APAR INDUSTRIES LTD.

POWERING AHEAD!

59 YEARS OF POWERFUL PERFORMANCE

ANNUAL REPORT **2016-17**

CONTENTS

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 suchas'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.

Corporate Information

Board of Directors

Dr. N. D. Desai *(Demised on 17.10.2016)*	Non-Executive Chairman – Upto 16.10.2016
Mr. Kushal N. Desai	Chairman & Managing Director (Chairman w.e.f. 08.11.2016)
Mrs. Nina Kapasi	Independent Director
Dr. N. K. Thingalaya	Independent Director
Mr. F. B. Virani	Independent Director
Mr. C. N. Desai	Managing Director
Mr. Rajesh Sehgal	Non-Executive Investor Director – Upto 30.03.2017 Independent Director – w.e.f. 24th April, 2017
Mr. Suyash Saraogi	Independent Director

Audit Committee

Dr. N. K. Thingalaya	Chairman upto 23rd May, 2017
Mrs. Nina Kapasi	Chairman w.e.f. 30th May, 2017
Mr. F. B. Virani	
Mr. Rajesh Sehgal	
Mr. Kushal N. Desai	
Mr. Suyash Saraogi	

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
- IDBI Bank Limited
- Bank of Baroda
- Credit Agricole – Corporate & Investment Bank
- Syndicate Bank
- ICICI Bank Ltd.
- Axis Bank Ltd.
- Kotak Mahindra Bank Ltd.
- State Bank of India
- 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. Link Intime India Private Limited
B-102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara – 390 020 (Gujarat).
Tel : (+91) (0265) 2356573, 2356794
TeleFax : (+91) (0265) 2356791
E-mail : vadodara@linkintime.co.in
Website : www.linkintime.co.in
CIN : U67190MH1999PTC118368

Financial Highlights for last five years (Consolidated)

(₹ in crore)

Particulars	2016-17*	2015-16*	2014-15	2013-14	2012-13
PROFIT AND LOSS ACCOUNT DATA :-					
Sales (Net of Excise)	4,832	5,078	5,122	4,633	4,651
% of Growth	(5)	(1)	11	(0)	29
Exports	1,359	1,651	1,673	1,555	1,413
Materials, Operating and other costs	4,321	4,625	4,791	4,269	4,282
Employee cost	107	91	79	67	57
Depreciation	45	38	31	27	24
Interest and Discounting charges	114	157	150	145	135
Profit before tax, exceptional & Extraordinary Items	273	178	73	129	155
% of Growth	54	144	(44)	(16)	97
Taxation	97	57	23	39	40
Profit After Tax (PAT)	176	120	50	90	115
Exceptional items	-	-	0	1	5
Other Comprehensive Income	20	3	-	-	-
Joint Venture profit/(loss)	0	1	-	-	-
Minority Interest (profit)/loss	-	-	0	(0)	(1)
Balance of Profit	196	125	50	89	109
% of Growth	57	152	(44)	(19)	50
BALANCE SHEET DATA:-					
Share Capital	38	38	38	38	38
Reserves & Surplus	998	815	691	658	588
Net worth	1,036	854	730	696	626
Minority interest	-	-	1	2	2
Loan Funds	254	361	361	314	135
Defferred Tax (Net)	46	31	27	22	10
Total Liabilities	**1,336**	**1,246**	**1,120**	**1,034**	**773**
Gross Block	640	★422	603	541	436
Net Block	594	444	383	356	288
Investments including Goodwill on Consolidation/amalgamation	7	13	22	21	21
Net Current assets	734	789	715	657	464
Total Assets	**1,336**	**1,246**	**1,120**	**1,034**	**773**
KEY RATIOS:-					
PAT to Sales (%)	4.06	2.46	0.97	1.91	2.35
Return on Net Worth (%)	18.65	15.37	6.98	13.54	19.86
Asset Turns (Revenue to total Assets)	1.51	1.71	1.76	1.76	2.06
Return on Capital Employed (%)	30.03	28.58	20.67	30.43	38.10
Debt to Equity Ratio	0.11	0.14	0.15	0.13	0.08
Earning per Equity Share (Basic) Rs.	45.88	32.48	12.87	23.30	28.45
Rate of dividend % p.a.	100.00%	65.00%	35.00%	52.50%	52.50%
Book value per Equity Share Rs.	270.75	221.82	189.58	180.72	162.62
Share Price as on 31st March (BSE)	748.85	461.80	370.10	144.70	108.45

* FY 16-17 and FY 15-16 numbers are as per Ind AS

★ Carrying value of Property, Plant and Equipment as on the date of transition is considered as deemed cost.

