<b>-4.109</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>14176044</b>	<b>250960</b>	<b>14427004</b>	<b>37.502</b>	<b>14229355</b>	<b>223721</b>	<b>14453076</b>	<b>37.544</b>	<b>0.042</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>38219471</b>	<b>250960</b>	<b>38470431</b>	<b>100.00</b>	<b>38272782</b>	<b>223721</b>	<b>*38496503</b>	<b>100.00</b>	<b>0</b>

\* Increase in share capital of the company due to issue and allotment of total 26,072 equity shares to Director / Employees of the Company under 'Apar Industries Limited Stock Option Plan - 2007'.

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 01.04.2014			Shareholding at the end of the year - 31.03.2015			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Dr. N. D. Desai	7371861	19.162	--	7271761	18.889	--	-0.273
2.	Kushal N. Desai	7378528	19.180	--	7378428	19.166	--	-0.014
3.	Chaitanya N. Desai	7367360	19.151	--	7367260	19.137	--	-0.014
4.	Chaitanya N. Desai Family Trust - Trustee Dr. N. D. Desai	95238	0.248	--	95238	0.247	--	-0.001
5.	Kushal Chaitanya N. Desai Family Trust - Trustee Dr. N. D. Desai	72634	0.189	--	72634	0.189	--	0
6.	Rishabh K. Desai	6081	0.016	--	6081	0.016	--	0
7.	Gaurangi K. Desai	3200	0.008	--	3200	0.008	--	0



8.	Noopur K. Desai	2160	0.006	--	2160	0.006	--	0
9.	Apar Corporation Pvt. Ltd.	110654	0.288	--	110654	0.287	--	-0.001
10.	Scope Pvt. Ltd.	324	0.001	--	324	0.001	--	0
11.	AIL Benefit Trust	1635387	4.251	--	1635387	4.248	--	-0.003
12.	Maithili Trusteeship Services Pvt. Ltd.	--	--	--	300	0.001	--	0.001
13.	Maithili N. Desai Family Pvt. Trust	--	--	--	100000	0.260	--	0.260
	<b>TOTAL</b>	<b>24043427</b>	<b>62.498</b>	<b>--</b>	<b>24043427</b>	<b>62.456</b>	<b>--</b>	<b>-0.042</b>

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	At the beginning of the year				
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease [e.g. allotment / transfer / bonus / sweat equity etc.]	No change in total Promoters' Holding during the year. There were inter se Transfer of shares amongst the promoters during the year as under :			
		Name of Transferor	Name of Transferee	Date of Transfer	No. of Shares
		Dr. N. D. Desai	Maithili Trusteeship Services Pvt. Ltd.	12.05.2014	100
		Shri K. N. Desai	Maithili Trusteeship Services Pvt. Ltd.	12.05.2014	100
		Shri C. N. Desai	Maithili Trusteeship Services Pvt. Ltd.	12.05.2014	100
		Dr. N. D. Desai	Maithili N. Desai Family Private Trust	03.12.2014	1,00,000
	At the end of the year	No change in total no. of shares in Promoters' Holding at the end of the year. However, percentage of shareholding decreased by 0.042% due to increase in paid-up share capital upon allotment of 26,072 equity shares on exercise of options by employees/director pursuant to Employees Stock Option Plan - 2007.			

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

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	<b>For Each of the Top 10 Shareholders</b>				
1.	Templeton Strategic Emerging Markets Fund III, L.D.C.	3,636,363	9.452	3,636,363	9.446
2.	Reliance Capital Trustee Co. Ltd. A/c. Reliance Diversified Power Sector Fund	1,931,313	5.020	1,437,992	3.735
3.	Shinny Limited, Mauritius	1,335,138	3.471	0	0
4.	HDFC Trustee Company Limited - HDFC Predence Fund	0	0	1,694,750	4.402
5.	Reiffiesen Kapitalanlage - Gesellschaft Mit Beschränkter Haftung A/c. Raiffeisen - Eurasien - Aktien	1,000,000	2.599	978,200	2.541
6.	Mackenzie Cundill Emerging Markets Value Class	850,000	2.209	0	0



7.	Goldman Sachs India Fund Limited	0	0	960,977	2.496
8.	ICICI Lombard General Insurance Company Ltd.	0	0	500,000	1.299
9.	Ashish Dhawan	522,947	1.359	0.0	0.0
10.	Aadi Financial Advisors LLP	428,804	1.115	428,804	1.114

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

Sr. No.	For Each of the Directors and KMP	Name of the Directors			
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
<b>1.</b>	<b>Dr. N. D. Desai</b>				
	At the beginning of the year as on 01-04-2014	7371861	19.162		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Less : (a) 100 Equity Shares transferred to Maithili Trusteeship Services P. Ltd. on 12.05.2014 b) 100000 equity shares transferred to Maithili N. Desai Family Private Trust on 03.12.2014	-- 0.260	- 100 - 1,00,000	-- --
	At the end of the year as on 31-03-2015	7271761	18.890		
<b>2.</b>	<b>Shri Kushal N. Desai</b>				
	At the beginning of the year as on 01-04-2014	7378528	19.180		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Less 100 Equity Shares transferred to Maithili Trusteeship Services P. Ltd. on 12.05.2014	--	- 100	--
	At the end of the year 31-03-2015	7378428	19.167		
<b>3.</b>	<b>Shri Chaitanya N. Desai</b>				
	At the beginning of the year as on 01-04-2014	7367360	19.151		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Less 100 Equity Shares transferred to Maithili Trusteeship Services P. Ltd. on 12.05.2014	--	-100	--
	At the end of the year as on 31-03-2015	7367260	19.138		
<b>4.</b>	<b>Shri F. B. Virani</b>				
	At the beginning of the year as on 01-04-2014	7500	0.019		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Less : 1,000 shares Sold on 04.07.2014 and Add : 1,333 Equity Shares Allotted under ESOP on 25.09.2014	-- --	- 1,000 1,333	-- --
	At the end of the year as on 31-03-2015	7833	0.020		
<b>5.</b>	<b>Shri Rajesh Sehgal</b>				
	At the beginning of the year as on 01-04-2014	--	--	--	--
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	--	--	--	--



	At the end of the year as on 31-03-2015	--	--	--	--
<b>6. Dr. N.K.Thingalaya</b>					
	At the beginning of the year as on 01-04-2014	--	--	--	--
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease [e.g. allotment / transfer / bonus / sweat equity etc.]	--	--	--	--
	At the end of the year as on 31-03-2015	--	--	--	--
<b>7. Shri Suyash Saraogi</b>					
	At the beginning of the year as on 01-04-2014	--	--	--	--
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease [e.g. allotment / transfer / bonus / sweat equity etc.]	--	--	--	--
	At the end of the year as on 31-03-2015	--	--	--	--
<b>8. Smt. Nina Kapasi</b>					
	At the beginning of the year as on 01-04-2014	--	--	--	--
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease [e.g. allotment / transfer / bonus / sweat equity etc.]	--	--	--	--
	At the end of the year as on 31-03-2015	--	--	--	--

Sr. No.	For Each of the Directors and KMP	Name of the Key Managerial Personnel			
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
<b>1. Shri Vivek C. Diwadkar</b>					
	At the beginning of the year as on 01-04-2014	--	--	--	--
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease [e.g. allotment / transfer / bonus / sweat equity etc.]	1,952 Shares Allotted under Apar Industries Limited Stock Option Plan – 2007 on 25.09.2014	--	1,952	0.005
	At the end of the year as on 31-03-2015	1952	0.005		
<b>2. Shri Sanjaya R. Kunder</b>					
	At the beginning of the year as on 01-04-2014	--	--	--	--
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease [e.g. allotment / transfer / bonus / sweat equity etc.]	133 Shares Allotted under Apar Industries Limited Stock Option Plan – 2007 on 31.10.2014	--	133	0.000
	At the end of the year as on 31-03-2015	133	0.000	--	--



**V. Indebtedness :**

Indebtedness of the Company including interest outstanding / accrued but not due for payment :

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	207.40	560.28	24.21	791.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.26	1.12	1.41	2.79
<b>Total (i+ii+iii)</b>	<b>207.66</b>	<b>561.40</b>	<b>25.62</b>	<b>794.68</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	1,568.36	682.47	-	2,250.83
- Reduction	(1,508.85)	(1,020.01)	(24.21)	(2,553.06)
- Exchange difference (Unrealised)	2.90	1.61	-	4.50
<b>Net Change</b>	<b>62.41</b>	<b>(335.93)</b>	<b>24.21</b>	<b>(297.74)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	269.81	224.35	-	494.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.60	0.31	-	0.91
<b>Total (i+ii+iii)</b>	<b>270.41</b>	<b>224.66</b>	<b>-</b>	<b>495.07</b>

**VI. Remuneration of directors and key managerial personnel**

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

(₹ in crores)

Sr. No.	Particular of Remuneration	Shri Kushal N. Desai MD & CEO	Shri C. N. Desai MD	Total Amount
	Gross Salary			
1.	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.50	0.52	1.02
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.26	0.26	0.52
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of Profit - Others, Specify.....	0.67	0.67	1.34
5.	Others, please specify	--	--	--
	<b>Total (A)</b>	<b>1.43</b>	<b>1.45</b>	<b>2.88</b>



**B. Remuneration to other Directors :****1. Independent Directors**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount Rs.
		Dr. N.K. Thingalaya	Shri F. B. Virani	Shri Suyash Saraogi	Smt. Nina Kapasi	Shri H.N. Shah resigned during the year	
	- Fee for attending Board / Committee Meetings	1,97,500	2,12,500	1,12,500	1,52,500	55,000	730,000
	- Commission	--	--	--	--	--	--
	- Others, please specify...	--	--	--	--	1,95,000 (Professional Fees)	1,95,000 (Professional Fees)
	<b>Total B (1)</b>	<b>1,97,500</b>	<b>2,12,500</b>	<b>1,12,500</b>	<b>1,52,500</b>	<b>2,50,000</b>	<b>9,25,000</b>
<b>2.</b>	<b>Other Non-Executive Director</b>						
		Name of Directors					
		Dr. N. D. Desai					
	- Fee for attending Board / Committee Meetings	1,52,500					
	- Commission	66,72,383					
	- Others, please specify...	51,00,000 (Professional Fees)					
	<b>Total (B) (2)</b>	<b>1,19,24,883</b>					

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

(₹ in crore)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		<b>CFO and Company Secretary &amp; Compliance Officer</b>
<b>1.</b>	<b>Gross Salary</b>	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 - Basic	0.80
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 - others	0.02
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	0
<b>2.</b>	<b>Stock Option</b>	0.04
<b>3.</b>	<b>Sweat Equity</b>	0
<b>4.</b>	<b>Commission</b>	
	- as % of Profit	--
	- Others, specify....	0
<b>5.</b>	<b>Others, please specify</b>	0
	<b>Total</b>	<b>0.86</b>





## VII. Penalties / Punishment / Compounding of offences :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	None				
Punishment					
Compounding					
B. Directors					
Penalty	None				
Punishment					
Compounding					
C. Other officers in default					
Penalty	None				
Punishment					
Compounding					



# 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, 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 value for shareholders. 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. The Company has appointed a Woman Director pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of The Companies (Appointment and Qualification of Directors) Rules, 2014. All the members of the Board are eminent individuals with excellent qualifications; professional expertise and extensive experience and they have made outstanding contributions to the industry.

The Board periodically reviews the items required to be placed before it as per Clause 49 of the Listing Agreement and in particular reviews and approves quarterly / half-yearly unaudited financial statements and the audited annual accounts, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent they are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

2. The Board of Directors meet at least four times a year with maximum time gap of four 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 are as follows as on 31st March, 2015 :

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	1	2	2
Mr. F. B. Virani	Non-Executive & Independent	--	--	--
Mr. Kushal N. Desai	Managing Director	1	1	1
Mr. C. N. Desai	Managing Director	1	1	--
Mr. Rajesh Sehgal	Non-Executive & Investor Director	1	3	--
Mr. Suyash Saraogi	Non-Executive & Independent	--	--	--
Smt. Nina Kapasi	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 8 Companies Act, 2013 and private limited companies.

4. Subject to the approval of shareholders Mr. Kushal N. Desai was re-appointed as Managing Director & Chief Executive Officer (CEO) and Mr. Chaitanya N. Desai was re-appointed as Managing Director (Joint Managing Director from 1st January, 2015 to 31st January, 2015) of the Company for a period of three years from 1st January, 2015 to 31st December, 2017, subject to the approval of Shareholders. The designation of Mr. Chaitanya N. Desai was changed from "Joint Managing Director" to "Managing Director" of the Company with effect from 01.02.2015.

5. During the year under review –

- Dr. N. K. Thingalaya and Mr. F. B. Virani were re-appointed as Independent Directors and
- Mr. Suyash Saraogi and Mrs. Nina Kapasi were appointed as Independent Directors of the Company for five consecutive years upto the conclusion of 30th Annual General Meeting of the Company in the calendar year 2019.

No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under Section 2(77) of the Companies Act, 2013, read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014 except Mr. Kushal N. Desai and Mr. Chaitanya N. Desai who are brothers and Dr. N. D. Desai who is their father.

6. During the FY 2014-15, four Board Meetings were held. The dates on which the Board meetings were held are as follows:

May 30, 2014, August 1, 2014, October 31, 2014 and February 5, 2015.

#### General Meetings :

The last Annual General Meeting (25th AGM) was held on August 1, 2014 at 2.00 P.M. at the Conference Room, Gujarat Employers' Organisation (GEO), Trident Complex, D-Wing, 34-35, 3rd Floor, Opp. Geri, 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	Whether attended last AGM held on August 1, 2014
Dr. N.D. Desai- Chairman (NDD)	4	4	Yes
Dr. N. K. Thingalaya (NKT)	4	4	Yes
Mr. F. B. Virani (FBV)	4	4	Yes
Mr. Kushal N. Desai (KND)	4	4	Yes
Mr. C. N. Desai (CND)	4	4	Yes
Mr. H. N. Shah* (HNS)	1	1	Yes
Mr. Rajesh Sehgal (RS)	4	4	Yes
Mr. Suyash Saraogi (SS)**	4	3	Yes
Smt. Nina Kapasi (NK)**	4	4	Yes
Mr. Sanjiv Maheshwari (SM)***	N.A.	N.A.	N.A.

\* Resigned with effect from close of the business hours on 30th May, 2014.

\*\*Appointed with effect from 30th May, 2014.

\*\*\* Resigned with effect from 29th May, 2014.



**Details of the Members of various committees, meetings held and attended by the Members.**

Audit Committee			Nomination and Compensation-Cum-Remuneration Committee			Share Transfer & Shareholders Grievance-Cum-Stakeholders Relationship Committee			Corporate Social Responsibility (CSR) Committee		
Members of the Committee	No. of meetings held during the tenure of the member	No. of Meetings attended	Members of the Committee	No. of meetings held during the tenure of the member	No. of Meetings attended	Members of the Committee	No. of meetings held during the tenure of the member	No. of Meetings attended	Members of the Committee	No. of meetings held during the tenure of the member	No. of Meetings attended
NKT	4	4	NKT	4	4	NDD	3	3	NDD	2	2
HNS *	1	1	HNS *	1	1	CND	3	3	FBV	2	2
FBV	4	4	FBV	4	4	HNS *	1	1	KND	2	2
RS	4	4	RS	4	4	SS	2	1	-	-	-
KND	3	3	-	-	-	-	-	-	-	-	-
SS	3	2	-	-	-	-	-	-	-	-	-
NK	3	3	-	-	-	-	-	-	-	-	-

\* Resigned with effect from close of the business hours on 30th May, 2014.

**Audit Committee :**

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 177 of the Companies Act, 2013 and as per the requirement of Clause 49 of the Listing Agreement. The Board of Directors of the Company at their Meeting held on 30th May, 2014 have approved new terms of reference for the Audit Committee as per Section 177(4) of the Companies Act, 2013. The Audit Committee includes four Independent Directors.

**Term of Reference :**

The Audit Committee acts as the link between the Statutory and the Internal Auditors and the Board of Directors.

The broad terms of reference of the Audit Committee include, reviewing with the management, the quarterly / half-yearly 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. The terms of reference of the Audit Committee are broadly as follows:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) review of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) formulation of Policy on Related Party Transactions.
- (viii) evaluation of internal financial controls and risk management systems;
- (ix) monitoring the end use of funds raised through public offers and related matters.

During the FY 2014-15, four Audit Committee Meetings were held. The dates on which the Audit Committee Meetings were held are as follows:

May 30, 2014, August 1, 2014, October 31, 2014 and February 5, 2015.

**Composition:** Composition, Number of Meetings held and attended by the Members are given in the table above.

All the members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The representatives of the Statutory Auditors are permanent invitees of the Audit Committee Meetings. They have attended all the meetings during the year.

**Whistle Blower Policy :**

The Company has recently introduced 'Whistle Blower Policy (Apar's OMBUDSMEN Policy) effective from 1st March, 2014 by setting a vigil mechanism to enable anyone within the company and those dealing with the Company to voice their concern to the 'Ombudsmen of the Company' if they discover any information which he / she believe shows serious malpractice, impropriety, abuse of power and authority, financial wrongdoing or unethical conduct / practices, without fear of reprisal or victimization, subsequent discrimination or disadvantage.



The above policy provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional case.

The Audit Committee reviewed the said Policy at its Meeting held on 30th May, 2014.

**Nomination and Compensation-Cum-Remuneration Committee** (Formerly known as Compensation-cum-Remuneration Committee) :

In compliance with Section 178 of the Companies Act, 2013, the Board has reconstituted and re-designated its existing Compensation-cum-Remuneration Committee to Nomination and Compensation-cum-Remuneration Committee with effect from 30th May, 2014.

**Terms of Reference:** The Broad terms of reference of the reconstituted and re-designated Nomination and Compensation-cum-Remuneration Committee include, over and above the administration and other related matters of the Employee Stock Option Plan, the approval of remuneration payable to managerial personnel in accordance with the provisions of Part II and Section I of Schedule V of the Companies Act, 2013 and under any other law as also the following :

- i. Identifying the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carrying out evaluation of every director's performance.
- ii. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

**Composition:** Composition, Number of Meetings held and attended by the Members are given in the table above.

**Remuneration policy, details of remuneration and other terms of appointment of Directors:**

The Nomination and Compensation-cum-Remuneration Committee (NCR) has formulated a Remuneration and Board Diversity Policy which, inter alia, deals with the manner of selection of Board of Directors and Key Managerial Personnel and Senior Management and their remuneration. The Policy lays down criteria for determining appointment and qualification, positive attributes and independence of Director. The policy reflects the interests of the shareholders and the company taking into consideration any specific matters, including the assignments, the responsibilities undertaken and also be competitive with the external market. The company recognizes the benefit of a Board that possesses the right balance of skills, knowledge, experience, expertise and diversity of perspective. The "Senior Management" includes members of core management team excluding Board of Directors comprising all members of management one level below the executive directors including, Key Managerial Personnel, Chief Operating Officers and all the functional heads. The Remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis and is in consonance with the existing Industry practices.

**Terms of Appointment & Remuneration of Managing Directors :**

**Mr. Kushal N. Desai, Managing Director and Chief Executive Officer (CEO) and Mr. Chaitanya N. Desai, Managing Director:**

<b>Period of Appointment</b>	(1) Mr. Kushal N. Desai Re-appointed as Managing Director and Chief Executive Officer (CEO) and (2) Mr. Chaitanya N. Desai Re-appointed as Joint Managing Director (upto 31.01.2015) and Managing Director w.e.f. 01.02.2015 of the Company for a period of three years from 01.01.2015 to 31.12.2017, subject to the approval of the Shareholders.
<b>Salary</b>	Rs. 3,50,000/- per month with annual increase of 10 % each following year calculated on salary previously drawn.
<b>Perquisites</b>	<p><b>i. Housing :</b> Unfurnished residential accommodation or House Rent Allowance upto 100 % of basic salary in lieu of housing accommodation.</p> <p>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 Directors will be considered as perquisite to them.</p> <p>The Company will also pay for utilities like power, gas, water, staff etc. used / availed by the Director at their residence as may be permissible under law from time to time.</p> <p><b>ii. LTA :</b> Leave Travel Assistance for self and family.</p> <p><b>iii. Medical Reimbursement :</b> For self and family.</p> <p><b>iv. Others :</b> Motor vehicles with driver for Company's business, Club Fees, Personal accident insurance and any other allowance or reimbursement as may be agreed upon between the Directors and Company, from time to time.</p> <p>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 Directors.</p>



<b>Retirement Benefits</b>	(i) 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. (ii) Gratuity payable as per the Company's Rules at the end of the tenure. (iii) Encashment of unutilised leave as per the Company's rules.
<b>Commission</b>	Upto 1 % of Net Profit of the Company in a particular financial year as may be determined under the provisions of Section 198 and other applicable provisions of the Companies Act, 2013.
<b>Minimum Remuneration</b>	In the event of absence or inadequacy of profit in any financial year during the currency of tenure, the Managing Directors shall be paid remuneration by way of salary, perquisites and other allowances as specified above as Minimum Remuneration restricted, however, to the ceiling specified in the amended Section II of Part II of Schedule V of the Act as may be in force from time to time.
<b>Notice Period</b>	Three months.