NOTICE

NOTICE is hereby given that the **TWENTY EIGHTH** Annual General Meeting of the Equity Shareholders of **APAR INDUSTRIES LIMITED (CIN - L91110GJ1989PLC012802)** will be held in the **Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 (Gujarat)** on **Wednesday, the 9th August, 2017 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, 2017 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.

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, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), as amended from time to time, consent of the members be and is hereby accorded to appoint M/s. Sharp & Tannan (Firm Registration No. 127145W), as Statutory Auditors of the Company who shall hold the office for a period of 3 years with effect from Financial Year 2017-18 till the conclusion of Annual General Meeting to be held in the year 2020 subject to ratification of members at each Annual General Meeting on such remuneration as may be decided by the Board.

FURTHER RESOLVED THAT the Board of Directors, be and is, hereby empowered and authorised to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E Forms with Registrar of Companies."

Special Business :

5. 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 Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Act and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rajesh Sehgal (holding DIN 00048482), who was appointed as an Additional Director of the Company in the category of Independent Director, by the Board of Directors with effect from 24th April, 2017 pursuant to Section 161 of the Companies Act, 2013 and Article 136 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Mr. Rajesh Sehgal for the office of Director of the Company, be and is hereby appointed as a Director of the Company in the category of Independent Director to hold office for five consecutive years upto the conclusion of 33rd Annual General Meeting of the Company to be held in the calendar year 2022."

6. 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, 2018 be confirmed and be paid remuneration not exceeding Rs. 1,20,000/-.

FURTHER RESOLVED THAT the Board of Directors of the Company (including any Committee thereof) 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."

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

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised 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 30, 2017.

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 class of investors, as per the provisions of the SEBI Circular dated May 29, 2000. Members are, therefore, advised in their own interest to dematerialise their physical shareholding to avoid inconvenience and for better servicing by the Company

4. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from Thursday, 3rd August, 2017 to Wednesday, 9th August, 2017, both days inclusive, in connection with the Annual General Meeting and for the purpose of payment of dividend, if declared at the Meeting.

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, Link Intime India Private Limited (Link), cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. 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 / Link.

7. The brief details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Annual General 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 124 and 125 of the Companies Act, 2013, 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. The unpaid / unclaimed Dividend amount of Equity Shares of the Company paid on 10.08.2010 (Final Dividend – 2009-10) is due for transfer to the said fund in the month of September, 2017. Members who have not yet encashed their warrant(s) are requested to make their claims to the Company without further 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 5th August, 2016 (date of last Annual General Meeting) on the website of the Company (www.apar.com), as also on the website of the IEPF viz. (www.iepf.gov.in).

    In terms of Section 125(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. As required under the said Rules, the Company has published a Notice in the newspapers inviting the members' attention to the said Rules. The Company had also sent individual communication to the concerned members whose shares are liable to be transferred to the IEPF Account, pursuant to the said Rules to take immediate action in the matter.

    Recently, the Ministry of Corporate Affairs (MCA) has issued a Circular dated 16th May, 2017 vide which they have informed all concerned that the aforesaid transfer of shares to IEPF account is being put on hold till the fresh instructions on the above matter are issued in due course of time. The company awaits the fresh instructions from the MCA.

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 self-attested PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their self-attested PAN details to the Company / Link.

13. Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.

14. A route map showing directions to reach the venue of the 28th AGM is given at the end of this Notice as per the requirement of Secretarial Standard - 2 on "General Meeting".

15. **(a)** As stated in Para No. 14(f) of the Directors' Report, the

Company has not attached the Annual Accounts, Reports and other Statements in respect of its four subsidiaries with the Annual Report of the Company for the financial year ended March 31, 2017.

(b) A Statement showing information in aggregate of the said subsidiary Companies in compliance with the provisions of Section 129(3) of the Companies Act, 2013 has been attached with the financial statements in Form AOC-1 and forms a part of this Annual Report.

16. 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.

17. 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 etc. shall also be displayed on the Company's website at www.apar.com. Members holding shares in electronic mode are, therefore, requested to ensure to keep their email addresses updated with the Depository Participants. Shareholders / Members can register their email address, by sending an Email at investorservices@apar.com by quoting their Folio No. / DP ID – Client ID in order to facilitate the Company to serve the documents through the electronic mode.

18. 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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide e-voting facility to the members in relation to the business to be transacted at the 28th Annual General Meeting to be held on Wednesday, 9th August, 2017 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

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

Commencement of e-voting	From 10.00 Hrs. of Saturday, 5th August, 2017
End of e-voting period	Upto 17.00 Hrs. of Tuesday, 8th August, 2017

E-voting shall not be allowed beyond 17.00 Hours of 8th August, 2017. 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 – 2nd August, 2017.

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 voting period shall begin on 5th August, 2017 and end on 8th August, 2017. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off-date of 2nd August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) 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 at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders / Members

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Characters 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.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in Demat form and had logged on to 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.

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN field as mentioned on the mailing address sticker.

Dividend Bank Details **OR** **Date of Birth (DOB)**	• 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. • 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 (v).

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

(ix) 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.

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

(xi) Click on EVSN of APAR INDUSTRIES LTD.

(xii) 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.

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

(xiv) 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.

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

(xvi) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) 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. 2nd August, 2017 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **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 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.
- 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 e-mailed to 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.

(xxi) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxii) You can opt only one mode of voting i.e. either by E-voting or Physical Ballot. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.

(xxiii) 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.

(xxiv) 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.

(xxv) 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.

(xxvi) 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.

(xxvii) 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 forty eight hours 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.

(xxviii) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.apar.com and on the website of CDSL e-Voting 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:
301, Panorama Complex,
R. C. Dutt Road,
Vadodara – 390 007 (Gujarat)
Tel.: 0265 – 2339906, 2331935
Fax: 0265 – 2330309
E-mail: com_sec@apar.com
Website: www.apar.com

Registrar and Share Transfer Agent
Link Intime India Private Limited
B-102 & 103, Shangrila Complex, 1st Floor,
Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota,
Vadodara – 390 020 (Gujarat)
Tel.: 0265 – 2356573, 2356794
TeleFax: 0265 – 2356791
E-mail: vododara@linkintime.co.in
Website: www.linkintime.co.in

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

ITEM NO. 4 :

M/s. Sharp & Tannan (Firm Registration No. 109982W), Chartered Accountants, have been Statutory Auditors of the Company since Financial Year 2010-11. As a part of their internal reorganization, they are not seeking re-appointment at the ensuing Annual General Meeting and they seek appointment in the name of Sharp & Tannan (Firm Registration No. 127145W) for the remaining term upto the conclusion of the Annual General Meeting of the Company to be held in the year 2020 as available under provisions of Companies Act, 2013. Based on the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on 30th May, 2017 approved such appointment and recommended the members to approve the same.

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

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company is, in any way, financially or otherwise, concerned or interested in the resolution.

ITEM NO. 5 :

Consequent upon the sale of all the 3,636,363 Equity Shares by Templeton Strategic Emerging Markets Fund III, L.D.C. (Templeton) and subsequent withdrawal of Mr. Rajesh Sehgal as Director nominated by Templeton, on the request of the Company, Mr. Rajesh Sehgal agreed to act as Director of the Company in his individual capacity, in the category of Independent Director.

Mr. Rajesh Sehgal was appointed as an Additional Director of the Company w.e.f. 24th April, 2017 under Section 175 of the Companies Act, 2013 by Circular Resolution which was subsequently ratified by the Board of Directors at their meeting held on 30th May, 2017 in the category of Independent Director, pursuant to Section 161 of the Companies Act, 2013, read with Article 136 of the Articles of Association (AOA) of the Company.

In pursuance of the provisions of Section 161 of the Companies Act, 2013, Mr. Rajesh Sehgal will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a Deposit of Rs. 1,00,000/- proposing the candidature of Mr. Rajesh Sehgal for the Office of Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Mr. Rajesh Sehgal is the driving force behind Equanimity since its inception in 2017. Equanimity is a venture capital firm investing in early stage businesses that are technology focused or technology enabled. Prior to that, Mr. Rajesh Sehgal was Head - Private Equity, South Asia, Middle East & Africa with Franklin Templeton Investments and was involved with both listed and unlisted companies across emerging market countries. Prior to Franklin Templeton, Mr. Sehgal worked with SBI Capital Markets Limited as the manager of the Treasury & Investments Group.

Mr. Sehgal is a Wharton alumni and has earlier earned an M.B.A. in business management with specialisation in finance and marketing from XLRI (India) and a B.S. with specialisation in physics from Mumbai University. He has also earned a postgraduate diploma in securities law from the Government Law College in Mumbai and has been awarded the International Capital Markets Qualification by the Securities Institute, London. Mr. Sehgal is a Chartered Financial Analyst (CFA) charter holder. He is the Founding Chair of Corporate Reporting Users Forum (CRUF), an international body of professionals focused on the accounting and regulatory changes affecting corporate reporting. He is a Charter Member of TiE Mumbai, a non-profit global community serving entrepreneurs.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

Item No. 6 :

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, 2018 for an amount not exceeding Rs. 1,20,000/- p.a. for conducting audit of the cost records of Oil, Conductors and Cable divisions of the Company for the FY 2017-18.