Details of remuneration paid to the Directors are given in the attached Form MGT-9.

#### Performance Evaluation :

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of Board, the Directors individually as well as the evaluation of the working of its committees. A structured questionnaire was prepared, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

#### Details of Remuneration Paid To All The Directors :

- The Non-executive Directors except Investor Director, receive the sitting fees for attending the Board and Committee meetings, as the case may be and reimbursement of expenses for participation in the said Meetings.
- The break-up of remuneration paid / payable to the Managing Directors for the FY 2014-15 is as under:

Name of Directors	Mr. Kushal N. Desai	Mr. C. N. Desai
Position	Managing Director	Managing Director
Salary (₹)	5,017,102	5,236,540
Commission (₹)	6,672,383	6,672,384
Perquisites / Allowances (₹)	2,557,475	2,634,141
Total (₹)	14,246,960	14,543,065
Stock Option Granted (Nos.)	Nil	Nil
Service Contract	3 years from 01/01/2015 to 31/12/2017	3 years from 01/01/2015 to 31/12/2017
Notice Period	3 Months	3 Months

- In terms of the Companies Act, and as approved by the shareholders, 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, 2014 to March 31, 2015 for his professional services to the Company towards his fees and ₹ 6,672,383/- as commission.
- In terms of the Companies Act, and as approved by the shareholders, Mr. H. N. Shah, a Non-executive Professional Director in his capacity as director has been paid for his professional services to the Company ₹ 3,300,000 towards his fees including monetary value of facilities during the period from April 1, 2014 to May 30, 2014. Thereafter, after his resignation as Director he continues to render services to the company in his professional capacity.

The professional fees of above director has been fixed by the Board after considering his professional expertise and experience in the respective fields, loyalty and professional fees structure prevalent in the industry.

- 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 (Gross) (₹)	No. of Equity Shares held in the Company	No. of Stock Options granted
Dr. N. D. Desai	1,52,500	74,39,633\$	Nil
Dr. N. K. Thingalaya	1,97,500	--	4,000 *
Mr. F. B. Virani	2,12,500	7,833	4,000 ***
Mr. H. N. Shah@	55,000	--	7,500 **
Mr. Suyash Saraogi	1,12,500	--	Nil
Smt. Nina Kapasi	1,52,500	--	Nil

\$ Includes shares held as Trustee.

\* Of these, 2/3rd Options lapsed.

\*\* Options lapsed.

\*\*\* Of these, 2/3rd of the Options lapsed and balance 1/3rd options exercised and equal no. of shares (1,333) were allotted.

@ Resigned with effect from close of the business hours on 30th May, 2014 and options not exercised.

#### Share Transfer & Shareholders Grievance-Cum-Stakeholders Relationship Committee :

The existing Share Transfer & Shareholders Grievances Committee was reconstituted and re-designated as to Share Transfer & Shareholders Grievance-Cum-Stakeholders Relationship Committee with effect from 30th May, 2014 in order to comply with the provisions of Section 178(5) of the Companies Act, 2013.

**Terms of Reference:** This Committee was constituted with the objective of overseeing the 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 and to consider and resolve the grievances of Security-holders of the Company.

**Composition :** The Share Transfer & Shareholders' Grievance-cum-Stakeholders Relationship Committee met three times during the financial year, i.e. on May 30, 2014, October 31, 2014 and February 5, 2015.

Composition, Number of Meetings held and attended by the Members are given in the table above.

#### Share Transfer System :

- A. 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 & Shareholders' Grievance-cum-Stakeholders Relationship Committee, periodically.

##### Compliance Officer :

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

- B. Status of complaints for the period April 1, 2014 to March 31, 2015.

1.	No. of complaints received	2
2.	No. of complaints resolved	2
3.	No. of complaints not solved to the satisfaction of the investors as at 31st March, 2015.	Nil
4.	Complaints pending as at 31st March, 2015.	Nil
5.	No. of share transfers pending for approval as at 31st March, 2015.	Nil

#### Corporate Social Responsibility (CSR) Committee :

The Corporate Social Responsibility (CSR) Committee was constituted by the Board on May 30, 2014 considering requirements of the provisions of Section 135(1) of the Companies Act, 2013 relating to the constitution of a Corporate Social Responsibility (CSR) Committee.

The said Committee consists of the following Directors :

- Dr. N. D. Desai, Chairman
- Mr. F. B. Virani, Independent Director
- Mr. K. N. Desai, Managing Director

#### Terms of Reference :

The Broad terms of reference of the Corporate Social Responsibility (CSR) Committee are :

- formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall include the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

**Composition:** The Corporate Social Responsibility (CSR) Committee met two times during the financial year, i.e. on October 31, 2014 and February 5, 2015.

Composition, Number of Meetings held and attended by the Members are given in the table above.

#### Independent Directors' Meeting :

During the year under review, Independent Directors met on 5th February, 2015, inter alia, to discuss :

- review of the performance of non-independent directors and the Board as a whole;
- review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



All the Directors except, Mr. Suyash Saraogi attended the said Meeting of Independent Directors.

The Company has familiarised the Independent Directors about their roles, rights, responsibilities in the Company, nature of the Industry in which the company operates, business model of the company and related matters by way of up-dation at the Meetings of the Board and Committee and paying visits in the factory and such other programmes. The details of such programmes are put up on the website of the Company at the link: <http://www.apar.com/FinancialPDFs/Familiarisation%20Programmes%20for%20Independent%20Directors.pdf>

#### **Risk Assessment & Minimisation Procedures :**

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

#### **Subsidiary Companies :**

The Company has formulated a Policy on Material Subsidiaries in terms of Clause 49 of the Listing Agreement.

The Company has following Subsidiaries at present :

- i. Petroleum Specialities Pte. Ltd. Singapore (PSPL) – Wholly owned Subsidiary
- ii. Quantum Apar Speciality Oils Pty. Ltd., Australia, Subsidiary of PSPL
- iii. Apar Lubricants Ltd.- Wholly-Owned Subsidiary
- iv. Petroleum Specialities FZE, Sharjah – Wholly owned Subsidiary of PSPL.

On the basis of the definition of material subsidiary given in Clause 49 of the Listing Agreement, the Company does not have any Material Subsidiary as on 31st March, 2015.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

Copies of the Minutes of the Board Meetings of Subsidiary Companies are tabled at the Board Meeting of the Company.

#### **Prevention of Insider Trading :**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

#### **Disclosures :**

##### **a) General Body Meeting :**

The details of the 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
25th	August 1, 2014 at 2.00 P.M.	The Conference Room, Gujarat Employers' Organisation (GEO), Trident Complex, D-Wing, 34-35, 3rd Floor, Opp. Geri, Race Course, Vadodara – 390 007 (Gujarat).	1. Authority to the Board of Directors to borrow monies in excess of Paid-up Capital and Free Reserves but not exceeding a sum of Rs. 500 Crores under Section 180 (1) (c) of the Companies Act, 2013.  2. Creation of mortgage, charge etc. of the assets / properties of the Company under Section 180 (1) (a) of the Companies Act, 2013.
24th	August 8, 2013 at 2.30 P.M.	The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 (Gujarat).	No Special Resolution.
23rd	November 9, 2012 at 12.00 noon	The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 (Gujarat).	Re-appointments of –  (1) Mr. Kushal N. Desai as Managing Director and Chief Executive Officer and  (2) Mr. Chaitanya N Desai, Joint Managing Director of the Company for a period of three years from 1st January, 2012 to 31st December, 2014 and payment of remuneration and commission.



**b) Related Party Transactions :**

The details of all significant transactions with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year 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 FY 2014-15, 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. These transactions were entered in the ordinary course of business and on arms length basis.

The Board has approved a Policy for Related Party Transactions which has been uploaded on the Company's website.

- c) 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.
- d) Reports of auditors on statutory financial statements of the Company do not contain any qualification.
- e) The CEO & MD and the CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**f) Means of Communication :**

Quarterly / Half Yearly / Yearly Financial Results: Generally published in Gujarat edition of "The Business Standard", an English daily newspaper and "Loksatta" a Gujarati daily newspaper. Financial Results and subsequent Investors / Earnings presentations of the Company are displayed on the Company's website: [www.apar.com](http://www.apar.com) and being sent to both the Stock Exchanges i.e. BSE and NSE.

- g) Management Discussion & Analysis is covered under the separate head of the Directors' Report of 2014-2015.

- 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 re-imbursement 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 dematerialized shares held with NSDL and CDSL.

**General Information :**

<b>1. Annual General Meeting</b>	:	
Day, Date and Time	:	Friday, 7th August, 2015 at 2.15 P.M. at The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara 390 007 (Gujarat).
<b>2. Financial Calendar for 2015-16</b>	:	
Financial year ending	:	31st March.
First Quarter Results (June, 2015)	:	On or before 14th August, 2015.
Half Yearly Results (September, 2015)	:	On or before 14th November, 2015.
Third Quarter Results (December, 2015)	:	On or before 14th February, 2016.
Approval of Annual Accounts (2015-16)	:	On or before 30th May, 2016.
<b>3. Book Closure Dates</b>	:	Saturday, 1st August, 2015 to Friday, 7th August, 2015 (both days inclusive)
<b>4. Dividend Payment</b>	:	Dividend Warrants will be dispatched after the AGM, but before the expiry of statutory period of 30 days from the date of the AGM.
<b>5. Registered Office</b>	:	301, Panorama Complex, R. C. Dutt Road, Vadodara 390 007 (Gujarat).
<b>6. Listing of Shares on the Stock Exchanges</b>	:	<p>The Equity Shares of the Company are listed on –</p> <ul style="list-style-type: none"> <li>- <b>BSE Ltd. (BSE) - Scrip Code No. 532259</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001.</li> <li>- <b>National Stock Exchange of India Limited (NSE) - Scrip Symbol - APARINDS</b> "Exchange Plaza", Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051.</li> </ul> <p>The Company has paid the due listing fees to both the Stock Exchanges.</p>

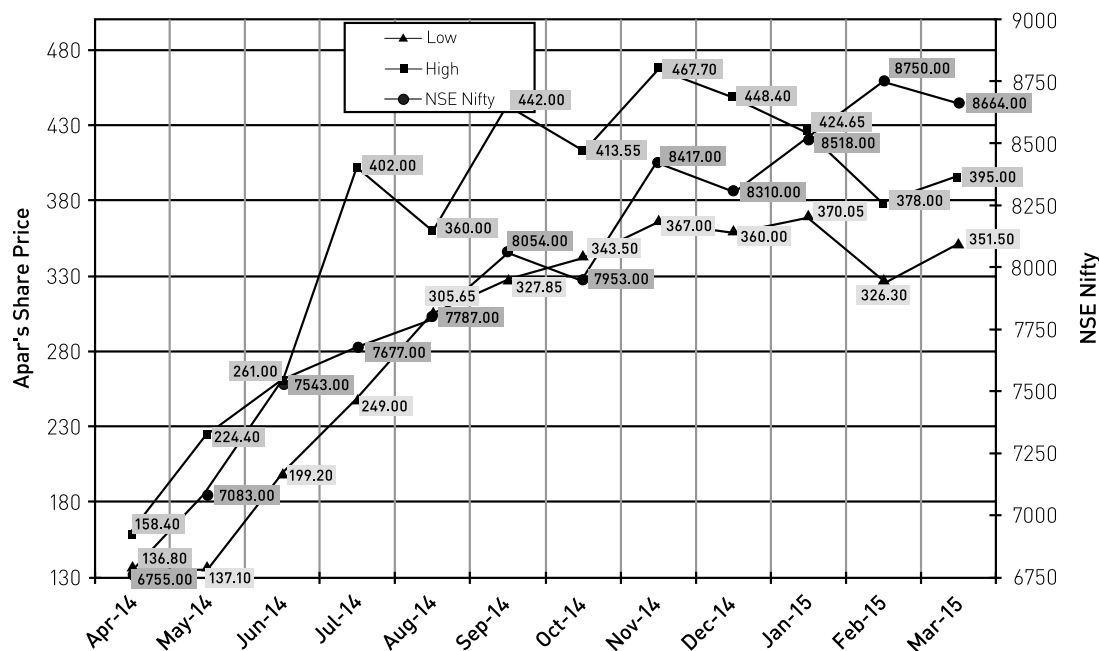


7. Stock Price Data for the financial year April, 2014 to March, 2015 prevailed at the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) :

Year	Month	BSE			NSE		
		High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
2014	April	158.90	137.05	1,65,025	158.40	136.80	5,09,542
	May	225.00	137.20	8,54,622	224.40	137.10	30,67,516
	June	262.00	199.00	4,96,703	261.00	199.20	15,12,404
	July	402.00	250.25	21,09,114	402.00	249.00	66,75,177
	August	359.95	305.10	11,75,635	360.00	305.65	30,27,223
	September	441.95	326.10	12,54,727	442.00	327.85	34,18,224
	October	414.00	369.95	4,28,154	413.55	343.50	10,70,285
	November	468.15	367.00	6,45,552	467.70	367.00	20,61,629
	December	448.90	361.00	2,67,842	448.40	360.00	8,47,432
2015	January	425.35	371.00	2,26,300	424.65	370.05	7,85,379
	February	378.00	322.00	1,53,058	378.00	326.30	7,03,302
	March	394.90	351.80	69,566	395.00	351.50	4,66,288

8. Stock Performance :

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



9.	Registrar for Share Transfer and Depository	: MCS Share Transfer Agent Limited Neelam Apartment, 88, Sampatrao Colony, Chhapan Bhog, Alkapuri, Vadodara – 390 007 (Gujarat).  Ph. Nos. (0265) 2339397, 2350490 Fax No. (0265) 2341639 E-mail: mcsltbaroda@yahoo.com & mcsvadodara@rediffmail.com
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10. Distribution of Shareholding as at 31st March, 2015 :

Range of Equity Shares			No. of Equity Shareholders	% of Equity Shareholders	No. of Equity Shares held	% of Shareholding
1	-	500	23,921	96.07	1,169,491	3.04
501	-	1,000	452	1.82	349,312	0.91
1,001	-	2,000	244	0.98	364,866	0.95
2,001	-	3,000	68	0.27	175,448	0.45
3,001	-	4,000	37	0.15	132,702	0.34
4,001	-	5,000	42	0.17	195,687	0.51
5,001	-	10,000	67	0.27	479,865	1.25
10,001	-	50,000	45	0.18	895,589	2.33
50,001	-	100,000	5	0.02	454,562	1.18
100,000 And Above			18	0.07	34,278,981	89.04
<b>Total</b>			<b>24,899</b>	<b>100.00</b>	<b>38,496,503</b>	<b>100.00</b>

11. Shareholding Pattern as at 31st March, 2015 :

Category	No. of Equity Shares held	% Holding
Promoters / Persons Acting in concert	24,043,427	62.46
Banks, Financial Institutions and Insurance Companies	1,561	0.00
Mutual funds	3,538,465	9.19
Foreign Institutional Investors	2,280,586	5.92
NRI's / OCBs	110,178	0.29
Corporate Bodies	1,980,368	5.14
Resident Individuals	2,905,555	7.55
Foreign Investors (Templeton Strategic Emerging Markets Fund III, L.D.C.)	3,636,363	9.45
<b>Total</b>	<b>38,496,503</b>	<b>100.00</b>

12. Dematerialization of Shares & Liquidity :

As at March 31, 2015 approx. 99.42 % 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 and CDSL by the Registrar, MCS Share Transfer Agent Limited. The Equity Share ISIN is INE372A01015.

13. Transfer of Unclaimed / Undelivered Equity Shares of the Company into "Demat Suspense Account" :

The Company has transferred the Unclaimed / Undelivered Equity Shares in terms of Clause 5A II of the Listing Agreement of the Stock Exchange(s) into "Demat Suspense Account" opened for the purpose pursuant to Securities and Exchange Board of India (SEBI) circular dated 16-12-2010. The details of Unclaimed / Undelivered Shares in the "Demat Suspense Account" as on March 31, 2015 is as follows :

Sr. No.	Description	No. of Cases	No. of Shares
i)	Aggregate number of shareholding and the outstanding shares in the Unclaimed Suspense Account at the beginning of the year i.e. April 1, 2014.	2,844	33,912
	- Additions	837	14,273
	<b>Total</b>	<b>3,681</b>	<b>48,185</b>
ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2014-2015.	19	396
iii)	Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2014-2015.	19	396
iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. March 31, 2015.	3,662	47,789

The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.



**14. Cost Audit :**

The Cost Auditors appointed by the Company under Section 233B of the Companies Act, 1956 have submitted their Cost Audit Reports for the Financial Year ended 31st March, 2014. The said Cost Audit Reports were filed in XBRL mode with MCA Authorities on 26th September, 2014 (due date of filing was 30th September, 2014).

The due date for filing the Cost Audit Reports for the financial year ended 31st March, 2015 is 30th September, 2015.

**15. Secretarial Audit :**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Hemang M. Mehta of M/s. H. M. Mehta & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure - I". The Report does not contain any qualifying remark.

**16. 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
Total options lapsed	139,407

During the year under review, one Director and 48 employees have exercised options granted to them and against the said exercise, 26,072 Equity Shares were issued and allotted upto 31st March, 2015. The said new shares have been listed at both the Stock Exchanges. Thereafter, 2 employees have exercised options granted to them and against the said exercise, further 266 Equity Shares were issued and allotted on 14th May, 2015. The Company is in the process of obtaining Listing and Trading approvals in respect of these 266 shares.

**17. Plant Locations :**

Divisions	Locations
a) Conductors Division	a) Silvassa* and Athola
b) Oil Division	b) Rabale and Silvassa*
c) Cable Division	c) Umbergaon and Khatalwada (Gujarat)

\* Union Territory of Dadra & Nagar Haveli

**18. 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.  <b>E-mail :</b> <b>Investor Grievance Redressal cell :</b> com_sec@apar.com
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## 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 31st March, 2015, 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 31st March, 2015.

Place : Mumbai  
Date : 14th May, 2015.

**Kushal N. Desai**  
Managing Director and CEO

### Auditors' Certificate

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, 2015, 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  
Firm's Registration No.109982W  
by the hand of

**MILIND P. PHADKE**  
Partner  
Membership No.033013

Mumbai, 14th May, 2015





## Financial Section

To the Members of  
Apar Industries Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Apar Industries Limited (the 'Company'), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure, a Statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - 1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements, (Refer Note 31 of the Financial Statements);
    - 2) the Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
    - 3) there has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.

### SHARP & TANNAN

Chartered Accountants  
Firm's Registration No.109982W  
by the hand of

### MILIND P. PHADKE

Partner  
Membership No. 033013

Mumbai, 14th May, 2015



## Annexure to the Independent Auditor's Report

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to 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.
- (ii) (a) As explained to us, 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.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii) (a) and (b) of the Order are not applicable to the Company.
- (iv) 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 the 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 internal control system.
- (v) The Company had 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 73 to 76 and other relevant provisions of the Act and the rules framed thereunder, 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.
- (vi) We have broadly reviewed the books of account and records maintained by the Company specified by the Central Government for the maintenance of cost records under Section 148(1) of the Act in respect of manufacturing activities 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.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, as at 31st March, 2015 which have not been deposited on account of a dispute pending, are as under:



Name of the Statute	Nature of the disputed dues	Amount ₹ in crore*	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	0.01	2003-04 2005-06 2009-10	Commercial Tax Officer
		0.12	1998-99 2001-02 to 2003-04	Assistant Commissioner
		0.10	2010-11 2011-12 to 2013-14	Deputy Commissioner
		6.29	2002-03 to 2009-10	Commissioner VAT
		0.01	2010-11	Appellate Authority Commercial Tax
		5.34	1998-99 and 2008-09	Tribunal
		0.15	2009-10	High Court
The Central Excise Act, 1944, the Customs Act, 1962 and Service tax under the Finance Act, 1994	Duty, service tax, interest and penalty	0.64	2004-05 to 2010-11	Commissionerate (Appeals)
		5.56	1997-98 to 2000-01, 2004-05 to 2009-10, 2011-12 to 2012-13	CESTAT / Tribunal
		2.50	1993-94, 1998-99 to 2003-04, 2005-06 to 2006-07	High Court
		5.30	1995-96 to 2001-02	Supreme Court

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

- (viii) The Company has no accumulated losses as at 31st March, 2015 and it has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not defaulted in repayment of dues to financial institution or bank. The Company has not issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the Paragraph 3 (x) of the Order is not applicable to the Company.
- (xi) In our opinion and according to the information and explanations given to us, on an overall basis the term loan have been applied for the purpose for which it was obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any material fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by management.

**SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No.109982W  
by the hand of

**MILIND P. PHADKE**  
Partner  
Membership No.033013

Mumbai, 14th May, 2015



## Balance Sheet As at 31st March, 2015

(₹ in crore)

	Note No.	As at 31-March-15	As at 31-March-14
<b>EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS:</b>			
(a) Share capital	2	38.50	38.47
(b) Reserves and surplus	3	598.42	568.30
		<b>636.92</b>	<b>606.77</b>
<b>2. NON-CURRENT LIABILITIES:</b>			
(a) Long-term borrowings	4	94.79	70.13
(b) Deferred tax liabilities (net)	5	27.55	22.53
(c) Other-long term liabilities	6	2.19	6.65
(d) Long-term provisions	7	3.70	2.85
		<b>128.23</b>	<b>102.16</b>
<b>3. CURRENT LIABILITIES:</b>			
(a) Short-term borrowings	8	386.67	707.99
(b) Trade payables	9	1,561.15	1,386.40
(c) Other current liabilities	10	120.39	97.26
(d) Short-term provisions	11	15.69	24.29
		<b>2,083.90</b>	<b>2,215.94</b>
<b>TOTAL</b>		<b>2,849.05</b>	<b>2,924.87</b>
<b>ASSETS</b>			
<b>1. NON-CURRENT ASSETS:</b>			
(a) Fixed assets			
(i) Tangible assets	12	369.29	334.66
(ii) Intangible assets	12	3.34	3.08
(iii) Capital work-in-progress	12	9.47	18.08
		<b>382.10</b>	<b>355.82</b>
(b) Non-current investments	13	29.93	28.49
(c) Long-term loans and advances	14	43.34	44.64
		<b>455.37</b>	<b>428.95</b>
<b>2. CURRENT ASSETS:</b>			
(a) Current investments	15	0.72	1.50
(b) Inventories	16	929.39	1,010.44
(c) Trade receivables	17	1,239.17	1,044.21
(d) Cash and bank balances	18	37.76	227.23
(e) Short-term loans and advances	19	148.02	164.19
(f) Other current assets	20	38.62	48.35
		<b>2,393.68</b>	<b>2,495.92</b>
<b>TOTAL</b>		<b>2,849.05</b>	<b>2,924.87</b>
<b>Significant accounting policies</b>	1		
<b>Contingent liabilities and commitments</b>	31		

The accompanying notes form an integral part of financial statements

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors

**Milind P. Phadke**  
Partner  
Membership No. 033013  
Mumbai, 14th May, 2015

**Kushal N. Desai**  
Managing Director &  
Chief Executive Officer  
Mumbai, 14th May, 2015

**Dr. N.K. Thingalaya**  
Director

**V. C. Diwadkar**  
Chief Financial Officer

**Sanjaya R. Kunder**  
Company Secretary



## Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in crore)

	Note No.	2014-15	2013-14
<b>INCOME:</b>			
Revenue from operations (gross)	21	5,498.26	4,953.82
Less: Excise duty		487.29	471.92
Revenue from operations (net)		<b>5,010.97</b>	<b>4,481.90</b>
Other income	22	8.37	4.47
<b>TOTAL REVENUE (i)</b>		<b>5,019.34</b>	<b>4,486.37</b>
<b>EXPENSES:</b>			
Cost of raw materials and components consumed	23	4,012.35	3,500.42
Purchases of stock-in-trade	24	63.37	77.35
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(89.79)	(7.72)
Employee benefits expense	26	69.98	59.17
Other expenses	27	713.83	584.27
Exceptional items	28	0.25	0.86
		<b>4,769.99</b>	<b>4,214.35</b>
Less: Transfer to capital assets		<b>0.01</b>	<b>3.51</b>
<b>TOTAL EXPENSES (ii)</b>		<b>4,769.98</b>	<b>4,210.84</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (i-ii)</b>		<b>249.36</b>	<b>275.53</b>
Depreciation and amortisation expense		31.04	26.89
Finance costs	29	150.09	145.81
<b>PROFIT BEFORE TAX</b>		<b>68.23</b>	<b>102.83</b>
<b>TAX EXPENSE:</b>			
Current tax		13.66	23.48
Deferred tax		6.49	11.57
Taxes of earlier years		0.22	(1.01)
<b>TOTAL</b>		<b>20.37</b>	<b>34.04</b>
<b>PROFIT FOR THE YEAR</b>		<b>47.86</b>	<b>68.79</b>
Earnings Per Equity share (face value ₹ 10 each)			
(a) Basic	30	12.44	17.88
(b) Diluted		12.44	17.88
<b>Significant accounting policies</b>	1		

The accompanying notes form an integral part of financial statements

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors

**Milind P. Phadke**  
Partner  
Membership No. 033013  
Mumbai, 14th May, 2015

**Kushal N. Desai**  
Managing Director &  
Chief Executive Officer  
Mumbai, 14th May, 2015

**Dr.N.K. Thingalaya**  
Director

**V. C. Diwadkar**  
Chief Financial Officer

**Sanjaya R. Kunder**  
Company Secretary



## Cash Flow Statement for the year ended 31st March, 2015

(₹ in crore)

		2014-15	2013-14
<b>A.</b>	<b>Cash flows from Operating Activities :</b>		
	Profit before taxation	68.23	102.83
	Adjustments for:		
	Depreciation and amortisation expenses	31.04	26.89
	(Profit)/loss on sale of fixed assets (net)	0.27	0.07
	Unrealised exchange loss/(gain)	11.73	11.32
	Profit on sale of investments	(0.84)	(3.61)
	Dividend on investments and from subsidiaries	(7.53)	(0.86)
	Interest expense/(income) (net)	55.08	(18.55)
		89.75	15.26
	Operating profit before working capital changes in :	157.98	118.09
	(Increase)/decrease in trade and other receivables	(179.22)	(291.74)
	(Increase)/decrease in inventories	81.05	(269.59)
	Increase/(decrease) in trade and other payables	181.80	(149.48)
		83.63	(710.81)
	<b>Cash generated from/(used in) operations</b>	241.61	(592.72)
	Direct taxes paid (net of refunds)	(14.38)	(19.68)
	<b>Net cash from/(used in) operating activities</b>	<b>227.23</b>	<b>(612.40)</b>





## Cash Flow Statement for the year ended 31st March, 2015

(₹ in crore)

B.	Cash flows from investing activities :	2014-15		2013-14	
	Purchase of fixed assets	(57.78)		(100.02)	
	Sale of fixed assets	2.78		5.81	
	Purchase of shares in subsidiary				
	- Apar Chematek Lubricants Ltd.	(1.45)		-	
	Investment in Mutual fund (net)	1.62		81.73	
	Dividend received	7.53		0.86	
	<b>Net cash from/(used in) investing activities</b>		<b>(47.30)</b>		<b>(11.62)</b>
C.	Cash flows from financing activities :				
	Proceeds/(repayments) from/of fixed deposits (net)	(24.21)		3.25	
	Proceeds from issue of shares (Net of expenses)	0.54		-	
	Proceeds/(repayments) from short term borrowings	(317.70)		(227.66)	
	Proceeds/(repayments) of long term borrowings	43.39		36.97	
	Interest received/(paid) - net	(47.84)		30.18	
	Dividend paid	(20.15)		(20.15)	
	Tax on dividends	(3.43)		(3.43)	
	<b>Net cash from/(used in) financing activities</b>		<b>(369.40)</b>		<b>(180.84)</b>
	<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>		<b>(189.47)</b>		<b>(804.86)</b>
	<b>Cash and cash equivalents at the beginning of year</b>		<b>227.23</b>		<b>1,032.09</b>
	<b>Cash and cash equivalents at the end of year</b>		<b>37.76</b>		<b>227.23</b>

### Notes :

- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 Cash Flow Statements.
- Purchase of fixed assets includes movement of capital work-in-progress during the year.
- Cash and cash equivalents represents cash and bank balances and include margin money of ₹ 5.91 crore; (Previous year ₹ 136.06 crore) and unrealised gain of ₹ 0.38 crore; (Previous year unrealised loss of ₹ 0.20 crore) on account of translation of foreign currency bank balances.
- Previous year's figures have been regrouped wherever necessary.

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors

**Milind P. Phadke**  
Partner  
Membership No. 033013  
Mumbai, 14th May, 2015

**Kushal N. Desai**  
Managing Director &  
Chief Executive Officer  
Mumbai, 14th May, 2015

**Dr. N.K. Thingalaya**  
Director

**V. C. Diwadkar**  
Chief Financial Officer

**Sanjaya R. Kunder**  
Company Secretary



## Notes Accompanying to the Financial Statements

### Note 1 Significant Accounting Policies

#### 1. Basis of Preparation of financial statements :

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost-convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except, where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

#### 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) (i) Depreciation on assets is provided over the useful lives of assets as prescribed under Schedule II of the Companies Act, 2013.
- (ii) In respect of following assets, based on management experience and independent technical evaluation carried out by external technical consultants, the management has estimated useful lives, which are different then prescribed in Schedule II.

Description of Assets	Useful Life in Schedule II	Useful Life as per technical consultant
Plant & Machinery –Oil division [other than filling lines]	15 Years	20 Years
Plant & Machinery- Conductor Division	15 Years	20 Years
Plant & Machinery -Cable Division	15 Years	25 Years

- (iii) Depreciation is provided 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.
- (iv) Capital Expenditure in respect of which ownership does not vest with the Company is amortized over a period of five years. Leasehold land is amortized over the period of lease.
- (v) In respect of Cable division all assets are depreciated on straight line method.
- (vi) Borrowing costs attributable to acquisition/construction of qualifying assets within the meaning of the Accounting Standard (AS) 16 'Borrowing Costs' are capitalised as a part of the cost of fixed assets.
- (vii) 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 realizable value. Cost includes material cost, cost of labour and attributable manufacturing overheads. Cost of materials is arrived at on weighted average 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

<b>Note</b>	<b>1</b>	<b>Significant Accounting Policies (Contd.)</b>
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### 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 amortized over vesting period.

### 9. Voluntary retirement schemes :

Compensations paid under voluntary retirement schemes are amortized 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 amortized over a period of 5 years on successful implementation.

### 11. Share issue expenses :

Share issue expenses are written off against share premium account if any or amortized over a period of 5 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 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.



## Notes Accompanying to the Financial Statements

<b>Note</b>	<b>1</b>	<b>Significant Accounting Policies (Contd.)</b>
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### 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. The benefits in the form of entitlements to status holders licenses are accounted when licenses are utilised.

### 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 :

- 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.
- 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.
- 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.
- 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 advice 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 :

- income on investment in incorporated jointly controlled entity is recognised when the right to receive the same is established.
- investment in such joint venture is carried at cost after providing for any Permanent diminution in value.

### 21. Borrowing costs :

- Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized 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 months) to get ready for its intended use or sale.
- 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 crore)

	31 March 2015	31 March 2014
<b>Authorised</b>		
91,998,750 Equity shares of ₹ 10 each	92.00	92.00
( Previous year 91,998,750 Equity shares of ₹ 10 each)		
<b>Issued</b>		
38,496,503 Equity shares of ₹ 10 each	38.50	38.47
(Previous year 38,470,431 Equity shares of ₹ 10 each)		
<b>Subscribed and Paid up</b>		
38,496,503 Equity shares of ₹ 10 each fully paid	38.50	38.47
(Previous year 38,470,431 Equity shares of ₹ 10 each fully paid )		
<b>Total</b>	<b>38.50</b>	<b>38.47</b>

#### Notes :

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

##### Equity Shares

	31 March 2015		31 March 2014	
	No of Shares	₹ crore	No of Shares	₹ crore
At the beginning of the year	38,470,431	38.47	38,470,431	38.47
Issued during the year	*26,072	0.03	-	-
<b>Outstanding at the end of the year</b>	<b>38,496,503</b>	<b>38.50</b>	<b>38,470,431</b>	<b>38.47</b>

\*Issued during the year to the Employees / Director under Apar Industries Limited Stock Option Plan – 2007 at ₹207.05 per share.

#### b. Terms/rights attached to equity shares

- The Company has 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.
- During the year ended 31st March 2015, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 3.50, ( Previous year ₹ 5.25 ).
- 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.

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

	31 March 2015		31 March 2014	
	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	7,271,761	18.89%	7,371,861	19.16%
Kushal N. Desai	7,378,428	19.17%	7,378,528	19.18%
Chaitanya N. Desai	7,367,260	19.14%	7,367,360	19.15%
Templeton Strategic Emerging Markets Fund III, L.D.C.	3,636,363	9.45%	3,636,363	9.45%
Reliance Capital Trustee Co Ltd. A/c. Reliance Diversified Power Sector Fund	1,437,992	3.74%	1,931,313	5.02%

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.



## Notes Accompanying to the Financial Statements

### Note 2 Share Capital (Contd.)

#### d. Shares reserved for issue under options

The Company provides share-based payment to its employees. During the year ended 31st March 2015, 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.

		31 March 2015	31 March 2014
i.	Outstanding at the beginning of the year	99,294	175,150
ii.	Vested during the year	-	-
iii.	Forfeited during the year	63,551	75,856
iv.	Exercised during the year	26,072	-
v.	Outstanding at the end of the year	9,671	99,294
vi.	Exercisable at the end of the year	9,671	99,294

During the year, Company has allotted 26072 equity shares of ₹ 10/- each to employees/Directors of the Company under Employee stock option plan 2007 at an exercise price of ₹ 207.05 per share.

### Note 3 Reserves and Surplus

(₹ in crore)

	31 March 2015	31 March 2014
<b>Capital Reserve</b>		
Balance as per the last balance sheet	23.77	23.77
<b>Closing balance</b>	<b>23.77</b>	<b>23.77</b>
<b>Capital Redemption Reserve</b>	<b>14.75</b>	<b>14.75</b>
<b>Securities Premium Account</b>		
Balance as per the last balance sheet	176.35	176.35
Add: Premium on issue of shares (Refer Note 2(d))	0.51	-
<b>Closing Balance</b>	<b>176.86</b>	<b>176.35</b>
<b>Cash Flow Hedging Reserve</b>		
Balance as per the last balance sheet	(0.28)	(1.69)
Add: (Deduction)/Addition during the year (net)	(0.52)	1.41
<b>Closing Balance</b>	<b>(0.80)</b>	<b>(0.28)</b>
<b>General Reserve</b>		
Balance as per the last balance sheet	170.00	150.00
Add: Amount transferred from the Statement of profit and loss	5.00	20.00
<b>Closing Balance</b>	<b>175.00</b>	<b>170.00</b>
<b>Surplus / (deficit) in the Statement of profit and loss</b>		
Balance as per last balance sheet	183.71	158.55
Add: Profit for the year	47.86	68.79
<b>Less: Appropriations</b>		
Transitional provision for : Depreciation charge (Refer Note 12)	(4.30)	-
: Deferred tax on above (Refer Note 12)	1.46	-
Proposed final equity dividend (Amount per share ₹ 3.50 (Previous year ₹ 5.25))	(13.47)	(20.20)
Tax on proposed dividend	(1.42)	(3.43)
Transfer to General Reserve	(5.00)	(20.00)
<b>Total appropriations</b>	<b>(22.73)</b>	<b>(43.63)</b>
<b>Net surplus In the Statement of profit and loss</b>	<b>208.84</b>	<b>183.71</b>
<b>Total Reserves and Surplus</b>	<b>598.42</b>	<b>568.30</b>



## Notes Accompanying to the Financial Statements

### Note 4 Long - Term Borrowings

(₹ in crore)

	31 March 2015	31 March 2015	31 March 2014	31 March 2014
	Non-Current	Current	Non-Current	Current
<b>Secured Loans</b> (Refer Note below)				
<b>Term loans</b>				
Foreign currency loan from banks	48.12	9.37	55.13	8.99
Rupees Term Loan from bank	46.67	3.33	-	-
<b>Unsecured Loans</b>				
<b>Deposits</b>				
Public deposits	-	-	14.35	4.77
Deposits from directors	-	-	0.65	0.01
<b>Total</b>	<b>94.79</b>	<b>12.70</b>	<b>70.13</b>	<b>13.77</b>

#### Note:

- The Foreign Currency term loan from Credit Agricole CI Bank, Singapore is secured by exclusive charge on the assets acquired by the Company with the proceeds of the facility.
- The Foreign Currency term loan from Union Bank of India, Hong Kong is secured by first charge by way of equitable mortgage by deposit of title deeds of Company's Athola properties and exclusive hypothecation charge on the assets acquired by the Company with the proceeds of the facility situated at other locations.
- The rupees term loan from ING Vysya Bank Ltd (Now Kotak Mahindra Bank) is secured by first charge by way of equitable mortgage by deposit of title deed of Company's Khatalwada properties and hypothecation of movable plant & machinery at Khatalwada excluding movable machinery hypothecated to ECB Lenders.
- Terms of repayment of term loan.
  - In respect of Foreign Currency Term Loans from Bank in August, 2015 ₹ 9.37 crore, in May, 2016 ₹10.00 crore, in August, 2016 ₹ 12.50 crore, in May, 2017 ₹ 11.25 crore, in May, 2018 ₹ 14.37 crore,.
  - In respect of Rupee Term Loan from Bank in 15 quarterly installments commencing from March, 2016 till September, 2019, 14 installments of ₹ 3.33 crore each and last of ₹ 3.34 crore.

### Note 5 Deferred Tax Liabilities (Net)

(₹ in crore)

	31 March 2015	31 March 2014
Deferred tax liability arising on account of timing difference in:		
Book and tax depreciation	35.17	30.13
Deferred tax assets arising on account of timing difference in:		
Allowances for doubtful debts and advances	(5.04)	(4.96)
Provision for gratuity and leave salary	(1.56)	(1.19)
Voluntary retirement scheme	(1.02)	(1.45)
<b>Total</b>	<b>27.55</b>	<b>22.53</b>

### Note 6 Other Long-Term Liabilities

(₹ in crore)

	31 March 2015	31 March 2014
Advance from customers	-	4.67
Deposits from dealers	2.19	1.98
<b>Total</b>	<b>2.19</b>	<b>6.65</b>





## Notes Accompanying to the Financial Statements

### Note 7 Long-Term Provisions

(₹ in crore)

	31 March 2015	31 March 2014
<b>Provision for employee benefits</b>		
Provision for gratuity- In respect of directors	0.62	0.52
Provision for leave benefits (Refer Note 33)	3.08	2.33
<b>Total</b>	<b>3.70</b>	<b>2.85</b>

### Note 8 Short-Term Borrowings

(₹ in crore)

		31 March 2015	31 March 2014
<b>Secured Loans</b>			
Working capital loans from banks (Refer Notes below)			
Rupee loans	0.00		2.58
Packing credit loan in foreign currency from banks	162.32		140.70
		162.32	143.28
<b>Unsecured Loans</b>			
Packing credit loan in foreign currency from banks		91.58	81.86
Buyer's Credit in foreign currency		132.77	478.42
Loans and Advances from related parties repayable on demand		-	-
Public deposits		-	0.58
Deposits from Directors		-	3.85
<b>Total</b>		<b>386.67</b>	<b>707.99</b>

**Note:**

Working capital loans from banks (secured) ₹ 162.32 crore are secured by :

- hypothecation of specified stocks, specified book debts of the Company.
- first charge by way of equitable mortgage by deposit of title deeds of Company's specified immovable properties, both present and future.