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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

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. 6 of the Notice.

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

Item No. 7 :

The existing Articles of Association (AoA) contain several specific articles pertaining to rights of the Templeton Strategic Emerging Markets Fund III L.D.C. (Templeton) under the Subscription & Investor Rights Agreement (SIRA) dated March 31, 2011 entered into between the Company and Templeton. Consequent upon the termination of the said Agreement, these specific articles are no longer required.

Hence it is necessary to adopt new set of Articles of Association (AoA) of the Company wherein the specific articles pertaining to rights of the Templeton are deleted.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders. A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during 11.00 A.M. to 4.00 P.M. on all working days upto the date of ensuing AGM and at the meeting, during the meeting hours.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in 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 30, 2017.

Sanjaya Kunder
Company Secretary

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

{Pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015}

Name of Director →	Mr. Kushal N. Desai	Mr. Rajesh Sehgal
Date of Birth	21.02.1967	16.02.1971
Date of Appointment	24.03.1999	24.04.2017
Expertise in specific functional areas	Electrical Engineering	Investment / Business Management
Qualifications	B.Sc. (Hons.), (Elect. Engg.), USA B.S. in (Econ.) (Hons.), Wharton, USA.	PGDBM, CFA

List of other Companies in which Directorship held as on 31st March, 2017.	1. Apar Corporation Pvt. Ltd. 2. Apar Investments, INC. 3. Apar Investments (Singapore) Pte. Ltd. 4. Apar Technologies Pte. Ltd., Singapore 5. Bhakti Nilayam Pvt. Ltd. 6. Catalis World Pvt. Ltd. 7. Maithili Trusteeship Services Pvt. Ltd. 8. Manufacturers of Petroleum Specialties Association 9. Petroleum Specialities Pte. Ltd., Singapore 10. Petroleum Specialities, FZE 11. Quantum Apar Speciality Oils Pty. Ltd., Australia 12. Scope Pvt. Ltd.	--
Chairman / Member of the Committee of other Listed / Public Companies on which the individual is a Director as on 31st March, 2017.	--	--
No. of Shares held in the Company as on 31st March, 2017.	64,15,899	Nil
Relationship between directors inter se	Related to – Mr. C. N. Desai, (Brother)	Nil

VANIJYA BHAVAN ROAD MAP - APAR 28th - AGM

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in submitting the 28th Annual Report of the Company together with the audited annual financial statements showing the financial position of the Company for the year ended 31st March, 2017. Consolidated accounts include it's subsidiaries. Financial Statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (as amended) (Ind AS), prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning 1st April, 2016, the Company has for the first time adopted Ind AS with a transition date of 1st April, 2015. Consequently, the figures for the year ended 31st March , 2016 have been restated to comply with Ind AS to make them comparable.

1. Financial results

(₹ in crore)

Particulars	Company			Consolidated		
	2016-17	2015-16	% of Increase	2016-17	2015-16	% of Increase
Sales turnover (after deduction of excise duty)	4,775.58	5,024.36	(4.95)	4,831.98	5,078.49	(4.85)
Other income	15.80	9.92		15.96	10.09	
Profit for the year before finance cost, depreciation and tax expenses.	436.56	367.65	18.74	432.73	372.62	16.13
Deducting therefrom:						
- Depreciation / amortisation	43.45	37.69		44.97	37.76	
Finance Costs	113.66	157.33		114.36	157.32	
PROFIT BEFORE TAXATION FOR THE YEAR	**279.45**	**172.63**	**61.88**	**273.40**	**177.54**	**53.99**
Deducting therefrom:						
- Tax expenses	97.13	56.93		97.15	57.26	
Net profit for the year after taxation and before minority interest	**182.32**	**115.70**	**57.58**	**176.25**	**120.28**	**46.53**
Adjustment of:						
- Share in Profit (Loss) of JV	**0**	**0**		**0.32**	**1.41**	
NET PROFIT AFTER TAXATION AND ABOVE ADJUSTMENTS	182.32	115.70		176.57	121.69	
Add: Profit brought forward from previous year	274.18	218.45		364.51	310.44	
Amount available for appropriations	**456.50**	**334.15**		**541.08**	**432.13**	
- Reserves	(20.00)	(15.00)		(20.00)	(22.64)	
- Dividend (including tax)	*-	(44.98)		*-	(44.98)	
- Refund of dividend tax	0.93			0.93		
- Capital Redemption Reserve	(0.23)	0		(0.23)	0	
Leaving balance of profit carried to balance sheet	437.20	274.18		521.78	364.51	
Earnings per equity share (EPS)						
- Basic & Diluted before & after extraordinary items	47.38	30.88		45.88	32.48	

*Note: In accordance with Ind AS, final divided of Rs. 10/- (100%) per share recommended by the Board of Directors for FY 16-17 (refer para 2 below) is recognized as a liability in the period in which it is declared by shareholders in a general meeting and paid.

2. Dividend:

The Board of Directors of the Company have approved the Dividend Distribution Policy on 5th August, 2016 in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is available on Company's website www.apar.com

Considering the financial results achieved during the year under review as compared to the previous year, the Board of Directors has recommended the dividend for FY 2016-17 on the capital of 38,268,619 Equity Shares of the face value of Rs. 10/- each fully paid @ Rs. 10/- (100.00 %) per share [(previous year ₹ 6.50 (65.00 %) per share that included special dividend of Re. 1 per share.)]

This dividend amounting to ₹ 38.27 Crores is payable after declaration by shareholders at the ensuing Annual General Meeting (AGM) and you are requested to declare the same.

3. BUYBACK OF COMPANY'S EQUITY SHARES

During the year under review, the Company had offered to buyback upto 450,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 660/- per Equity Share ("Buyback Price") (including premium of Rs. 650/- per Equity Share) payable in cash for an aggregate amount of up to Rs. 29.70 Crores through Tender Offer.

Against the offer, 2,28,150 Equity Shares were tendered by the shareholders for an aggregate amount of Rs. 15.06 Crores and buyback was completed .

Consequently, Issued, Subscribed and Paid-up Share Capital of the Company has thus reduced to Rs. 382,686,190/- divided into 38,268,619 Equity Shares of Rs. 10/- each and Rs. 0.23 Crores being the nominal value of the shares bought back were transferred to Capital Redemption Reserve from General Reserve.

4. Transfer to Reserves:

The Company proposes to transfer an amount of Rs. 20 Crores to the General reserves. An amount of Rs. 521.78 Crore is proposed to be retained in the Consolidated Statement of Profit and Loss. As stated above, Rs. 0.23 Crores being the nominal values of the shares bought back were transferred to Capital Redemption Reserve from General Reserve.

5. Management Discussion and Analysis

Financial Year 2016-17 was a year of profitable growth for your Company as all segments showed strong progress. Your Company's focus on building a future-oriented basket of new-generation products and expanding global presence while managing costs have effectively helped buoy profitability.

The year gone by was one full of promise and progress for the Indian power sector. This is evident from the number of States which joined the Ujwal DISCOM Assurance Yojana (UDAY) going up to 27; power generation capacity crossing the 300-GW milestone; power deficit dropping to a historical low of less than 1%; renewable energy cost falling drastically (tariff for solar energy down to Rs. 2.97 per unit and Rs. 3.46 per unit for wind energy) and an $840-million mega project of 800-KV, ultra-high-voltage DC transmission line being awarded.

As we move into FY18, the momentum seems set to grow with the initiation of the 13th Electricity Plan, which estimates an investment of Rs. 2.6 trillion in the Indian power transmission sector by the end of 2022 and total generation capacity addition of 1,87,821 MW. Power Grid Corporation of India Ltd. (PGCIL) is expected to spend Rs. 1 trillion over the next 4 years to expand its Transmission & Distribution (T&D) network. On the exports front, FY17 saw a revival as commodity prices stabilised; going forward, these exports markets are expected to grow well in FY18.

As the benefits of the above-mentioned developments gradually percolate down, Apar Industries Ltd. with leading presence in India's T&D sector and 70% of its revenue coming from the power sector, is poised to grow. Apar is the fourth-largest manufacturer of transformer oil in the world and is among the world's top 3 largest conductor manufacturers. Your Company is a leading player in cables and the largest in cables for the renewables sector. Apart from being a market leader in India, your Company has a formidable global presence, exporting to over 100 countries.

Apar's in-house R&D initiatives and strategic tie-ups with global firms, such as CTC Global, USA, and ENI S.p.A, Italy, have resulted in a portfolio of new-technology products such as extra-high-voltage transformer oils, high-temperature conductors, Elastomeric, E-Beam and optical fibre cables (OFC). The strong basket of new-generation value-added products developed by your Company is already garnering rising traction. Going forward, Apar is positioned well to gain from the Government's increased focus on building high-quality T&D infrastructure and increasing efficiency in T&D, as depicted in the 13th Electricity Plan.