### Note 9 Trade Payables

(₹ in crore)

	31 March 2015	31 March 2014
<b>Trade payables (including acceptances) (Refer Note below)</b>		
Due to micro and small enterprises	5.08	7.79
Due to other than micro and small enterprises	1,545.48	1,351.30
Due to subsidiary companies	10.59	27.31
<b>Total</b>	<b>1,561.15</b>	<b>1,386.40</b>



## Notes Accompanying to the Financial Statements

### Note :

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

(₹ in crore)

		31 March 2015	31 March 2014
(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 and small enterprises has been determined on the basis of information available with the Company).

Note	10	Other Current Liabilities
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(₹ in crore)

	31 March 2015	31 March 2014
<b>Current maturities of long-term borrowings</b>		
Current portion of long-term foreign currency loan (Refer Note 4)	9.37	8.99
Current portion of long-term Rupee loan (Refer Note 4)	3.33	-
Public deposits	-	4.77
Deposits from directors	-	0.01
Interest accrued but not due on borrowings	7.84	6.38
<b>Investor Education and Protection Fund</b> (Refer Note (a) below)		
Unclaimed dividend	0.73	0.68
Creditors for capital expenditure	4.36	4.31
Statutory dues towards Government	6.39	8.29
Other payables (Refer Note (b) below)	88.37	63.83
<b>Total</b>	<b>120.39</b>	<b>97.26</b>

### Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March, 2015.

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

Note	11	Short-Term Provisions
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(₹ in crore)

	31 March 2015	31 March 2014
<b>Provision for employee benefits</b>		
Liability to the Employee Gratuity Fund (Refer Note 33 )	-	0.00
Provision for leave benefits (Refer Note 33 )	0.80	0.66
<b>Sub Total</b>	<b>0.80</b>	<b>0.66</b>
<b>Other provisions</b>		
Proposed dividend	13.47	20.20
Provision for tax on proposed dividend	1.42	3.43
<b>Sub Total</b>	<b>14.89</b>	<b>23.63</b>
<b>Grand Total</b>	<b>15.69</b>	<b>24.29</b>



## Notes Accompanying to the Financial Statements

Note	12	Fixed Assets													
			Gross Block					Depreciation			Net Block				
		As at 01-04-2014	Additions	Deductions	Other Adjustment	As at 31-03-2015	Upto 31-03-2014	For the year	Deductions/ Adjustments	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014			
(i) Tangible assets															
	Land- Freehold	25.79	0.08	-	-	25.87	-	-	-	-	25.87	25.79			
	Land-Leasehold	12.14	-	-	-	12.14	1.40	0.14	-	1.54	10.60	10.74			
	Building (Refer Note below)	121.62	9.33	-	-	130.95	19.00	4.65	0.30	23.95	107.00	102.62			
	Plant and machinery (Refer Note below)	339.91	53.35	[10.68]	4.76	387.34	157.56	21.51	[4.60]	174.47	212.87	182.35			
	Furniture and fixtures	9.62	0.58	[0.08]	-	10.12	5.91	0.66	0.01	6.58	3.54	3.71			
	Equipments	16.45	2.03	[0.35]	-	18.13	10.31	1.99	0.35	12.65	5.48	6.14			
	Motor vehicles	6.92	1.98	[0.77]	-	8.13	3.61	1.17	[0.58]	4.20	3.93	3.31			
	Sub total (i)	532.45	67.35	[11.88]	4.76	592.68	197.79	30.12	[4.52]	223.39	369.29	334.66			
(ii) Intangible assets															
	Specialised software	6.57	1.18	-	-	7.75	3.95	0.87	-	4.82	2.93	2.62			
	Non compete fee	0.54	-	-	-	0.54	0.08	0.05	-	0.13	0.41	0.46			
	Sub total (ii)	7.11	1.18	-	-	8.29	4.03	0.92	-	4.95	3.34	3.08			
	Total (i+ii)	539.56	68.53	[11.88]	4.76	600.97	201.82	31.04	[4.52]	228.34					
	31 March 2014	434.24	125.52	[22.89]	2.69	539.56	191.93	26.89	[17.00]	201.82					
(iii) Capital work-in-progress-Tangible assets															
	Buildings										3.71	2.61			
	Plant and machinery										5.76	15.47			
	Sub total (iii)										9.47	18.08			
(iv) Intangible assets under development															
	Specialised software										-	-			
	Sub total (iv)										-	-			
	Grand Total										382.10	355.82			

### Note:

- Includes expenditure on Research and development ₹ 0.03 crore, (Previous year ₹ 0.67 crore) for Plant and machinery and ₹ nil, (Previous year ₹ nil) for Building. (Refer Note 32 (A)).
- 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, ₹ 4.76 crore (Previous year ₹ 2.69 crore) have been capitalised to Plant and machinery. (Refer Note 1(i)(v)) The unamortised amount of such exchange differences, as on 31st March, 2015 is ₹ 10.58 crore (Previous year ₹ 6.83 crore)
- During the year the Company has revised the depreciation rate on certain fixed assets as per the useful life specified in the schedule II to the Companies Act, 2013 or in some cases based on technical evaluation done by independent technical consultant. The depreciation of ₹ 4.30 crore on account of assets whose useful life is already exhausted as on 1st April, 2014 (net of deferred tax of ₹ 1.46 crore), have been adjusted to retained earning. Had there not been any change in useful life of assets, the depreciation for the year would have been higher by ₹ 2.98 crore. (Refer Note 1(3)).

## Notes Accompanying to the Financial Statements

Note 13 Non-Current Investments		
(₹ in crore)		
	31 March 2015	31 March 2014
<b>A. Investment in Equity Instruments</b>		
<b>In subsidiary companies</b>		
- 100,000; (Previous year 100,000) Ordinary shares of S\$ 1 each fully paid in Petroleum Specialities Pte Limited, Singapore	0.26	0.26
- 6,767,250 ; (Previous year 6,598,069) Equity shares of Apar Lubricants Limited of ₹ 10 each, fully paid up	29.67	28.23
	<b>29.93</b>	<b>28.49</b>
Aggregate book value of unquoted investments	29.93	28.49
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-

### Notes:

- 1) Registration of Petroleum Specialities FZE in Hamriyah, Sharjah: The Company's Wholly-owned Subsidiary, Petroleum Specialities Pte. Ltd, Singapore, (PSPL) is setting up a manufacturing facility in the Hamriyah Free Zone Authority, UAE, for the manufacture of a comprehensive range of Speciality oils and Lubricants. For the purpose, it has incorporated on 18th November, 2014, a wholly owned subsidiary Company Viz Petroleum Specialities FZE, in the Free trade Zone, Sharjah, UAE.
- 2) During the year, the Company (AIL) has purchased 169,181 Equity shares representing 2.50% of the Share of Apar Chematek Lubricants Limited (ACLL) held by Chematek S.p.A. The said shares were transferred in the name of the Company on 22nd July, 2014. Consequent upon the transfer of above 169,181 equity shares in the name of AIL, the shareholding of AIL in ACLL was increased to 100%. The name of the Company (ACLL) was change from 'Apar Chematek Lubricants Limited' to 'Apar Lubricants Limited' with effect from 5th September, 2014.

During the year, the Board of Directors of Apar Lubricants Limited (ALL) and Apar Industries Limited (AIL) at their respective Board Meetings held on 5th February, 2015, have decided to amalgamate ALL with AIL with effect from the Appointed Date of 1st January, 2015, subject to the approvals of the Hon'able High Court of Gujarat and other regulatory authorities.

Note 14 Long-Term Loans and Advances		
(₹ in crore)		
	31 March 2015	31 March 2014
<b>Unsecured, considered good</b>		
Capital advances	2.39	9.24
Security deposit	4.94	5.69
Others loans and advances	29.02	22.72
Income tax paid against disputed demands	6.99	6.99
<b>Total</b>	<b>43.34</b>	<b>44.64</b>

Note 15 Current Investments				
	Units as at 31 March 2015	31 March 2015	Units as at 31 March 2014	31 March 2014
		Rs. in crore		Rs. in crore
<b>Investments in Liquid funds</b>				
Union KBC Liquid Fund Growth-Direct Plan	940.53	0.13	-	-
Union KBC Small and Midcap Fund Regular Plan-Growth	539,700.00	0.54	-	-
Union KBC Ultra Short Term Debt Fund-Growth-Direct Plan	384.26	0.05	-	-
Union KBC Fixed Maturity Plan Series 7- Growth	-	-	500,000	0.50
Union KBC Fixed Maturity Plan Series 7- Growth Direct Plan	-	-	1,000,000	1.00
<b>Total</b>		<b>0.72</b>		<b>1.50</b>

(₹ in crore)

	31 March 2015	31 March 2014
Aggregate market value of quoted investments	0.84	1.60
<b>Total</b>	<b>0.84</b>	<b>1.60</b>



## Notes Accompanying to the Financial Statements

### Note 16 Inventories

(₹ in crore)

	31 March 2015	31 March 2014
Raw materials and components	383.96	503.02
Raw materials-in transit	218.30	270.42
Work-in-progress	86.55	88.64
Finished goods	208.69	119.38
Stock-in-trade	10.18	8.16
Stock-in-trade -in transit	1.07	0.52
Stores and spares	20.64	20.30
<b>Total</b>	<b>929.39</b>	<b>1,010.44</b>

### Note 17 Trade Receivables

(₹ in crore)

	31 March 2015	31 March 2014
<b>Unsecured, considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	0.03	0.03
Unsecured, considered good	59.09	26.89
Unsecured, considered doubtful	14.57	14.60
	73.69	41.52
Less: Allowances for doubtful debts	14.57	14.60
<b>Sub Total</b>	<b>59.12</b>	<b>26.92</b>
<b>Other receivables</b>		
Secured, considered good	0.49	0.49
Unsecured, considered good (Refer Note below)	1,179.56	1,016.80
<b>Sub Total</b>	<b>1,180.05</b>	<b>1,017.29</b>
<b>Grand Total</b>	<b>1,239.17</b>	<b>1,044.21</b>

Note : Includes receivable from subsidiaries/ down-stream subsidiaries

	31 March 2015	31 March 2014
Due from a subsidiary		
Quantum Apar Speciality Oils Pty Ltd.	7.02	7.63
<b>Total</b>	<b>7.02</b>	<b>7.63</b>



## Notes Accompanying to the Financial Statements

### Note 18 Cash and Bank Balances

(₹ in crore)

	31 March 2015	31 March 2014
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
On current accounts	27.61	74.11
On deposits with original maturity of less than three months	-	12.25
On unclaimed dividend account (Refer Note (i) below)	0.73	0.68
Cash on hand	0.13	0.10
Cheques on hand	1.02	2.95
Funds in transit	-	1.08
<b>Sub Total</b>	<b>29.49</b>	<b>91.17</b>
<b>Other bank balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	2.36	-
Margin money deposit (Refer Note (ii) below)	5.91	136.06
<b>Sub Total</b>	<b>8.27</b>	<b>136.06</b>
<b>Grand Total</b>	<b>37.76</b>	<b>227.23</b>

**Note :**

- (i) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2015.
- (ii) Against letters of credit for Company's import of raw materials and working capital loans.

### Note 19 Short-Term Loans and Advances

(₹ in crore)

	31 March 2015	31 March 2014
<b>Unsecured, considered good</b>		
Loans and advances to related parties	0.15	0.00
<b>Others</b>		
Advances recoverable in cash or in kind or for value to be received	108.38	109.98
Balances with statutory/government authorities	39.49	54.21
<b>Total</b>	<b>148.02</b>	<b>164.19</b>
<b>Loans and advances to related party</b>		
AIL Benefit Trust	0.00	0.00
Petroleum Specialities Pte. Ltd (a subsidiary Company)	0.15	-
<b>Total</b>	<b>0.15</b>	<b>0.00</b>

Loans and advances to subsidiary companies	31 March 2015 ₹ in crore	Maximum amount due at any time during the year ₹ in crore	31 March 2014 ₹ in crore	Maximum amount due at any time during the year ₹ in crore
Petroleum Specialities Pte. Ltd (a subsidiary Company)	0.15	0.15	-	-



## Notes Accompanying to the Financial Statements

### Note 20 Other Current Assets

(₹ in crore)

		31 March 2015	31 March 2014
Interest accrued but not due on fixed deposits		0.35	6.15
Interest accrued but not due on security deposits		0.05	0.02
Assets held for sale		0.02	0.02
Receivable from ALL Benefit Trust			
- Original value of investment	83.44		83.44
- Provision for diminution in value	(55.55)		(55.55)
		27.89	27.89
Other receivable		10.31	14.27
<b>Total</b>		<b>38.62</b>	<b>48.35</b>

### Note 21 Revenue from Operations

(₹ in crore)

	31 March 2015	31 March 2014
<b>Sale of products</b>		
Finished goods	5,359.48	4,784.29
Raw materials	22.95	36.30
Traded goods	67.09	82.87
<b>Total</b>	<b>5,449.52</b>	<b>4,903.46</b>
<b>Sale of services</b>	6.45	2.66
<b>Other operating revenue</b>		
Others	42.29	47.70
<b>Total</b>	<b>42.29</b>	<b>47.70</b>
<b>Revenue from operations (gross)</b>	<b>5,498.26</b>	<b>4,953.82</b>
Less : Excise duty	487.29	471.92
<b>Revenue from operations (net)</b>	<b>5,010.97</b>	<b>4,481.90</b>

### Note 21.1 Details of products sold

(₹ in crore)

	31 March 2015	31 March 2014
<b>Finished goods sold</b>		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	2,308.84	2,457.03
AAC/AAAC/ACSR- Conductor, Aluminium Rods	2,448.55	1,701.37
Cables	601.76	625.89
Thermoplastic Elastomers	0.33	-
<b>Sub Total</b>	<b>5,359.48</b>	<b>4,784.29</b>
<b>Raw materials sold</b>		
Base Oils and additives	19.86	31.98
Ferrous metal and Non-ferrous metals	3.09	4.32
<b>Sub Total</b>	<b>22.95</b>	<b>36.30</b>
<b>Traded goods sold</b>		
Thermoplastic Elastomers	22.84	17.76
Lubricants	15.33	14.56
Aluminium and GSW Steel Wire, etc.	15.40	50.43
others	13.52	0.12
<b>Sub Total</b>	<b>67.09</b>	<b>82.87</b>
<b>Grand Total</b>	<b>5,449.52</b>	<b>4,903.46</b>



## Notes Accompanying to the Financial Statements

<b>Note</b>	<b>22</b>	<b>Other Income</b>
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(₹ in crore)

	<b>31 March 2015</b>	<b>31 March 2014</b>
Dividend income from AIL Benefit Trust	0.86	0.86
Dividend received from subsidiary company	6.67	-
Net gain on sale of short-term investment in liquid funds	0.84	3.61
<b>Total</b>	<b>8.37</b>	<b>4.47</b>

<b>Note</b>	<b>23</b>	<b>Cost of Raw Materials and Components consumed</b>
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(₹ in crore)

	<b>31 March 2015</b>	<b>31 March 2014</b>
Inventory at the beginning of the year	773.44	517.84
Add: Purchases	3,841.17	3,756.02
	4,614.61	4,273.86
Less: inventory at the end of the year	602.26	773.44
<b>Cost of raw materials and components consumed</b>	<b>4,012.35</b>	<b>3,500.42</b>

<b>Note</b>	<b>23.1</b>	<b>Details of Raw Materials and Components consumed</b>
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(₹ in crore)

	<b>31 March 2015</b>	<b>31 March 2014</b>
Non-ferrous metals	1,911.49	1,405.22
Ferrous metals	189.65	108.34
Chemicals	62.09	54.57
Base Oils	1,638.31	1,735.10
XLPE- Compound	79.18	35.24
Others	131.63	161.95
<b>Total</b>	<b>4,012.35</b>	<b>3,500.42</b>

<b>Note</b>	<b>24</b>	<b>Purchases of Stock-in-trade</b>
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(₹ in crore)

	<b>31 March 2015</b>	<b>31 March 2014</b>
Thermoplastic Elastomers	22.56	14.50
Lubricants	13.10	12.49
Aluminium and GSW Steel Wire, etc.	15.22	50.26
Others	12.49	0.10
<b>Total</b>	<b>63.37</b>	<b>77.35</b>





## Notes Accompanying to the Financial Statements

### Note 25 Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade

(₹ in crore)

	31 March 2015	31 March 2014
<b>Inventories at the end of the year</b>		
Finished goods	208.69	119.38
Work-in-progress	86.55	88.64
Traded goods	11.25	8.68
<b>Sub Total</b>	<b>306.49</b>	<b>216.70</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	119.38	118.60
Work-in-progress	88.64	81.21
Traded goods	8.68	9.17
<b>Sub Total</b>	<b>216.70</b>	<b>208.98</b>
<b>Grand Total</b>	<b>(89.79)</b>	<b>(7.72)</b>

### Note 25.1 Details of Inventory

(₹ in crore)

	31 March 2015	31 March 2014
<b>Finished goods</b>		
Transformer Oils / Special Grade-Pharmaceutical Oils / Other Specialities Oils - (including R.P.Oils)	64.28	53.58
AAC/AAAC/ACSR- Conductors	113.54	33.99
Cables	30.59	31.81
Thermoplastic Elastomers	0.28	-
<b>Total</b>	<b>208.69</b>	<b>119.38</b>
<b>Work-in-progress</b>		
Oil	12.88	14.24
Conductor	45.71	32.58
Cables	27.96	41.82
<b>Total</b>	<b>86.55</b>	<b>88.64</b>
<b>Traded goods</b>		
Thermoplastic Elastomers	7.11	4.33
Lubricants	4.14	4.35
<b>Total</b>	<b>11.25</b>	<b>8.68</b>

### Note 26 Employee Benefits Expense

(₹ in crore)

	31 March 2015	31 March 2014
Salaries, wages and bonus	61.42	52.28
Contribution to provident and other funds ( Refer Note 33)	4.71	3.81
Staff welfare expenses	3.85	3.08
<b>Total</b>	<b>69.98</b>	<b>59.17</b>



## Notes Accompanying to the Financial Statements

Note 27 Other Expenses			
(₹ in crore)			
		31 March 2015	31 March 2014
Consumption of stores and spares		20.58	13.72
Packing materials		177.83	152.42
Excise duty adjustment of finished goods stock		8.20	2.18
Storage charges		9.07	8.81
Power, electricity and fuel		59.36	56.40
Processing charges, fabrication and labour charges		64.67	50.45
Freight and forwarding charges		186.74	145.23
Rent		2.08	1.94
Rates and taxes		5.70	4.01
Insurance		8.36	7.03
Repairs and maintenance			
Plant and machinery		2.73	3.17
Buildings		1.96	1.34
Others		3.59	3.17
Advertising and sales promotion		2.97	1.63
Sales commission		38.29	26.87
Travelling and conveyance		10.70	9.99
Printing and stationery		1.40	1.52
Legal and professional fees		9.23	7.93
Directors' sitting fees		0.09	0.07
Commission to Chairman, Managing Director and Joint Managing Director		2.00	3.23
Discount and rebates		12.92	7.76
Lease rental		0.86	0.22
Donation*		0.14	0.47
Royalty		7.93	7.52
Marketing fees		17.37	16.61
Bank charges and commission		11.95	9.01
Bad debts and advances written-off	13.01		3.35
Less: Allowances for doubtful debts utilised	(0.36)		(0.08)
		12.65	3.27
Allowances for doubtful debts and advances		0.34	4.06
Loss on sale of fixed assets (net)		0.27	0.07
Miscellaneous expenses		33.85	34.17
<b>Total</b>		<b>713.83</b>	<b>584.27</b>

\* Donation for FY 2014-15 represents spend towards Corporate Social Responsibility Activities, previous year 'NIL'

Note 27.1 Miscellaneous Expenses (includes Auditors' Remuneration)			
(₹ in crore)			
		31 March 2015	31 March 2014
<b>As auditor :</b>			
Audit fee		0.24	0.24
Other services		0.14	0.14
Reimbursement of expenses		0.01	0.01
<b>Cost auditor's remuneration</b>			
For Audit fees		0.01	0.01
		<b>0.40</b>	<b>0.40</b>



## Notes Accompanying to the Financial Statements

### Note 28 Exceptional Items

(₹ in crore)

	31 March 2015	31 March 2014
Voluntary Retirement Compensation	0.25	0.86
<b>Total</b>	<b>0.25</b>	<b>0.86</b>

### Note 29 Finance Costs

(₹ in crore)