The year gone by also saw your Company's expansion plan and capacities go live. The conductor plant in Jharsuguda and the Oils Plant in Sharjah became operational during the year. Your Company's cable expansion plan also moved forward as per schedule.

Your Company's strong leadership position across businesses, higher-value-added product offerings, strong global presence, technical capabilities, continued focus on R&D, and sizeable capacities following the recent expansions, along with higher industry opportunities will take Apar to a higher profitable growth path.

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

Global scenario

Investment in the Global Power sector rose to a record $690 bn in 2015, driven primarily by the expansion of renewables and networks. The global power sector is expected to attract investments worth $19 trillion from 2016 to 2040.

Global renewable energy capacity additions in 2016 reached record levels at 138.5 GW, up from 127.5 GW in 2015, accounting for 55% of all new generating capacity. New investment in the solar segment was at $113.7 bn, and investment in wind stood at $112.5 bn.

Thus, there is a requirement for massive investment in T&D infrastructure to accommodate these projects, to meet the growing demand for electricity, and replace aging T&D

assets. Over the next decade, electric utilities are expected to invest $3.2 trillion globally in new and replacement T&D infrastructure. The largest new investments over the next decade will be in China and India as they seek to meet rising electricity demand while also modernising their grids. Developed countries will also be investing significantly, particularly in smart grid infrastructure and renewable energy integration.

India's power plan

India's Power sector will require investment of Rs. 10.3 lakh crore during the period 2017-22, for generation capacity addition of 1,87,821 MW, during which no coal-based capacity addition is expected. As on March, 2017, installed capacity of Power Plants has increased to about 3,19,606 MW, and total installed capacity from Renewable segment reached 42,849 MW. The target for Renewable Energy capacity, to be achieved by 2021-22, has been revised to 175 GW. For the year ended 2021-22, the projected Peak Demand is estimated at 235 GW and Energy requirement at 1,611 BU.

The T&D segment also witnessed many positive developments and achievements in FY17, including commissioning of 26,300 ckm of transmission lines, which is 112.5% of the annual target. Similarly, transformation capacity addition during the year increased by 30.2%YoY to 81,816 MVA, equivalent to 181.1% of the target. The transmission system capacity of 220 kV and above voltage levels at the end of the year was 3,67,851 ckm of transmission lines and 7,40,765 MVA of transformation capacity of substations. The total transmission capacity of the Inter-Regional Links was 75,050 MW at the end of the year.

Now with the start of the 13th Plan (2017-2022), the future augurs well. The Plan is estimated to involve T&D investment of Rs. 2.6 lakh crore, including an estimated Rs. 30,000 crore in transmission systems of under 220 kV. About Rs. 1.6 lakh crore would come from States and another Rs. 1 lakh crore from PGCIL. About 1,05,580 CKM of transmission lines, 2,92,000 MVA (220 kV and above voltage levels) and 14,000 MW (HVDC) of transformation capacity is expected to be added during the period. Also, about 45,700 MW of inter-regional capacity addition is planned during the period to take the capacity to 118,050 MW by the end of the 13th Plan from the current capacity of 72,350 MW.

The flagship project of the Indian government, UDAY, continues to garner positive response. As on March end, 27 states have joined the scheme. UDAY aims at fixing the weakest link in the Indian Power sector; the scheme aspires to financially turn around distribution companies. However, there are still execution issues and some delays continue to be seen at the implementation level.

Other initiatives in the T&D sector include schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (Rs. 75,893 crore) and Integrated Power Development Scheme (Rs. 65,424 crore). In the current Budget, allocations under these schemes have been increased by over 25% to Rs. 10,635 crore for the current fiscal.

Conductors: It is estimated that during the 13th Plan period, transmission lines of 1,05,580 CKM, including 4,280 ckm of HVDC, 27,300 ckm (765 kV), 46,000 ckm (400 KV) and 28,000 ckm (200 KV) would be added.

Transformers: Transformation capacity of 2,92,000 MVA, including 1,14,000 MVA (765 KV), 1,03,000 MVA (400 KV), 75,000 MVA (200 KV) and 14,000 MW (HVDC) is expected to be added during the 13th Plan period.

Cables: The Indian Electric Wire and Cable market is expected to grow steadily at a CAGR of 16% till 2020. This is mainly due to the lack of T&D infrastructure at locations where renewable energy resources are set up.