	31 March 2015	31 March 2014
<b>Interest expenses</b>		
Interest expenses	63.96	50.61
Bank charges for borrowing	10.34	14.60
Applicable net loss on foreign currency transactions and translation	84.67	149.76
<b>Sub Total</b>	<b>158.97</b>	<b>214.97</b>
<b>Interest income on</b>		
Bank deposits	(2.67)	(66.74)
Others	(6.21)	(2.42)
<b>Sub Total</b>	<b>(8.88)</b>	<b>(69.16)</b>
<b>Grand Total</b>	<b>150.09</b>	<b>145.81</b>

### Note 30 Earnings Per Share (EPS)

Sr.No.	Particulars	31 March 2015	31 March 2014
1	Profit after tax and before extraordinary items- in ₹ in crore	47.86	68.79
2	Profit after tax and extraordinary items- in ₹ in crore	47.86	68.79
3	Weighted Number of Equity Shares outstanding during the year	3.85	3.85
4	Nominal Value of Equity Shares in ₹	10.00	10.00
5	<b>Earnings Per Share - in ₹</b>		
	Basic and Diluted (before extraordinary items)	<b>12.44</b>	<b>17.88</b>
	Basic and Diluted (after extraordinary items)	<b>12.44</b>	<b>17.88</b>



## Notes Accompanying to the Financial Statements

<b>Note</b>	<b>31</b>	<b>Contingent Liabilities and Commitments</b>
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(₹ in crore)

		<b>31 March 2015</b>	<b>31 March 2014</b>
<b>A)</b>	<b>Contingent liabilities not provided for:</b>		
	(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)	7.15	7.19
	Service tax	0.20	0.20
	Customs duty	4.81	4.81
	Sales tax	12.88	12.72
	(ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	9.28	8.66
	(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.	4.45	4.45
	(iv) Labour matters	2.12	7.43
	(v) Others	6.47	6.35
	(b) Bills of exchange discounted	57.84	243.64
	(c) Taxation:		
	Disputed demands of income tax	6.99	6.99
<b>B)</b>	<b>Capital commitments</b>		
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	5.80	14.47



## Notes Accompanying to the Financial Statements

### Note 32 Research and Development Expenses :

(₹ in crore)

<b>(A) R &amp; D Center-OIL (Rabale - DSIR Recognised)</b>			
		<b>31 March 2015</b>	<b>31 March 2014</b>
(a)	Salary, wages and other benefits	1.97	1.63
	Consumables and Other expenses	0.11	0.13
	<b>Sub-Total</b>	<b>2.08</b>	<b>1.76</b>
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	0.03	0.64
	<b>Sub-Total</b>	<b>0.03</b>	<b>0.64</b>
	<b>Total</b>	<b>2.11</b>	<b>2.40</b>
<b>(B) R &amp; D Center-Conductor (Silvassa)</b>			
		<b>31 March 2015</b>	<b>31 March 2014</b>
(a)	Salary, wages and other benefits	-	-
	Consumables and other expenses	3.53	0.60
	<b>Sub-Total</b>	<b>3.53</b>	<b>0.60</b>
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
	<b>Sub-Total</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>3.53</b>	<b>0.60</b>
<b>(C) R &amp; D Center-Cable (Khatalwad)</b>			
		<b>31 March 2015</b>	<b>31 March 2014</b>
(a)	Salary, wages and other benefits	0.14	0.21
	Consumables and other expenses	0.53	0.33
	<b>Sub-Total</b>	<b>0.67</b>	<b>0.54</b>
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	0.03
	<b>Sub-Total</b>	<b>-</b>	<b>0.03</b>
	<b>Total</b>	<b>0.67</b>	<b>0.57</b>
	<b>Grand Total (A+B+C)</b>	<b>6.31</b>	<b>3.57</b>



## Notes Accompanying to the Financial Statements

### Note 33 Gratuity and other post-employment benefit plans :

(₹ in crore)

	31 March 2015	31 March 2014
<b>Defined Contribution Plan</b>		
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.	2.40	2.07
Employer's Contribution to Superannuation Fund.	0.98	0.82

#### 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.

#### (i) Changes in Defined Benefit Obligation during the year

(₹ in crore)

	31 March 2015		31 March 2014	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation at beginning of the year	5.56	2.99	5.74	2.67
Current Service Cost	0.46	0.40	0.34	0.39
Interest Cost	0.52	0.28	0.37	0.20
Actuarial (gain) / loss	0.98	1.10	0.36	0.51
Benefits paid	(0.42)	(0.89)	(1.25)	(0.78)
Defined Benefit obligation at end of the year	7.10	3.88	5.56	2.99
<b>(ii) Changes in fair value of Plan Assets</b>				
Fair value of plan assets at beginning of the year	5.56		5.69	
Expected return on plan assets	0.48		0.39	
Actuarial gain / (loss)	0.27		(0.10)	
Employer Contribution	1.26	0.89	0.84	0.78
Benefit paid	(0.42)	(0.89)	(1.26)	(0.78)
Fair value of plan assets at year end	7.15		5.56	
Actual return on plan assets	0.75		0.29	
<b>(iii) Net Asset / (liability) recognised in the Balance Sheet as at 31st March, 2015</b>				
Fair Value of plan assets	7.15	-	5.56	-
Present value of obligation	(7.10)	(3.88)	(5.56)	(2.99)
Amount recognised in balance sheet	0.05	(3.88)	(0.00)	(2.99)
<b>Recognised under:</b>				
Long term Provision (Refer Note 7)	-	(3.08)	-	(2.33)
Short term Provision (Refer Note 11)	0.05	(0.80)	0.00	(0.66)
<b>Total</b>	<b>0.05</b>	<b>(3.88)</b>	<b>0.00</b>	<b>(2.99)</b>
<b>(iv) Expense recognised during the year</b>				
Current Service Cost	0.46	0.40	0.34	0.39
Interest Cost	0.52	0.28	0.37	0.20
Expected return on plan assets	(0.48)	-	(0.39)	-
Net Actuarial (gain) / loss	0.71	1.10	0.48	0.51
<b>Net Cost</b>	<b>1.21</b>	<b>1.78</b>	<b>0.80</b>	<b>1.10</b>



## Notes Accompanying to the Financial Statements

### Note 33 Gratuity and other post-employment benefit plans : (Contd.)

(v)	Actuarial assumptions	31 March 2015		31 March 2014	
	Mortality Table (LIC)	Gratuity (Funded) 1994-96 (Ultimate)	Leave Encashment (Unfunded) 1994-96 (Ultimate)	Gratuity (Funded) 1994-96 (Ultimate)	Leave Encashment (Unfunded) 1994-96 (Ultimate)
	Discount rate (per annum)	8.05%	8.05%	9.38%	9.38%
	Expected rate of return on plan assets (per annum)	8.05%	-	8.70%	-
	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 as a percentage of total Plan Assets		
	Particulars:	31 March 2015 Percentage (%)	31 March 2014 Percentage (%)
	Public Securities	5	23
	Special Deposit Schemes	-	-
	State Govt. Securities	-	-
	Private Sector Securities	95	77
		100	100

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 34 Related Party Disclosures

#### A. List of Related Parties

##### a). Subsidiary Companies:

- (1). Petroleum Specialities Pte. Ltd, Singapore
- (2). Quantum Apar Speciality Oils Pty. Ltd. (subsidiary of Petroleum Specialities Pte. Ltd.)
- (3). Apar Lubricants Ltd. (Formerly Apar Chematek Lubricants Ltd.)
- (4). Petroleum Specialities FZE, Sharjah (100% subsidiary of Petroleum Specialities Pte. Ltd.) incorporated on 18th November, 2014)

##### b). Key Managerial Personnel:

Mr. K. N. Desai - Managing Director & Chief Executive Officer  
 Mr. C. N. Desai - Managing Director  
 Mr. V. C. Diwadkar- Chief Financial Officer  
 Mr. Sanjaya Kunder- Company Secretary

##### c). Chairman having significant influence:

Dr. N. D. Desai - Non Executive Chairman

##### d). Relatives of Key Managerial Personnel

Mrs. M. N. Desai  
 Mrs. Noopur Kushal Desai  
 Mr. Rishabh K. Desai  
 Ms. Gaurangi K. Desai  
 Mrs. Jinisha C. Desai  
 Mr. Devharsh C. Desai  
 Ms. Nitika C. Desai  
 Mrs. Vineeta R. Srivastava  
 Mr. Rajeev Srivastava  
 Ms. Krishangi R. Srivastava  
 Mrs. Vinaya S. Kunder  
 Master Akshat S. Kunder  
 Mrs. Arti V. Diwadkar  
 Mr. Amit V. Diwadkar



## Notes Accompanying to the Financial Statements

### Note 34 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  
Chaitanya N. Desai Family Private Trust  
Maithili N. Desai Family Private Trust

Kushal Chaitanya N. Desai Family Trust  
Chaitanya N. Desai Family Trust  
Catalis World Private Ltd.  
Gayatri Associates  
ALL Benefit Trust  
Maithili Trusteeship Services Private Limited  
Kushal N. Desai Family Private Trust  
Narendra D. Desai Family Private Trust

(₹ in crore)

<b>B. Related Party Transactions</b>			
<b>(i) Subsidiary companies:</b>			
<b>Sr. no.</b>	<b>Transactions</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
1	Purchase of Raw materials	46.31	204.23
2	Sale of finished goods/ Raw materials	18.03	22.95
3	Dividend from Subsidiary	6.67	-
4	Guarantee charges received from Petroleum Specilities Pte Ltd.	-	0.09
5	Reimbursement (received) of expenses	-	0.01
6	Marketing and other services received from subsidiary	17.37	16.61
7	Balance outstanding as on 31.03.2015		
	a) Payable to subsidiary for supply of raw materials, security deposit and services	10.59	27.31
	b) Receivable from subsidiary company for supply of raw material, finished goods, capital goods, dividend and services	7.16	7.63
<b>(ii) Key Managerial Personnel :</b>			
	<b>Transactions</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
1	Interest paid	0.35	0.38
2	Remuneration	3.73	3.44
3	Dividends paid (payment basis)	7.74	7.26
4	Outstanding as on 31.03.2015		
	Loans and deposits payable	-	3.75
<b>(iii) Chairman having significant influence</b>			
	<b>Transactions</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
1	Interest paid	0.04	0.08
2	Director's commission	0.67	1.08
3	Legal and professional fees	0.51	0.51
4	Sitting fees	0.02	0.01
5	Dividends paid (payment basis)	3.87	3.63
6	Outstanding as on 31.03.2015		
	Loans and deposits payable	-	0.76
<b>(iv) Relatives of Key Managerial Personnel:</b>			
	<b>Transactions</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
1	Interest paid	0.21	0.25
2	Dividends paid (payment basis)	0.01	0.01
3	Outstanding as on 31.03.2015		
	Loans and deposits payable	-	2.42





## Notes Accompanying to the Financial Statements

### Note 34 Related Party Disclosures (Contd.)

(₹ in crore)

<b>(v) Entities over which key management personnel/individual having significant influence</b>			
	<b>Transactions</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
1	Interest paid	-	0.00
2	Rent paid	0.63	0.63
3	Dividends paid (payment basis)	1.00	1.00
<b>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</b>			
		<b>31 March 2015</b>	<b>31 March 2014</b>
<b>(i) Purchase of raw materials</b>			
	- Petroleum Specialities Pte. Ltd.	46.31	204.23
<b>(ii) Sale of finished goods/ raw materials</b>			
	- Quantum Apar Speciality Oils Pty. Ltd.	18.03	22.95
<b>(iii) Dividend Received from Subsidiary</b>			
	- Apar Lubricants Limited	0.66	-
	- Petroleum Specialities Pte. Ltd.	6.01	-
<b>(iv) Guarantee charges from</b>			
	- Petroleum Specialities Pte. Ltd.	-	0.09
<b>(v) Marketing and other services received from</b>			
	- Apar Lubricants Limited (A Subsidiary company)	17.37	16.61
<b>(vi) Interest paid</b>			
	- Dr. N. D. Desai	-	0.08
	- Kushal N. Desai	-	0.05
	- Chaitanya N. Desai	0.22	0.33
	- Vivek C. Diwadkar	0.10	0.09
	- Gaurangi K. Desai	0.07	0.08
	- Rishabh K. Desai	-	0.06
<b>(vii) Dividends paid (payment basis)</b>			
	- Dr. N. D. Desai	3.87	3.63
	- Kushal N. Desai	3.87	3.63
	- Chaitanya N. Desai	3.87	3.63
<b>(viii) Legal and professional fees</b>			
	- Dr. N. D. Desai	0.51	0.51
<b>(ix) Rent paid</b>			
	- Apar Corporation Private Ltd.	0.63	0.63
<b>(x) Director remuneration</b>			
	- Kushal N. Desai	1.42	1.72
	- Chaitanya N. Desai	1.45	1.73
	- Dr. N. D. Desai	0.67	1.08
<b>(xi) Sitting fees</b>			
	- Dr. N. D. Desai	0.02	0.01



## 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 2014-15

(₹ in crore)

Particulars	Conductor	Transformer & Speciality Oils	Power/ Telecom Cables	Others	Elimination	Total
<b>Revenue</b>						
External sales ( net of excise duty)	2,315.50	2,113.31	558.83	23.33	-	5,010.97
Other income	-	6.67	-	1.70	-	8.37
Inter-Segment Sales	4.62	1.91	1.24	0.05	(7.82)	-
<b>Total revenue</b>	<b>2,320.12</b>	<b>2,121.89</b>	<b>560.07</b>	<b>25.08</b>	<b>(7.82)</b>	<b>5,019.34</b>
Segment results before finance costs and tax	117.41	98.08	20.05	2.08	-	237.62
Less: Finance costs						150.09
Less: Other unallocated expenditure net of unallocable income						19.30
Profit before tax						68.23
Tax expense						20.37
Profit after tax						47.86
<b>Capital employed</b>						
Segment assets	1,342.21	971.59	456.42	12.98	-	2,783.20
Unallocable corporate and other assets						65.84
<b>Total Assets</b>						<b>2,849.04</b>
Segment liabilities	1,022.73	616.94	158.54	2.06	-	1,800.27
Unallocable corporate and other liabilities						26.22
<b>Total liabilities</b>						<b>1,826.50</b>
Capital expenditure	32.63	7.15	13.25	0.74	-	53.77
Capital expenditure -Unallocable						4.01
Depreciation and Amortisation expense	8.82	6.04	13.45	0.03	-	28.34
Depreciation and Amortisation- Unallocable						2.70



## Notes Accompanying to the Financial Statements

### Note 35 Segment Information (Contd.)

(₹ in crore)

FY 2013-14						
Particulars	Conductor	Transformer & Speciality Oils	Power/ Telecom Cables	Others	Elimination	Total
<b>Revenue</b>						
External sales ( net of excise duty)	1,646.60	2,245.02	572.41	17.87	-	4,481.90
Other income	0.00	-	-	4.47	-	4.47
Inter-Segment Sales	7.67	1.62	0.93	-	(10.22)	-
<b>Total revenue</b>	<b>1,654.27</b>	<b>2,246.64</b>	<b>573.34</b>	<b>22.34</b>	<b>(10.22)</b>	<b>4,486.37</b>
Segment results before finance costs and tax	109.84	158.13	(3.56)	1.25	-	265.66
Less: Finance costs						145.81
Less: Other unallocated expenditure net of unallocable income						17.02
Profit before tax						102.83
Tax expense						34.04
Profit after tax						68.79
<b>Capital employed</b>						
Segment assets	986.40	1,370.48	482.66	7.45	-	2,846.99
Unallocable corporate and other assets						77.90
<b>Total Assets</b>						<b>2,924.89</b>
Segment liabilities	674.70	1,057.50	214.39	2.02	-	1,948.61
Unallocable corporate and other liabilities						33.51
<b>Total liabilities</b>						<b>1,982.12</b>
Capital expenditure	35.88	12.24	49.61	-	-	97.73
Capital expenditure -Unallocable						2.29
Depreciation and Amortisation expense	9.07	5.89	9.79	-	-	24.75
Depreciation and Amortisation- Unallocable						2.14

- During the year, further allocation of unallocated common expenses to segments has resulted in consideration of additional cost in conductor ₹ 7.39 crore, oil ₹ 8.75 crore, cable ₹ 4.41 crore and others ₹ 0.64 crore . Consequently unallocated expenses net of income is lower by ₹ 21.19 crore. The figures for previous year have been regrouped accordingly.
- In line with organisation structure and internal financial reporting, certain products have been clubbed under conductor segment. Hitherto, these were being reported under cable segment. Accordingly, the following amounts have been regrouped from cable segment to conductor segment for current and previous year.

(₹ in crore)

	Year ended 31 March 2015	Year ended 31 March 2014
Segment Revenue	103.65	24.52
Segment Results	1.32	0.39
Capital Employed	13.04	10.76



## Notes Accompanying to the Financial Statements

### Note 35 Segment Information (Contd.)

(₹ in crore)

b. Secondary Segments (Geographical Segments)			
	31 March 2015	31 March 2014	
Segment Revenue			
- Within India*	3,448.42	3,072.78	
- Outside India	1,562.55	1,409.12	
	<b>5,010.97</b>	<b>4,481.90</b>	
* include deemed exports ₹ 151.48 crore (Previous year ₹ 14.25 crore)			
	31 March 2015	31 March 2014	
<b>Segment Assets</b>			
- Within India	2,516.89	2,578.39	
- Outside India	332.15	346.50	
	<b>2,849.04</b>	<b>2,924.89</b>	
- The Company's tangible fixed assets are located entirely in India.			
<b>c. Segment revenue and results</b>			
The expenses which are not directly attributable to the business segment are shown as unallocable corporate/other expenses (net of miscellaneous income).			
<b>Segment assets and liabilities</b>			
Segment assets include all operating assets used by the business segment and consists 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.			

### Note 36 Derivative instruments and unhedged foreign currency exposure

Type of Instruments	Nos.	Mt.	Amount \$/Euro/ GBP in crore	₹ in crore
(I) (a). In respect of commodity futures/option at London Metal Exchange ( in Mt.) - USD	69.00 (71.00)	19,659.00 (19,485.00)	3.68 (3.75)	229.75 (224.91)
(b). In respect of foreign currency forward contracts - buy contracts - USD	107.00 (103.00)		11.12 (14.81)	695.18 (887.46)
Forward contracts - buy contracts - EURO	- (2.00)		- (0.20)	- (11.98)
Interest Swap	1.00 (1.00)		0.00 (0.00)	0.07 (0.18)
(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)			6.42 (7.64)	400.96 (457.73)
In Euro - Receivable (net)			0.00 (0.01)	0.04 (0.66)
(IV) Premium in case of forward contracts not expired and pertaining to the future period				10.85 (14.89)

(Figures in brackets are in respect of previous year)



## Notes Accompanying to the Financial Statements

### Note 37 Value of imports (calculated on CIF basis)

(₹ in crore)

	31 March 2015	31 March 2014
Raw materials and Components	3,043.23	2,978.18
Stores and spare parts	2.63	1.72
Capital goods	18.05	14.21
	<b>3,063.91</b>	<b>2,994.11</b>

Note: ( Imports through canalising agencies and items of foreign origin purchased locally are excluded.)

### Note 38 Expenditure in foreign currency

(₹ in crore)

	31 March 2015	31 March 2014
Professional fees	1.52	0.67
Royalty	4.83	3.12
Interest and bank charges	17.33	30.60
Commission and foreign travel	42.35	21.91
Others	2.92	1.58
	<b>68.95</b>	<b>57.88</b>

### Note 39 Imported and indigenous raw materials, components and spare parts consumed

	% of total Consumption 31 March 2015	Value ( ₹ crore) 31 March 2015	% of total Consumption 31 March 2014	Value ( ₹ crore) 31 March 2014
<b>Raw materials</b>				
Imported at landed cost (including duty and clearing charges incurred in India)	80.55	3,231.77	82.87	2,900.94
Indigenous	19.45	780.58	17.13	599.48
	<b>100.00</b>	<b>4,012.35</b>	<b>100.00</b>	<b>3,500.42</b>
<b>Components and spare parts</b>				
Imported (at landed cost)	13.03	2.68	12.53	1.72
Indigenous	86.97	17.90	87.47	12.00
	<b>100.00</b>	<b>20.58</b>	<b>100.00</b>	<b>13.72</b>

### Note 40 Net dividend remitted in foreign exchange

(₹ in crore)

	31 March 2015	31 March 2014
a). No of shareholders	1	1
b). No. of shares held	3,636,363	3,636,363
c). Year of dividend	2013-14	2012-13
d). Amount remitted - ₹	1.91	1.91



## Notes Accompanying to the Financial Statements

### Note 41 Earnings in foreign exchange

(₹ in crore)

	31 March 2015	31 March 2014
Export of goods (calculated on FOB basis)	1,512.15	1,367.14
Deemed exports	151.48	14.25
Dividend from Subsidiaries	6.01	-
Others (Freight, insurance and interest)	65.19	56.52
	<b>1,734.83</b>	<b>1,437.91</b>

### Note 42

As per the Accounting Standard (AS) 28 Impairment of Assets, the Company has reviewed the potential generation of economic benefit from its fixed assets and accordingly, necessary impairment loss has been provided in the financial statements.

### Note 43

₹ '0.00 'indicate amount less than ₹ 50,000

### Note 44

Figures for previous year have been regrouped, wherever necessary.

#### Signatures to Note 1 to 44

#### SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors

**Milind P. Phadke**  
Partner  
Membership No. 033013  
Mumbai, 14th May, 2015

**Kushal N. Desai**  
Managing Director &  
Chief Executive Officer  
Mumbai, 14th May, 2015

**Dr. N.K. Thingalaya**  
Director

**V. C. Diwadkar**  
Chief Financial Officer

**Sanjaya R. Kunder**  
Company Secretary



# Independent Auditors' Report

To the Members of **Apar Industries Limited**

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Apar Industries Limited** (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries constitute the 'Group'), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (the 'consolidated financial statements').

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the 'Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures

that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs.116.87 crore as at 31st March, 2015, total revenues of Rs.177.15 crore and net cash flows amounting to Rs.58.90 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Section 143(11)(3) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies incorporated in India, we give in the Annexure a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;



- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- 1) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 29 of the consolidated financial statements);
- 2) the Group did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
- 3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**SHARP & TANNAN**

Chartered Accountants  
Firm's Registration No.109982W  
by the hand of

**MILIND P. PHADKE**

Partner  
Membership No.033013

Mumbai, 14th May, 2015





## Annexure to the Independent Auditor's Report

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

- (i) (a) The Group is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Group and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, 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 Group and the nature of its business.
- (c) The Holding 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.
- (iii) According to the information and explanations given to us, the Group has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii) (a) and (b) of the Order are not applicable to the Group.
- (iv) 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 Group and the 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 internal control system.
- (v) The Holding Company had 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 73 to 76 and other relevant provisions of the Act and the rules framed thereunder, 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.
- (vi) We have broadly reviewed the books of account and records maintained by the Holding Company specified by the Central Government for the maintenance of cost records under Section 148(1) of the Act in respect of manufacturing activities 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.
- (vii) (a) According to the information and explanations given to us, the Group is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Group examined by us, the particulars of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, as at 31st March, 2015 which have not been deposited on account of a dispute pending, are as under:



Name of the Statute	Nature of the disputed dues	Amount ₹. crore*	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	0.01	2003-04 2005-06 2009-10	Commercial Tax Officer
		0.12	1998-99 2001-02 to 2003-04	Assistant Commissioner
		0.10	2010-11 2011-12 to 2013-14	Deputy Commissioner
		6.29	2002-03 to 2009-10	Commissioner VAT
		0.01	2010-11	Appellate Authority Commercial Tax
		5.34	1998-99 and 2008-09	Tribunal
		0.15	2009-10	High Court
The Central Excise Act, 1944, the Customs Act, 1962 and Service tax under the Finance Act, 1994	Duty, service tax, interest and penalty	0.64	2004-05 to 2010-11	Commissionerate (Appeals)
		5.56	1997-98 to 2000-01, 2004-05 to 2009-10, 2011-12 to 2012-13	CESTAT / Tribunal
		2.50	1993-94, 1998-99 to 2003-04, 2005-06 to 2006-07	High Court
		5.30	1995-96 to 2001-02	Supreme Court

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

c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the rules made thereunder has been transferred to such fund within time, by the Holding Company.

(viii) The Group has no accumulated losses as at 31st March, 2015 and it has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) According to the information and explanations given to us and as per the records of the Group examined by us, the Group has not defaulted in repayment of dues to financial institution or bank. The Group has not issued any debentures.

(x) According to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the Paragraph 3 (x) of the Order is not applicable to the Group.

(xi) In our opinion and according to the information and

explanations given to us, on an overall basis the term loan have been applied for the purpose for which it was obtained.

(xii) During the course of our examination of the books and records of the Group, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any material fraud on or by the Group noticed or reported during the year, nor have we been informed of such case by management.

**SHARP & TANNAN**

Chartered Accountants  
Firm's Registration No.109982W  
by the hand of

**MILIND P. PHADKE**

Partner  
Membership No.033013

Mumbai, 14th May, 2015



## Consolidated Balance Sheet As at 31st March, 2015

(₹ in crore)

	Note No.	As at 31-March-15	As at 31-March-14
<b>EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS:</b>			
(a) Share capital	2	38.50	38.47
(b) Reserves and surplus	3	691.31	657.75
		<b>729.81</b>	<b>696.22</b>
<b>2. MINORITY INTEREST</b>			
		1.21	1.82
<b>3. NON-CURRENT LIABILITIES:</b>			
(a) Long-term borrowings	4	94.79	70.13
(b) Deferred tax liabilities (net)	5	27.44	22.46
(c) Other-long term liabilities	6	2.19	6.65
(d) Long-term provisions	7	4.01	3.07
		<b>128.43</b>	<b>102.31</b>
<b>4. CURRENT LIABILITIES:</b>			
(a) Short-term borrowings	8	386.67	707.99
(b) Trade payables	9	1,573.01	1,367.26
(c) Other current liabilities	10	121.03	98.07
(d) Short-term provisions	11	15.76	24.32
		<b>2,096.47</b>	<b>2,197.64</b>
<b>TOTAL</b>		<b>2,955.92</b>	<b>2,997.99</b>
<b>ASSETS</b>			
<b>1. NON-CURRENT ASSETS:</b>			
(a) Fixed assets			
(i) Tangible assets	12	369.48	334.92
(ii) Intangible assets	12	3.36	3.11
(iii) Capital work-in-progress	12	10.24	18.08
		<b>383.08</b>	<b>356.11</b>
(b) Goodwill on consolidation		21.72	20.65
(c) Long-term loans and advances	13	44.79	45.32
		<b>449.59</b>	<b>422.08</b>
<b>2. CURRENT ASSETS:</b>			
(a) Current investments	14	5.26	1.50
(b) Inventories	15	944.25	1,017.04
(c) Trade receivables	16	1,267.00	1,103.57
(d) Cash and bank balances	17	100.47	230.61
(e) Short-term loans and advances	18	150.73	174.84
(f) Other current assets	19	38.62	48.35
		<b>2,506.33</b>	<b>2,575.91</b>
<b>TOTAL</b>		<b>2,955.92</b>	<b>2,997.99</b>
<b>Significant accounting policies</b>	1		
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	29		

The accompanying notes form an integral part of consolidated financial statements

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors

**Milind P. Phadke**  
Partner  
Membership No. 033013  
Mumbai, 14th May, 2015

**Kushal N. Desai**  
Managing Director &  
Chief Executive Officer  
Mumbai, 14th May, 2015

**Dr. N.K. Thingalaya**  
Director

**V. C. Diwadkar**  
Chief Financial Officer

**Sanjaya R. Kunder**  
Company Secretary



## Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in crore)

	Note No.	2014-15	2013-14
<b>INCOME:</b>			
Revenue from operations (gross)	20	5,609.15	5,103.55
Less: Excise duty		487.29	471.92
Revenue from operations (net)		<b>5,121.86</b>	<b>4,631.63</b>
Other income	21	1.75	4.47
<b>TOTAL REVENUE (i)</b>		<b>5,123.61</b>	<b>4,636.10</b>
<b>EXPENSES:</b>			
Cost of raw materials and components consumed	22	4,111.50	3,605.84
Purchases of stock-in-trade		63.37	77.35
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(89.79)	(7.72)
Employee benefits expense	24	79.38	66.79
Other expenses	25	705.38	595.46
Exceptional items	26	0.25	0.86
		<b>4,870.09</b>	<b>4,338.58</b>
Less: Transfer to capital assets		<b>0.01</b>	<b>3.51</b>
<b>TOTAL EXPENSES (ii)</b>		<b>4,870.08</b>	<b>4,335.07</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (i-ii)</b>		<b>253.53</b>	<b>301.03</b>
Depreciation and amortisation expense		31.21	27.02
Finance costs	27	149.85	145.48
<b>PROFIT BEFORE TAX</b>		<b>72.47</b>	<b>128.53</b>
<b>TAX EXPENSE:</b>			
Current tax		16.16	27.60
Deferred tax		6.44	12.16
Taxes of earlier years		0.46	(1.14)
<b>TOTAL</b>		<b>23.06</b>	<b>38.62</b>
<b>PROFIT AFTER TAX BUT BEFORE MINORITY INTEREST FOR THE YEAR</b>		<b>49.41</b>	<b>89.91</b>
Minority Interest (Profit)/loss		0.10	(0.26)
<b>PROFIT FOR THE YEAR</b>		<b>49.51</b>	<b>89.65</b>
Earnings Per Equity share (face value ₹ 10 each)			
(a) Basic	28	12.87	23.30
(b) Diluted		12.87	23.30
<b>Significant accounting policies</b>	1		

The accompanying notes form an integral part of financial statements

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors

**Milind P. Phadke**

Partner

Membership No. 033013

Mumbai, 14th May, 2015

**Kushal N. Desai**

Managing Director &

Chief Executive Officer

Mumbai, 14th May, 2015

**Dr. N.K. Thingalaya**

Director

**V. C. Diwadkar**

Chief Financial Officer

**Sanjaya R. Kunder**

Company Secretary



## Consolidated Cash Flow Statement for the year ended 31st March, 2015

(₹ in crore)

		2014-15		2013-14	
<b>A.</b>	<b>Cash flows from Operating Activities :</b>				
	Profit before taxation		72.47		128.53
	Adjustments for:				
	Depreciation and amortisation expense	31.21		27.02	
	(Profit)/loss on sale of fixed assets(net)	0.27		0.07	
	Foreign currency translation reserve	1.77		1.94	
	Unrealised exchange loss/(gain)	11.79		10.86	
	Profit on sale of investments	(0.89)		(3.61)	
	Dividend on investments	(0.86)		(0.86)	
	Interest expense/(income) (net)	54.84		(18.88)	
			98.13		16.54
	Operating profit before working capital changes in :		170.60		145.07
	(Increase)/decrease in trade and other receivables	(139.30)		(342.31)	
	(Increase)/decrease in Inventories	72.79		(265.56)	
	Increase / (decrease) in trade and other payables	212.65		(151.97)	
			146.14		(759.84)
	<b>Cash generated from/(used in) operations</b>		316.74		(614.77)
	Direct taxes paid (net of refunds)		(18.31)		(17.26)
	<b>Net cash from/(used in) operating activities</b>		<b>298.43</b>		<b>(632.03)</b>
<b>B.</b>	<b>Cash flows from investing activities :</b>				
	Purchase of fixed assets	(58.63)		(100.13)	
	Sale of fixed assets	2.78		5.81	
	Investment of shares in subsidiary				
	- Apar Lubricants Limited	(1.44)		-	
	Investment in Mutual funds (net)	(2.87)		81.73	
	Dividend received	0.86		0.86	
	<b>Net cash from/(used in) investing activities</b>		<b>(59.30)</b>		<b>(11.73)</b>



## Consolidated Cash Flow Statement for the year ended 31st March, 2015

(₹ in crore)

<b>C.</b>	<b>Cash flows from financing activities :</b>				
	Proceeds/(repayments) from/of fixed deposits (net)	(24.21)		3.25	
	Proceeds from Issue of shares (net of expenses)	0.54		-	
	Proceeds/(repayments) from short term borrowings	(317.70)		(227.66)	
	Proceeds/(repayments) of long term borrowings	43.38		36.97	
	Interest received/(paid) (net)	(47.59)		30.51	
	Dividend paid	(20.15)		(20.20)	
	Tax on dividends	(3.54)		(3.43)	
	<b>Net cash from/(used in) financing activities</b>		<b>(369.27)</b>		<b>(180.56)</b>
	<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>		<b>(130.14)</b>		<b>(824.32)</b>
	<b>Cash and cash equivalents at the beginning of year</b>		<b>230.61</b>		<b>1,054.93</b>
	<b>Cash and cash equivalents at the end of year</b>		<b>100.47</b>		<b>230.61</b>

### 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 Rs.5.91 crore; (Previous year ₹ 136.06 crore) and unrealised gain of ₹ 0.38 crore; (Previous year unrealised loss of ₹ 0.20 crore) 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

Firm's Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors

**Milind P. Phadke**  
Partner  
Membership No. 033013  
Mumbai, 14th May, 2015

**Kushal N. Desai**  
Managing Director &  
Chief Executive Officer  
Mumbai, 14th May, 2015

**Dr. N.K. Thingalaya**  
Director

**V. C. Diwadkar**  
Chief Financial Officer

**Sanjaya R. Kunder**  
Company Secretary



# Notes Accompanying to the Consolidated Financial Statements

## Note 1 Significant Accounting Policies

### 1. Basis of Preparation of financial statements :

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost-convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

### 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. Apar Lubricants Limited a Company incorporated in India. Petroleum Specialities Pte. Ltd., a company incorporated in Singapore and its down-stream subsidiaries viz. Quantum Apar Speciality Oils Pty. Ltd., a company incorporated in Australia & Petroleum Specialities FZE., incorporated in U.A.E. (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 unrealized 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 Exchange 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 standalone 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, 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 profit and loss account includes the investor's share of the results of the operations of the investee.



## Notes Accompanying to the Consolidated Financial Statements

### Note 1 Significant Accounting Policies (Contd.)

#### 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) (i) Depreciation on assets is provided over the useful lives of assets as prescribed under Schedule II to Companies Act, 2013.
- (ii) In respect of following assets, based on management experience and independent technical evaluation carried out by external technical consultants, the management has estimated useful lives, which are different than prescribed in Schedule II.

Description of Assets	Useful Life in Schedule II	Useful Life as per technical consultant
Plant & Machinery –Oil division (other than filling lines)	15 Years	20 Years
Plant & Machinery- Conductor Division	15 Years	20 Years
Plant & Machinery -Cable Division	15 Years	25 Years

- (iii) Depreciation is provided 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.
- (iv) Capital Expenditure in respect of which ownership does not vest with the Company is amortized over a period of five years. Leasehold land is amortized over the period of lease.
- (v) In respect of Cable division all assets are depreciated on straight line method.
- (vi) Borrowing costs attributable to acquisition/construction of qualifying assets within the meaning of the Accounting Standard (AS) 16 'Borrowing Costs' are capitalised as a part of the cost of fixed assets.
- (vii) 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 realizable value. Cost includes material cost, cost of labour and attributable manufacturing overheads. Cost of materials is arrived at on weighted average 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.
- (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 amortized over vesting period.





## Notes Accompanying to the Consolidated Financial Statements

Note	1	Significant Accounting Policies (Contd.)
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### 10. Voluntary retirement schemes :

Compensations paid under voluntary retirement schemes are amortized 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 amortized over a period of 5 years on successful implementation.

### 12. Share issue expenses :

Share issue expenses are written off against share premium account if any or amortized 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 account 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 Account. 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 Account.
- (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 of profit and loss account 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 the Statement of profit and loss in the same period in which the hedge item is accounted.



## Notes Accompanying to the Consolidated Financial Statements

<b>Note</b>	<b>1</b>	<b>Significant Accounting Policies (Contd.)</b>
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### 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. The benefits in the form of entitlements to status holders licenses are accounted when licenses are utilised.

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

The demands under disputed show cause 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 advice 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 capitalized 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 crore)

	31 March 2015	31 March 2014
<b>Authorised</b>		
91,998,750 Equity shares of ₹ 10 each	92.00	92.00
(Previous year 91,998,750 Equity shares of ₹ 10 each)		
<b>Issued</b>		
38,496,503 Equity shares of ₹ 10 each	38.50	38.47
(Previous year 38,470,431 Equity shares of ₹ 10 each)		
<b>Subscribed and Paid up</b>		
38,496,503 Equity shares of ₹ 10 each fully paid	38.50	38.47
(Previous year 38,470,431 Equity shares of ₹ 10 each fully paid )		
<b>Total</b>	<b>38.50</b>	<b>38.47</b>

#### Notes :

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

#### Equity Shares

	31 March 2015		31 March 2014	
	No. of Shares	₹ crore	No. of Shares	₹ crore
At the beginning of the year	38,470,431	38.47	38,470,431	38.47
Issued during the year	*26,072	0.03	-	-
<b>Outstanding at the end of the year</b>	<b>38,496,503</b>	<b>38.50</b>	<b>38,470,431</b>	<b>38.47</b>

\*Issued during the year to the Employees / Director under Apar Industries Limited Stock Option Plan – 2007 at ₹ 207.05 per share.

#### b. Terms/rights attached to equity shares :

- The Company has 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.
- During the year ended 31st March 2015, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 3.50 (Previous year ₹ 5.25).
- 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.

#### c. Details of Shareholders holding more than 5% shares in the company :

	31 March 2015		31 March 2014	
	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	7,271,761	18.89%	7,371,861	19.16%
Kushal N. Desai	7,378,428	19.17%	7,378,528	19.18%
Chaitanya N. Desai	7,367,260	19.14%	7,367,360	19.15%
Templeton Strategic Emerging Markets Fund III, L.D.C.	3,636,363	9.45%	3,636,363	9.45%
Reliance Capital Trustee Co. Ltd. A/c. Reliance Diversified Power Sector Fund	1,437,992	3.74%	1,931,313	5.02%

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.



## Notes Accompanying to the Consolidated Financial Statements

### d. Shares reserved for issue under options

The Company provides share-based payment to its employees. During the year ended 31st March 2015, 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.

		31 March 2015	31 March 2014
i.	Outstanding at the beginning of the year	99,294	175,150
ii.	Vested during the year	-	-
iii.	Forfeited during the year	63,551	75,856
iv.	Exercised during the year	26,072	-
v.	Outstanding at the end of the year	9,671	99,294
vi.	Exercisable at the end of the year	9,671	99,294

During the year, Company has allotted 26,072 equity shares of ₹ 10/- each to Employees/Director of the Company under Employee Stock Option Plan 2007 at an exercise price of ₹ 207.05 per share.