Auto Lubes: FY17 ended on a positive note for the automobile industry, which faced slowdown for a few months as a result of demonetisation. Sale of passenger vehicles in India crossed the three million mark for the first time, growing at the fastest rate in 6 years. SIAM expects sales growth to be in the range of 7-9% for FY18, driven by lower finance costs, the economy's recovery from the effects of demonetisation and improved consumer confidence. Sale of two-wheelers grew 6.9%; going forward, it is expected to grow in the range of 9-11% in FY18. The roll-out of GST is expected to impact short-term sales volumes across segments. However, the Indian automotive market is expected to witness growth in several pockets in FY18 as the various reforms and increased spending/investments kick in.

(a) Overall Business performance

We are happy to report that Apar has delivered strong performance during FY17 backed by sturdy show across all the 3 businesses. Profitability increased significantly driven by increased contribution from higher-value-added products across businesses. This improvement in profitability is actually a testimony to the efforts that the company has put in by way of bringing in higher-value-added products. The EBITDA margin increased to 8.8% during the year from 7.2% in the previous year, primarily led by improvement in profitability in the Conductors and Cables business. Profit after tax (PAT) came in at Rs. 176 crore up from Rs. 121 crore in the previous year. Revenue, however, was marginally impacted, largely due to lower input prices. Your Company reported consolidated revenue of Rs. 5,289 crore (gross of excise) in FY17 compared to Rs. 5,551 crore in FY16. Your Company commenced production of Conductors and Specialty Oils at its new facilities. Apar's overall outlook remains positive as your Company expects all the planned capex in the domestic T&D segment to start getting converted into new orders in FY18, even as the exports market continues to do well. Post the recently commenced capacities, your Company is very well placed to monetise this growth opportunity.

Business Segments

(i) Conductor segment reports significant expansion in Profitability

(₹ in crore)

Particulars	2016-17	2015-16	Variation (%)
Turnover* (Gross of Excise)	2,462	2,785	-12%
Segment profit / (loss)	179	131	37%
Exports	819	1,054	-22%

*Turnover includes Interest Income of ₹ 0.09 Cr. for FY17 and ₹ 1 Cr. for FY16.

- **Robust growth in profitability:** EBITDA per metric tonne post forex adjustment came in at Rs. 11,882, compared to Rs. 7,469 in FY16. This is on account of increased contribution from high efficiency conductors (HEC), which came in at 11% of the overall sales revenue from conductors, compared to 6% a year ago. Apar won the award for the Best Company for HTLS, given by PGCIL, for 2016-17. Your Company executed some challenging Re-conductoring projects in Kerala, and Telangana, among others.

- **Revenue and Volumes declined on account of higher share of HEC:** Sales Revenue came in at Rs. 2,462 crore, compared to Rs. 2,784 crore in the previous year, the decline being on account of slightly lower commodity prices and increased share of HEC. Exports accounted for 37% of revenue. Volumes for the year were lower at 1,58,835 MT, compared to 1,72,257 MT in the previous year, as the company produced more of the high temperature conductors, which carry a larger value per unit of volume.

- **Exports market revived while Domestic market remained subdued:** Demand in the domestic market was slightly subdued, as some of the T&D projects awarded were yet to result in orders for conductors, which is witnessing increased competitive intensity in the domestic market. However, at Apar, we have been able to shift our focus to the exports market, which has helped us to counter the effect in the short to medium term.

- **Jharsuguda plant ramping up quickly; GST to have further positive impact:** Your Company's new plant at Jharsuguda, which commenced production during the year, is ramping up. Your Company has started bidding for new business with Jharsuguda as a source of supply. GST is expected to kick in from July, 2017 and this will have positive impact on profitability.

- **Strong order book, with higher contribution from exports:** Your Company's order book stood at Rs. 1,519 crore as of March 31, 2017, marginally lower than the Rs. 1,751 crore as on March 31, 2016. However, this order book contains a much shorter delivery cycle as the T&D project developers have tighter delivery cycles than of traditional orders. Export orders have contributed 48% to the order book, compared to 29% in FY16, as the company witnessed better traction in exports compared to domestic business. Apar has won orders in new geographies and also received its first large export order for high temperature conductors. This order worth Rs. 100 crore was received in Q3 from an EPC contractor in North America.

- **FY18 expected to be promising year:** Going forward, demand for conductors is expected to grow with a big surge in orders coming in from UDAY in the domestic market and export growth led by commodity price stabilisation.

Risks and concerns

Competition from China along with Midal in Export business and from other Indian companies for local business may impact the business. Any further delay in UDAY-driven orders is expected to have an impact on performance. The cyclical nature of the power business has an obvious impact on your Company's performance. Project delays from the customers' side may result in under-utilisation of capacity even though the order book may remain 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. Volatility in Aluminium premiums has been an area of concern, mainly with respect to exports, and is a challenge in the absence of any hedging mechanism. Efforts by various aluminium manufacturers may result in imposition of Safeguard Duty which will increase the raw material prices and have a negative impact on fixed price contracts in the short to medium term.