Note	3	Reserves and Surplus
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(₹ in crore)

	31 March 2015	31 March 2014
<b>Capital Reserve</b>		
Balance as per the last balance sheet	23.77	23.77
<b>Closing balance</b>	<b>23.77</b>	<b>23.77</b>
<b>Capital Redemption Reserve</b>	<b>14.75</b>	<b>14.75</b>
<b>Securities Premium Account</b>		
Balance as per the last balance sheet	176.35	176.35
Add: Premium on issue of shares (Refer Note 2(d))	0.51	-
<b>Closing Balance</b>	<b>176.86</b>	<b>176.35</b>
<b>Cash Flow Hedging Reserve</b>		
Balance as per the last balance sheet	[0.28]	[1.69]
Add: (Deduction)/Addition during the year (net)	[0.52]	1.41
<b>Closing Balance</b>	<b>[0.80]</b>	<b>[0.28]</b>
<b>Currency Fluctuation Reserve</b>		
<b>Closing Balance</b>	<b>1.33</b>	<b>[0.56]</b>
<b>General Reserve</b>		
Balance as per the last balance sheet	171.00	150.00
Add: Amount transferred from the Statement of profit and loss	5.00	21.00
<b>Closing Balance</b>	<b>176.00</b>	<b>171.00</b>
<b>Surplus/(deficit) in the Statement of profit and loss</b>		
Balance as per last balance sheet	272.72	227.70
Add: Profit for the year	49.51	89.65
<b>Less: Appropriations</b>		
Transitional provision for : Depreciation charge (Refer note 12)	[4.30]	-
: Deferred tax on above (Refer note 12)	1.47	-
Tax on Dividend	[0.11]	-
Proposed final equity dividend (Amount per share ₹ 3.50 (Previous year ₹ 5.25))	[13.47]	[20.20]
Tax on proposed dividend	[1.42]	[3.43]
Transfer to General Reserve	[5.00]	[21.00]
<b>Total appropriations</b>	<b>[22.83]</b>	<b>[44.63]</b>
<b>Net surplus In the Statement of profit and loss</b>	<b>299.40</b>	<b>272.72</b>
<b>Total Reserves and Surplus</b>	<b>691.31</b>	<b>657.75</b>



## Notes Accompanying to the Consolidated Financial Statements

### Note 4 Long-Term Borrowings

(₹ in crore)

	31 March 2015	31 March 2015	31 March 2014	31 March 2014
	Non-Current	Current	Non-Current	Current
<b>Secured Loans</b> (Refer Note below)				
<b>Term loans</b>				
Foreign currency loan from banks	48.12	9.37	55.13	8.99
Rupees Term Loan from bank	46.67	3.33	-	-
<b>Unsecured Loans</b>				
<b>Deposits</b>				
Public deposits	-	-	14.35	4.77
Deposits from directors	-	-	0.65	0.01
<b>Total</b>	<b>94.79</b>	<b>12.70</b>	<b>70.13</b>	<b>13.77</b>

#### Note:

- The Foreign Currency term loan from Credit Agricole CI Bank, Singapore is secured by exclusive charge on the assets acquired by the Company with the proceeds of the facility.
- The Foreign Currency term loan from Union Bank of India, Hong Kong is secured by first charge by way of equitable mortgage by deposit of title deeds of Company's Athola properties and exclusive hypothecation charge on the assets acquired by the Company with the proceeds of the facility situated at other locations.
- The rupees term loan from ING Vysya Bank Ltd. (Now Kotak Mahindra Bank) is secured by first charge by way of equitable mortgage by deposit of title deed of Company's Khatalwada properties and hypothecation of movable plant & machinery at Khatalwada excluding movable machinery hypothecated to ECB Lenders.
- Terms of repayment of term loan.
- In respect of Foreign Currency Term Loans from Bank, in August, 2015 ₹ 9.37 crore, in May, 2016 ₹ 10.00 crore, in August, 2016 ₹ 12.50 crore, in May, 2017 ₹ 11.25 crore, in May, 2018 ₹ 14.37 crore,.
- In respect of Rupee Term Loan from Bank, in 15 quarterly installments commencing from March, 2016 till September, 2019, 14 installments of ₹ 3.33 crore each and last of ₹ 3.34 crore.

### Note 5 Deferred Tax Liabilities (Net)

(₹ in crore)

	31 March 2015	31 March 2014
Deferred tax liability arising on account of timing difference in:		
Book and tax depreciation	35.06	30.15
Deferred tax assets arising on account of timing difference in:		
Allowances for doubtful debts and advances	(5.04)	(4.96)
Provision for gratuity and leave salary	(1.56)	(1.28)
Voluntary retirement scheme	(1.02)	(1.45)
<b>Total</b>	<b>27.44</b>	<b>22.46</b>

### Note 6 Other Long-Term Liabilities

(₹ in crore)

	31 March 2015	31 March 2014
Advance from customers	-	4.67
Deposits from dealers	2.19	1.98
<b>Total</b>	<b>2.19</b>	<b>6.65</b>

### Note 7 Long-Term Provisions

(₹ in crore)

	31 March 2015	31 March 2014
<b>Provision for employee benefits</b>		
Provision for gratuity- In respect of directors	0.62	0.52
Provision for leave benefits	3.39	2.55
<b>Total</b>	<b>4.01</b>	<b>3.07</b>



## Notes Accompanying to the Consolidated Financial Statements

### Note 8 Short-Term Borrowings

(₹ in crore)

	31 March 2015	31 March 2014
<b>Secured Loans</b>		
<b>Working capital loans from banks</b> (Refer Notes below)		
Rupee loans	0.00	2.58
Packing credit loan in foreign currency from banks	162.32	140.70
	162.32	143.28
<b>Unsecured Loans</b>		
Packing credit loan in foreign currency from banks	91.58	81.86
Buyer's Credit in foreign currency	132.77	478.42
Public deposits	-	0.58
Deposits from Directors	-	3.85
<b>Total</b>	<b>386.67</b>	<b>707.99</b>

**Note:**

Working capital loans from banks (secured) ₹ 162.33 crore are secured by :

- (i) hypothecation of specified stocks, specified book debts of the Company.
- (ii) first charge by way of equitable mortgage by deposit of title deeds of Company's specified immovable properties, both present and future.

### Note 9 Trade Payables

(₹ in crore)

	31 March 2015	31 March 2014
Trade payables (including acceptances)		
Due to micro and small enterprises	5.08	7.79
Due to other than micro and small enterprises	1,567.93	1,359.47
<b>Total</b>	<b>1,573.01</b>	<b>1,367.26</b>

### Note 10 Other Current Liabilities

(₹ in crore)

	31 March 2015	31 March 2014
<b>Current maturities of long-term borrowings</b>		
Current portion of long-term foreign currency loan (Refer Note 4)	9.37	8.99
Current portion of long-term Rupee loan (Refer Note 4)	3.33	-
Public deposits	-	4.77
Deposits from directors	-	0.01
Interest accrued but not due on borrowings	7.84	6.38
<b>Investor Education and Protection Fund (Refer Note (a) below)</b>		
Unclaimed dividend	0.73	0.68
Creditors for capital expenditure	4.36	4.31
Statutory dues towards Government	6.94	8.91
Other payables (Refer Note (b) below)	88.44	64.02
<b>Total</b>	<b>121.03</b>	<b>98.07</b>

**Note :**

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March, 2015.

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



## Notes Accompanying to the Consolidated Financial Statements

### Note 11 Short-Term Provisions

(₹ in crore)

	31 March 2015	31 March 2014
<b>Provision for employee benefits</b>		
Liability to the Employee Gratuity Fund	0.04	0.00
Provision for leave benefits	0.83	0.69
<b>Sub Total</b>	<b>0.87</b>	<b>0.69</b>
<b>Other provisions</b>		
Proposed dividend	13.47	20.20
Provision for tax on proposed dividend	1.42	3.43
<b>Sub Total</b>	<b>14.89</b>	<b>23.63</b>
<b>Grand Total</b>	<b>15.76</b>	<b>24.32</b>



## Notes Accompanying to the Consolidated Financial Statements

Note	12	Fixed Assets	[₹ in crore]									
			Gross Block			Depreciation			Net Block			
		As at 01-04-2014	Additions	Deductions	Other Adjustment	As at 31-03-2015	Upto 31-03-2014	For the year	Deductions/ Adjustments	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
(i) Tangible assets												
	Land- Freehold	25.79	0.08	-	-	25.87	-	-	-	-	25.87	25.79
	Land-Leasehold	12.14	-	-	-	12.14	1.40	0.14	-	1.54	10.60	10.74
	Building [Refer Note below]	121.62	9.33	-	-	130.95	19.01	4.65	0.30	23.96	106.99	102.61
	Plant and machinery [Refer Note below]	340.60	53.35	[10.68]	4.76	388.03	158.25	21.53	[4.62]	175.16	212.87	182.35
	Furniture and fixtures	9.68	0.58	[0.08]	-	10.18	5.95	0.67	0.01	6.63	3.55	3.73
	Equipments	17.20	2.12	[0.41]	-	18.91	10.82	2.10	0.31	13.23	5.68	6.38
	Motor vehicles	7.02	1.98	[0.77]	-	8.23	3.70	1.19	[0.58]	4.31	3.92	3.32
	Sub total (i)	534.05	67.44	[11.94]	4.76	594.31	199.13	30.28	[4.58]	224.83	369.48	334.92
(ii) Intangible assets												
	Specialised software	6.61	1.18	-	-	7.79	3.96	0.88	-	4.84	2.95	2.65
	Non compete fee	0.54	-	-	-	0.54	0.08	0.05	-	0.13	0.41	0.46
	Sub total (ii)	7.15	1.18	-	-	8.33	4.04	0.93	-	4.97	3.36	3.11
	Total (i+ii)	541.20	68.62	[11.94]	4.76	602.64	203.17	31.21	[4.58]	229.80		
	31 March 2014	435.77	125.86	[22.86]	2.69	541.20	193.19	27.02	[17.04]	203.17		
(iii) Capital work-in-progress-Tangible assets												
	Buildings										3.71	2.61
	Plant and machinery										6.53	15.47
	Sub total (iii)										10.24	18.08
(iv) Intangible assets under development												
	Specialised software										-	-
	Sub total (iv)										-	-
	Grand Total										383.08	356.11

- Includes expenditure on Research and development ₹ 0.03 crore, (Previous year ₹ 0.67 crore) for Plant and Machinery and ₹ nil, (Previous year ₹ nil) for Building. (Refer Note 30(A)).
- 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, ₹ 4.76 crore (Previous year ₹ 2.69 crore) have been capitalised to Plant and Machinery (Refer Note 1(15)(vi)).
- The unamortised amount of such exchange differences, as on 31st March, 2015 is ₹ 10.58 crore (Previous year ₹ 6.83 crore)
- During the year the Company has revised the depreciation rate on certain fixed assets as per the useful life specified in the schedule II to the Companies Act, 2013 or in some cases based on technical evaluation done by independent technical consultant. The depreciation of ₹ 4.30 crore on account of assets whose useful life is already exhausted as on 1st April, 2014 (net of deferred tax of ₹ 1.47 crore), have been adjusted to retained earning. Had there not been any change in useful life of assets, the depreciation for the year would have been higher by ₹ 2.98 crore. (Refer Note 1(4)).





## Notes Accompanying to the Consolidated Financial Statements

### Note 13 Long-Term Loans and Advances

(₹ in crore)

	31 March 2015	31 March 2014
Unsecured, considered good		
Capital advances	2.39	9.24
Security deposit	4.94	5.69
Others loans and advances	30.47	23.40
Income tax paid against disputed demands	6.99	6.99
<b>Total</b>	<b>44.79</b>	<b>45.32</b>

### Note 14 Current Investments

(₹ in crore)

	Units as at 31 March 2015	31 March 2015	Units as at 31 March 2014	31 March 2014
<b>Investments in Liquid funds</b>				
Union KBC Liquid Fund Growth-Direct Plan	940.53	0.13	-	-
Union KBC Small and Midcap Fund Regular Plan-Growth	539,700.00	0.54	-	-
Union KBC Ultra Short Term Debt Fund-Growth-Direct Plan	36,887.49	4.59	-	-
Union KBC Fixed Maturity Plan Series 7- Growth	-	-	500,000	0.50
Union KBC Fixed Maturity Plan Series 7- Growth Direct Plan	-	-	1,000,000	1.00
<b>Total</b>		<b>5.26</b>		<b>1.50</b>

(₹ in crore)

	31 March 2015	31 March 2014
Aggregate market value of quoted investments	5.59	1.60
	<b>5.59</b>	<b>1.60</b>

### Note 15 Inventories

(₹ in crore)

	31 March 2015	31 March 2014
Raw materials and components	398.82	509.62
Raw materials-in transit	218.30	270.42
Work-in-progress	86.55	88.64
Finished goods	208.69	119.38
Stock-in-trade	10.18	8.16
Stock-in-trade -in transit	1.07	0.52
Stores and spares	20.64	20.30
<b>Total</b>	<b>944.25</b>	<b>1,017.04</b>



## Notes Accompanying to the Consolidated Financial Statements

### Note 16 Trade Receivables

(₹ in crore)

	31 March 2015	31 March 2014
<b>Unsecured, considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	0.03	0.03
Unsecured, considered good	59.09	26.89
Unsecured, considered doubtful	14.57	14.60
	73.69	41.52
Less: Allowances for doubtful debts	14.57	14.60
<b>Sub Total</b>	<b>59.12</b>	<b>26.92</b>
<b>Other receivables</b>		
Secured, considered good	0.49	0.49
Unsecured, considered good	1,207.39	1,076.16
<b>Sub Total</b>	<b>1,207.88</b>	<b>1,076.65</b>
<b>Grand Total</b>	<b>1,267.00</b>	<b>1,103.57</b>

### Note 17 Cash and Bank Balances

(₹ in crore)

	31 March 2015	31 March 2014
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
On current accounts	90.32	77.50
On deposits with original maturity of less than three months	-	12.25
On unclaimed dividend account (Refer Note (i) below)	0.73	0.68
Cash on hand	0.13	0.09
Cheques on hand	1.02	2.95
Funds in transit	-	1.08
<b>Sub Total</b>	<b>92.20</b>	<b>94.55</b>
<b>Other bank balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	2.36	-
Margin money deposit (Refer note (ii) below)	5.91	136.06
<b>Sub Total</b>	<b>8.27</b>	<b>136.06</b>
<b>Grand Total</b>	<b>100.47</b>	<b>230.61</b>

#### Note :

- (i) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2015.  
(ii) Against letters of credit for Company's import of raw materials and working capital loans.



## Notes Accompanying to the Consolidated Financial Statements

### Note 18 Short-Term Loans and Advances

(₹ in crore)

	31 March 2015	31 March 2014
<b>Unsecured, considered good</b>		
Loans and advances to related parties	0.00	0.00
<b>Others</b>		
Advances recoverable in cash or in kind or for value to be received	100.60	117.10
Balances with statutory/government authorities	50.13	57.74
<b>Total</b>	<b>150.73</b>	<b>174.84</b>
<b>Loans and advances to related party</b>		
AIL Benefit Trust	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

### Note 19 Other Current Assets

(₹ in crore)

		31 March 2015	31 March 2014
Interest accrued but not due on fixed deposits		0.35	6.15
Interest accrued but not due on security deposits		0.05	0.02
Assets held for sale		0.02	0.02
Receivable from AIL Benefit Trust			
- Original value of investment	83.44		83.44
- Provision for diminution in value	(55.55)		(55.55)
		27.89	27.89
Other receivable		10.31	14.27
<b>Total</b>		<b>38.62</b>	<b>48.35</b>

### Note 20 Revenue from Operations

(₹ in crore)

	31 March 2015	31 March 2014
<b>Sale of products</b>		
Finished goods	5,469.63	4,931.34
Raw materials	22.95	36.30
Traded goods	67.09	82.87
<b>Total</b>	<b>5,559.67</b>	<b>5,050.51</b>
<b>Sale of services</b>	6.45	2.66
<b>Other operating revenue</b>		
Others	43.03	50.38
<b>Total</b>	<b>43.03</b>	<b>50.38</b>
<b>Revenue from operations (gross)</b>	<b>5,609.15</b>	<b>5,103.55</b>
Less : Excise duty	487.29	471.92
<b>Revenue from operations (net)</b>	<b>5,121.86</b>	<b>4,631.63</b>



## Notes Accompanying to the Consolidated Financial Statements

### Note 21 Other Income

(₹ in crore)

	31 March 2015	31 March 2014
Dividend income from AIL Benefit Trust	0.86	0.86
Net gain on sale of short-term investment in liquid funds	0.89	3.61
<b>Total</b>	<b>1.75</b>	<b>4.47</b>

### Note 22 Cost of Raw Materials and Components consumed

(₹ in crore)

	31 March 2015	31 March 2014
Inventory at the beginning of the year	780.04	528.46
Add: Purchases	3,948.58	3,857.42
	4,728.62	4,385.88
Less: inventory at the end of the year	617.12	780.04
<b>Cost of raw materials and components consumed</b>	<b>4,111.50</b>	<b>3,605.84</b>

### Note 23 Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade

(₹ in crore)

	31 March 2015	31 March 2014
<b>Inventories at the end of the year</b>		
Finished goods	208.69	119.38
Work-in-progress	86.55	88.64
Traded goods	11.25	8.68
<b>Sub Total</b>	<b>306.49</b>	<b>216.70</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	119.38	118.60
Work-in-progress	88.64	81.21
Traded goods	8.68	9.17
<b>Sub Total</b>	<b>216.70</b>	<b>208.98</b>
	<b>(89.79)</b>	<b>(7.72)</b>

### Note 24 Employee Benefits Expense

(₹ in crore)

	31 March 2015	31 March 2014
Salaries, wages and bonus	70.21	59.40
Contribution to provident and other funds	5.21	4.20
Staff welfare expenses	3.96	3.19
<b>Total</b>	<b>79.38</b>	<b>66.79</b>



## Notes Accompanying to the Consolidated Financial Statements

### Note 25 Other Expenses

(₹ in crore)

		31 March 2015	31 March 2014
Consumption of stores and spares		20.58	13.72
Packing materials		177.83	152.42
Excise duty adjustment of finished goods stock		8.20	2.18
Storage charges		9.07	8.17
Power, electricity and fuel		59.36	56.41
Processing charges, fabrication and labour charges		64.67	50.45
Freight and forwarding charges		186.74	169.53
Rent		2.19	2.06
Rates and taxes		5.80	4.09
Insurance		8.58	7.67
Repairs and maintenance			
Plant and machinery		2.76	3.22
Buildings		1.96	1.34
Others		3.61	3.19
Advertising and sales promotion		2.98	1.65
Sales commission		38.55	27.14
Travelling and conveyance		14.19	12.95
Printing and stationery		1.45	1.59
Legal and professional fees		11.54	10.62
Directors' sitting fees		0.09	0.07
Commission to Chairman, Managing Director and Joint Managing Director		2.00	3.23
Discount and rebates		14.19	3.61
Lease rental		1.41	0.89
Donation*		0.14	0.47
Royalty		7.93	7.52
Bank charges and commission		12.04	9.32
Bad debts and advances written-off	13.01		3.35
Less: Allowances for doubtful debts utilised	(0.36)		(0.08)
		12.65	3.27
Allowances for doubtful debts and advances		0.34	4.06
Loss on sale of fixed assets (net)		0.27	0.07
Miscellaneous expenses		34.26	34.55
		<b>705.38</b>	<b>595.46</b>

\* Donation for 2014-15 represents spend towards Corporate Social Responsibility Activities, previous year 'Nil'

### Note 26 Exceptional Items

(₹ in crore)

	31 March 2015	31 March 2014
Voluntary Retirement Compensation	0.25	0.86
<b>Total</b>	<b>0.25</b>	<b>0.86</b>



## Notes Accompanying to the Consolidated Financial Statements

### Note 27 Finance Costs

(₹ in crore)

	31 March 2015	31 March 2014
<b>Interest expenses</b>		
Interest expenses	64.02	50.64
Bank charges for borrowing	10.34	14.60
Applicable net loss on foreign currency transactions and translation	84.67	149.76
<b>Sub Total</b>	<b>159.03</b>	<b>215.00</b>
<b>Interest income on</b>		
Bank deposits	(2.67)	(66.74)
Others	(6.51)	(2.78)
<b>Sub Total</b>	<b>(9.18)</b>	<b>(69.52)</b>
<b>Grand Total</b>	<b>149.85</b>	<b>145.48</b>

### Note 28 Earnings Per Share (EPS)

Sr.No.	Particulars	31 March 2015	31 March 2014
1	Profit after tax and before extraordinary items- in ₹ in crore	49.51	89.65
2	Profit after tax and extraordinary items- in ₹ in crore	49.51	89.65
3	Weighted Number of Equity Shares outstanding during the year	3.85	3.85
4	Nominal Value of Equity Shares in ₹	10.00	10.00
5	Earnings Per Share - in ₹		
	Basic and Diluted (before extraordinary items)	12.87	23.30
	Basic and Diluted (after extraordinary items)	12.87	23.30

### Note 29 Contingent Liabilities and Commitments

(₹ in crore)

	31 March 2015	31 March 2014
<b>A) Contingent liabilities not provided for:</b>		
(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)	7.15	7.19
Service tax	0.20	0.20
Customs duty	4.81	4.81
Sales tax	12.88	12.72
(ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	9.28	8.66
(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.	4.45	4.45
(iv) Labour matters	2.12	7.43
(v) Others	6.47	6.35
(b) Bills of exchange discounted	57.84	243.64
(c) Taxation:		
Disputed demands of income tax	7.11	6.99
<b>B) Capital commitments</b>		
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	5.80	14.47



## Notes Accompanying to the Consolidated Financial Statements

### Note 30 Research and Development Expenses

(₹ in crore)

		31 March 2015	31 March 2014
<b>(A)</b>	<b>R &amp; D Center-OIL (Rabale - DSIR Recognised)</b>		
(a)	Salary, wages and other benefits	1.97	1.63
	Consumables and Other expenses	0.11	0.13
	<b>Sub-Total</b>	<b>2.08</b>	<b>1.76</b>
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	0.03	0.64
	<b>Sub Total</b>	<b>0.03</b>	<b>0.64</b>
	<b>Total</b>	<b>2.11</b>	<b>2.40</b>
<b>(B)</b>	<b>R &amp; D Center-Conductor (Silvassa)</b>		
(a)	Salary, wages and other benefits	-	-
	Consumables and other expenses	3.53	0.60
	<b>Sub-Total</b>	<b>3.53</b>	<b>0.60</b>
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
	<b>Sub Total</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>3.53</b>	<b>0.60</b>
<b>(C)</b>	<b>R &amp; D Center-Cable (Khatalwad)</b>		
(a)	Salary, wages and other benefits	0.14	0.21
	Consumables and other expenses	0.53	0.33
	<b>Sub-Total</b>	<b>0.67</b>	<b>0.54</b>
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	0.03
	<b>Sub-Total</b>	<b>-</b>	<b>0.03</b>
	<b>Total</b>	<b>0.67</b>	<b>0.57</b>
	<b>Grand Total (A+B+C)</b>	<b>6.31</b>	<b>3.57</b>

### Note 31 (a)

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21, Consolidated Financial Statements and 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 31st March, 2015	% voting power held as on 31st March, 2014
Petroleum Specialities Pte Ltd.	Singapore	100.00	100.00
Quantum Apar Specialty Oils Pty Ltd - (Subsidiary of Petroleum Specialities Pte Ltd.)	Australia	65.00	65.00
Petroleum Specialities FZE - (Subsidiary of Petroleum Specialities Pte Ltd.)	Sharjah	100.00	-
Apar Lubricants Limited (formerly Apar ChemateK Lubricants Ltd)	India	100.00	97.50



## Notes Accompanying to the Consolidated Financial Statements

<b>Note</b>	<b>31 (b)</b>	<b>Additional information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries</b>
		<b>Statement of net assets &amp; profit or loss attributable to owners &amp; minority interest</b>

Name of the entity	Net Assets i.e. Total assets minus Total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount Rs. in crore	As % of consolidated profit or loss	Amount Rs. in crore
<b>Parent</b>				
Apar Industries limited	87.13	636.92	96.85	47.86
<b>Subsidiaries</b>				
<b>Indian</b>				
Apar Lubricants Limited	2.26	16.52	6.47	3.20
<b>Foreign</b>				
Petroleum Specialities Pte Limited	11.35	83.00	10.91	5.39
Quantum Apar Speciality oils Pty Limited	0.31	2.27	(0.50)	(0.25)
Petroleum Specialities FZE	0.03	0.24	(0.03)	(0.01)
<b>Minority Interests in all subsidiaries</b>	0.17	1.21	(0.20)	(0.10)
<b>Adjustments / Eliminations</b>	(1.25)	(9.14)	(13.50)	(6.67)
<b>Total</b>	<b>100.00</b>	<b>731.02</b>	<b>100.00</b>	<b>49.41</b>





## Notes Accompanying to the Consolidated Financial Statements

### Note 32 Related Party Disclosures

#### A. List of Related Parties :

##### a). Key Managerial Personnel :

Mr. K. N. Desai - Managing Director & Chief Executive Officer  
 Mr. C. N. Desai - Managing Director  
 Mr. V. C. Diwadkar - Chief Financial Officer  
 Mr. Sanjaya Kunder - Company Secretary  
 Mr. G. Sudhakar - Director - Petroleum Specialities Pte. Ltd.

##### b). Chairman having significant influence :

Dr. N. D. Desai - Non Executive Chairman

##### c). Relatives of Key Managerial Personnel :

Mrs. M. N. Desai  
 Mrs. Noopur Kushal Desai  
 Mr. Rishabh K. Desai  
 Ms. Gaurangi K. Desai  
 Mrs. Jinisha C. Desai  
 Mr. Devharsh C. Desai  
 Ms. Nitika C. Desai  
 Mrs. Vineeta R. Srivastava  
 Mr. Rajeev Srivastava  
 Ms. Krishangi R. Srivastava  
 Mrs. Vinaya S. Kunder  
 Master Akshat S. Kunder  
 Mrs. Arti V. Diwadkar  
 Mr. Amit V. Diwadkar

##### d). 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 Investments ( Singapore ) Pte. Ltd.  
 b) Apar Investments Inc.  
 Kushal N. Desai Family Trust  
 Maithili Trusteeship Services Private Limited  
 Chaitanya N. Desai Family Private Trust  
 Maithili N. Desai Family Private Trust

Kushal Chaitanya N. Desai Family Trust  
 Chaitanya N. Desai Family Trust  
 Catalis World Private Ltd.  
 Gayatri Associates  
 AIL Benefit Trust  
 Quantum Chemical Pty.Ltd.  
 Kushal N. Desai Family Private Trust  
 Narendra D. Desai Family Private Trust

(₹ in crore)

(i) Key Managerial Personnel :			
	Transactions	31 March 2015	31 March 2014
1	Interest paid	0.35	0.38
2	Remuneration	3.97	3.65
3	Dividends paid (payment basis)	7.74	7.26
4	Outstanding as on 31.03.2015		
	Loans and deposits payable	-	3.75
(ii) Chairman having significant influence			
	Transactions	31 March 2015	31 March 2014
1	Interest paid	0.04	0.08
2	Director's commission	0.67	1.08
3	Legal and professional fees	0.51	0.51
4	Sitting fees	0.02	0.01
5	Dividends paid (payment basis)	3.87	3.63
6	Outstanding as on 31.03.2015		
	Loans and deposits payable	-	0.76



## Notes Accompanying to the Consolidated Financial Statements

### Note 32 Related Party Disclosures (Contd.)

(₹ in crore)

<b>(iii) Relatives of Key Managerial Personnel:</b>			
	<b>Transactions</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
1	Interest paid	0.21	0.25
2	Dividends paid (payment basis)	0.01	0.01
3	Outstanding as on 31.03.2015		
	Loans and deposits payable	-	2.42
<b>(iv) Entities over which key management personnel/individual having significant influence</b>			
	<b>Transactions</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
1	Interest paid	0.00	0.00
2	Rent paid	0.74	0.74
3	Arranging Fees	0.05	0.02
4	Dividends paid (payment basis)	1.00	1.00
5	Management Fees	1.72	1.79
6	Outstanding as on 31.03.2015		
	Loans and deposits payable	0.00	0.00
	Loans and advances receivable	2.90	2.41

### 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 crore)

	<b>31 March 2015</b>	<b>31 March 2014</b>
<b>(i) Interest paid</b>		
- Dr. N. D. Desai	-	0.08
- Kushal N. Desai	-	0.05
- Chaitanya N. Desai	0.22	0.33
- Vivek C. Diwadkar	0.10	0.08
- Gaurangi K. Desai	0.07	0.08
- Rishabh K. Desai	-	0.06
<b>(ii) Dividends paid (payment basis)</b>		
- Dr. N. D. Desai	3.87	3.63
- Kushal N. Desai	3.87	3.63
- Chaitanya N. Desai	3.87	3.63
<b>(iii) Legal and professional fees</b>		
- Dr. N. D. Desai	0.51	0.51
<b>(iv) Rent paid</b>		
- Apar Corporation Private Ltd.	0.63	0.63
- Apar Technologies Private Ltd.	0.11	0.11
<b>(v) Director remuneration</b>		
- Kushal N. Desai	1.42	1.72
- Chaitanya N. Desai	1.45	1.73
- Dr. N. D. Desai	0.67	1.08
<b>(vi) Sitting fees</b>		
- Dr. N. D. Desai	0.02	0.01
<b>(vii) Arranging fees</b>		
- Apar Investment Inc	0.05	0.02
<b>(viii) Management fees</b>		
- Quantum Chemical Pty. Ltd.	1.72	1.79



## Notes Accompanying to the Consolidated Financial Statements

### Note 33 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 2014-15

(₹ in crore)

Particulars	Conductor	Transformer & Speciality Oils	Power/Telecom Cables	Others	Elimination	Total
<b>Revenue</b>						
External sales ( net of excise duty)	2,315.50	2,224.20	558.83	23.33	-	5,121.86
Other income	-	0.05	-	1.70	-	1.75
Inter-Segment Sales	4.62	26.81	1.24	0.05	(32.72)	-
<b>Total revenue</b>	<b>2,320.12</b>	<b>2,251.06</b>	<b>560.07</b>	<b>25.08</b>	<b>(32.72)</b>	<b>5,123.61</b>
Segment results before finance costs and tax	117.41	102.08	20.05	2.08		241.62
Less: Finance costs						149.85
Less: Other unallocated expenditure net of unallocable income						19.30
Profit before tax						72.47
Tax expense						23.06
Profit after tax						49.41
<b>Capital employed</b>						
Segment assets	1,342.21	1,078.59	456.42	12.98	-	2,890.20
Unallocable corporate and other assets						65.69
<b>Total Assets</b>						<b>2,955.89</b>
Segment liabilities	1,022.73	629.87	158.54	2.06	-	1,813.20
Unallocable corporate and other liabilities						26.22
<b>Total liabilities</b>						<b>1,839.43</b>
Capital expenditure	32.63	8.00	13.25	0.74	-	54.62
Capital expenditure -Unallocable						4.01
Depreciation and Amortisation expense	8.82	6.22	13.45	0.03	-	28.52
Depreciation and Amortisation- Unallocable						2.69



## Notes Accompanying to the Consolidated Financial Statements

### Note 33 Segment Information (Contd.)

FY 2013-14

(₹ in crore)

Particulars	Conductor	Transformer & Specialty Oils	Power/Telecom Cables	Others	Elimination	Total
<b>Revenue</b>						
External sales (net of excise duty)	1,646.60	2,394.75	572.41	17.87	-	4,631.63
Other income	0.00	-	-	4.47	-	4.47
Inter-Segment Sales	7.67	1.62	0.93	-	(10.22)	-
<b>Total revenue</b>	<b>1,654.27</b>	<b>2,396.37</b>	<b>573.34</b>	<b>22.34</b>	<b>(10.22)</b>	<b>4,636.10</b>
Segment results before finance costs and tax	109.84	183.50	(3.56)	1.25		291.03
Less: Finance costs						145.48
Less: Other unallocated expenditure net of unallocable income						17.02
Profit before tax						128.53
Tax expense						38.62
Profit after tax						89.91
<b>Capital employed</b>						
Segment assets	986.40	1,443.56	482.66	7.45	-	2,920.07
Unallocable corporate and other assets						77.90
<b>Total Assets</b>						<b>2,997.97</b>
Segment liabilities	674.70	1,039.37	214.39	2.02	-	1,930.48
Unallocable corporate and other liabilities						33.51
<b>Total liabilities</b>						<b>1,963.99</b>
Capital expenditure	35.88	12.35	49.61	-	-	97.84
Capital expenditure -Unallocable						2.29
Depreciation and Amortisation expense	9.07	6.03	9.79	-		24.89
Depreciation and Amortisation-Unallocable						2.13

- During the year, further allocation of unallocated common expenses to segments has resulted in consideration of additional cost in conductor ₹ 7.39 crore, oil ₹ 8.75 crore, cable ₹ 4.41 crore and others ₹ 0.64 crore. Consequently unallocated expenses net of income is lower by ₹ 21.19 crore. The figures for previous year have been regrouped accordingly.
- In line with organisation structure and internal financial reporting, certain products have been clubbed under conductor segment. Hitherto, these were being reported under cable segment. Accordingly, the following amounts have been regrouped from cable segment to conductor segment for current and previous year.

(₹ in crore)

	Year ended 31 March 2015	Year ended 31 March 2014
Segment Revenue	103.65	24.52
Segment Results	1.32	0.39
Capital Employed	13.04	10.76



## Notes Accompanying to the Consolidated Financial Statements

### Note 33 Segment Information (Contd.)

#### b. Secondary Segments (Geographical Segments)

(₹ in crore)

	31 March 2015	31 March 2014
<b>Segment Revenue</b>		
- Within India*	3,448.45	3,076.16
- Outside India	1,673.41	1,555.47
	<b>5,121.86</b>	<b>4,631.63</b>

\* include deemed exports ₹ 151.48 crore (Previous year ₹ 14.25 crore)

(₹ in crore)

	31 March 2015	31 March 2014
<b>Segment Assets</b>		
- Within India	2,516.84	2,575.24
- Outside India	439.05	422.73
	<b>2,955.89</b>	<b>2,997.97</b>
<b>- The Company's tangible fixed assets are located entirely in India.</b>		

#### 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 consists 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.

### Note 34

As per the Accounting Standard (AS), 28 Impairment of Assets, the Company has reviewed the potential generation of economic benefit from its fixed assets and accordingly, necessary impairment loss has been provided in the financial statements.

### Note 35

₹ '0.00' indicate amount less than ₹ 50,000

### Note 36

Figures for previous year have been regrouped, wherever necessary.

Signatures to Note 1 to 36

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors

**Milind P. Phadke**

Partner

Membership No. 033013

Mumbai, 14th May, 2015

**Kushal N. Desai**

Managing Director &

Chief Executive Officer

Mumbai, 14th May, 2015

**Dr. N.K. Thingalaya**

Director

**V. C. Diwadkar**

Chief Financial Officer

**Sanjaya R. Kunder**

Company Secretary



## Form AOC - I

(pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the financial statement of subsidiary companies

Sr. No.	Particulars	Petroleum Specialities Pte. Limited, Singapore		Petroleum Specialities FZE, Sharjah		Quantum Apar Speciality Oils Pty. Limited, Australia		Apar Lubricants Limited, India
		In USD	₹ in Crore	In USD	₹ in Crore	In AUD	₹ in Crore	₹ in Crore
(a)	Capital	59,101	0.26	40,825	0	300,000	1.03	6.77
(b)	Reserve	13,342,272	82.84	(2,268)	(0)	533,567	2.67	9.75
(c)	Total Assets	17,028,990	105.77	219,196	1	4,428,329	21.26	17.65
(d)	Total Liabilities	3,627,616	22.67	180,639	1	3,594,762	17.56	1.13
(e)	Details of investment (Except in case of investment in Subsidiaries)	-	-	-	-	-	-	-
(f)	Turnover	24,516,729	149.39	-	-	9,064,689	48.41	17.72
(g)	Profit before taxation	754,553	6.42	(2,268)	(0)	110,401	(0.16)	4.78
(h)	Provision for taxation	145,355	0.91	-	-	43,155	0.22	1.55
(i)	Profit after taxation	609,199	5.51	(2,268)	(0)	67,246	(0.38)	3.23
(j)	Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil

As on 31.03.2015 : 1 U.S. Dollar(USD) = ₹ 62.4900, 1 Australian Dollar (AUD) = ₹ 48.4438

For and on behalf of the Board of Directors

**Kushal N. Desai**  
Managing Director &  
Chief Executive Officer  
Mumbai, 14th May, 2015

**Dr. N.K. Thingalaya**  
Director

**V. C. Diwadkar**  
Chief Financial Officer

**Sanjaya R. Kunder**  
Company Secretary





## FORM NO. MGT-11



## APAR INDUSTRIES LIMITED

(CIN : L91110GJ1989PLC012802)

Regd. Office : 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007 (Gujarat).

Phone : 0265-2339906, 2331935 Fax : 0265- 2330309

Email : com\_sec@apar.com Website : www.apar.com

## TWENTY SIXTH ANNUAL GENERAL MEETING

Friday, 7th August, 2015

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :  
 Registered Address :  
 E-mail Id :  
 Folio No. / Client Id :  
 DP Id :

I / We, being the member(s), holding \_\_\_\_\_ Shares of the above named company, hereby appoint :

- Name :  
Address :  
Email Id :  
Signature \_\_\_\_\_ or failing him / her;
- Name :  
Address :  
Email Id :  
Signature \_\_\_\_\_ or failing him / her;
- Name :  
Address :  
Email Id :  
Signature \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **26<sup>th</sup> Annual General Meeting** of the Company to be held on **Friday, August 7, 2015 at 2.15 P.M.** in the **Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007, Gujarat** and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Optional *	
Ordinary Business :		For	Against
1.	Adoption of Accounts.		
2.	Declaration of Dividend.		
3.	Re-appointment of Mr. Kushal N. Desai as Director who retires by rotation and being eligible offers himself for re-appointment.		
Special Business :			
4.	Appointment of Statutory Auditors.		
5.	Re-appointment of Mr. Kushal N. Desai as Managing Director and Chief Executive Officer (CEO) of the Company for a period of three years w.e.f. 1 <sup>st</sup> January, 2015 and payment of Remuneration to him.		
6.	Re-appointment of Mr. Chaitanya N. Desai as Managing Director of the Company for a period of three years i.e. from 1st January, 2015 to 31st January, 2015 as Joint Managing Director and from 1st February, 2015 to 31st December, 2017 as Managing Director and payment of Remuneration to him.		
7.	Payment of remuneration to Cost Auditors.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

- Notes :**
- This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of Meeting.
  - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Sixth Annual General Meeting.
  - It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
  - Please complete all details including details of member(s) in above box before submission.







**APAR INDUSTRIES LIMITED**

(CIN : L91110GJ1989PLC012802)

**Regd. Office :** 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007 (Gujarat).

Phone : 0265-2339906, 2331935 Fax : 0265- 2330309

Email : com\_sec@apar.com Website : www.apar.com

**TWENTY SIXTH ANNUAL GENERAL MEETING**

**Friday, 7th August, 2015**

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting Venue)

FOLIO NO. :

DP ID NO. :

NO. OF EQUITY SHARES :

CLIENT ID NO. :

Name of the attending member / proxy (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 **26th Annual General Meeting** of the Company to be held on **Friday, 7th August, 2015 at 2.15 P.M.** in the **Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007, Gujarat.**

-----  
Member's / Proxy's Signature

**Notes :**

- 1) Please fill the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the entrance of the Meeting Hall.
- 2) Members / Proxies are requested to bring attendance slip with them. Duplicate slips will not be issued at the venue of the Meeting.



## Form No. MGT – 12

### Polling Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

<b>Name of the Company</b>	:	Apar Industries Limited
<b>Registered office</b>	:	301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007, Gujarat .

#### BALLOT PAPER

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered folio No. / *Client ID No.) (* Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
-----	----------	--------------------------	----------------------------	-------------------------------

#### ORDINARY BUSINESS :

1.	To receive, consider and adopt the Audited Financial statements including Consolidated Financial statements comprising the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and Cash flow for the year ended on that date together with Reports of Directors and Auditors thereon. <b>(Ordinary Resolution)</b>			
2.	To declare dividend on the Equity Shares of the Company. <b>(Ordinary Resolution)</b>			
3.	To appoint a Director in place of Mr. Kushal N. Desai who retires by rotation and, being eligible offers himself for re-appointment. <b>(Ordinary Resolution)</b>			

#### SPECIAL BUSINESS :

4.	To appoint M/s. Sharp & Tannan, Chartered Accountants as Auditors of the Company to hold office from the Conclusion of this AGM till the conclusion of 31st AGM to be held in 2020 and authorise the Board of Directors to fix their remuneration. <b>(Ordinary Resolution)</b>			
5.	To consider re-appointment of Mr. Kushal N. Desai as Managing Director and Chief Executive Officer (CEO) of the Company for a period of three years w.e.f. 1st January, 2015 and payment of Remuneration to him. <b>(Special Resolution)</b>			
6.	To consider re-appointment of Mr. Chaitanya N. Desai as Managing Director of the Company for a period of three years i.e. from 1st January, 2015 to 31st January, 2015 as Joint Managing Director and from 1st February, 2015 to 31st December, 2017 as Managing Director and payment of Remuneration to him. <b>(Special Resolution)</b>			
7.	To confirm appointment and ratify payment of remuneration not exceeding Rs. 1,20,000/- to Shri T. M. Rathi, the Cost Auditors for the Financial Year ending 31st March, 2016. <b>(Ordinary Resolution)</b>			

Place :Vadodara

Date :

(Signature of the shareholder)



**BOOK POST / COURIER**



**APAR INDUSTRIES LTD.**

CIN : L91110GJ1989PLC012802

*If undelivered please return to:*

**APAR INDUSTRIES LTD.**

301, Panorama Complex, R. C. Dutt Road,  
Vadodara - 390007, Gujarat.

**[www.apar.com](http://www.apar.com)**

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