(ii) Specialty Oil profitability in line with the long-term average

(₹ in crore)

Particulars	Company			Consolidated		
	2016-17	2015-16	Variation (%)	2016-17	2015-16	Variation (%)
Turnover* (Gross of Excise)	1,827	1,957	-7%	1,883	2,011	-6%
Segment profit / (loss)	174	192	-10%	169	197	-14%
Exports	517	558	-7%	573	612	-6%

*Turnover includes Interest Income of ₹ 2 Cr. for FY17 and ₹ 3 Cr. for FY16.

- **Profitability in line with expectation:** EBITDA per KL after forex adjustment for the year was at Rs. 4,931, compared to the higher base of Rs. 5,439 in the previous year. This is very much in line with the expectation for the year.
- **Volumes up 4% but Revenue down due to lower raw material prices:** Aggregate volumes were up by 4% at 3,52,655 KL led by increase in Transformer Oils (domestic), Transformer Oils (export), White Oil, Rubber Processing Oils, and Auto Oils, while consolidated Sales revenue for the year was Rs. 1,881 crore, 6% lower than last year, primarily due to lower raw material prices.
- **Sharjah plant commences production:** Your Company's plant in Hamriyah (Sharjah) Port has commenced commercial production and is gradually ramping up.
- **Auto Lubes delivers strong performance despite demonetisation:** The Auto Lubes segment delivered 6% volume growth to reach 24,893 KL, from 23,480 KL, despite the impact of demonetisation, which hit both the aftermarket segment as well as OEM sales in the short term. Net sales stood at Rs. 222 crore compared to Rs. 263 crore in the previous year. Your Company's product lines across all segments consist of top-performance products comparable to the best offered in the Indian market. Apar's strong focus on expanding the distribution network and increasing the share of higher-margin products will further drive growth in this segment.
- **FY18 expected to be promising year:** In FY18, your Company expects good growth in volumes; especially if UDAY starts picking up, Apar will see a significant uptick in distribution transformer volumes as well as HVDC projects. Profitability is expected to increase further, aided by benefits arising out of GST implementation.

Risks and Concerns

Your Company is exposed to volatility in raw material prices and foreign exchange rates. However, in order to mitigate these risks, your Company continues to exercise prudence in its inventory control and 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 in case of fluctuations in crude prices as formula prices are always backward looking. Debtors' collection period can increase on account of stressed financial condition of customers. Your Company had to implement strict credit controls to limit exposure to customers facing cash flow issues. Rapid commoditisation taking place at the lower end, especially in technical grade white oils, may have an impact on margins.

iii) Cables business delivers its best performance

(₹ in crore)

Particulars	2016-17	2015-16	Variation (%)
Turnover* (Gross of Excise)	929	746	25%
Segment profit / (loss)	61	29	110%
Exports	129	100	29%

*Turnover includes Interest Income of ₹ 3 Cr. for FY17 and ₹ 2 Cr. for FY16.

- **Robust revenue growth:** Sales Revenue was up 25% at Rs. 926 crore led by 44% and 31% growth in Elastomeric Cables and Power Cables, respectively.
- **Significant expansion in profitability:** EBITDA margin post forex adjustment has increased by 288 basis points, to 8.6% in FY17 from 5.7% in FY16. This is also thanks to various cost control measures and the strategic focus on the specialty cables segment.
- **Order book up 13% Y-o-Y led by strong traction in Renewables, Defence and Railways:** Your Company's order book as on March 31, 2017 stood at around Rs. 224 crore, compared to Rs. 199 crore as on March 31, 2016. The increase has come from Elastomeric cables and Power Cables. Apar has continued to see further growth in the non-conventional energy side of the business — windmill and solar segments — during the year. Currently, Apar is the largest supplier of specialty cables in this segment in India. The power cables segment also witnessed increased demand. While margins have remained stagnant because of competitive pressures, volumes have clearly expanded. Going forward, your Company expects the renewables segment to continue to grow. Your Company has also started seeing more traction in orders from the Defence sector and Railways.
- **Expansion going ahead as per plan:** Your Company's capex in the segment is focused around debottlenecking the Elastomeric cables side of the business, and on the power cable's side where Apar is putting up significant new machinery. The expansion is going ahead as per schedule.
- **FY18 expected to be promising year:** Your Company expects the growth momentum seen in the current year to continue in FY18. Profitability should also grow driven by orders from high-profitability segments such as Defence.

Risks and concerns.

The excess capacity in the power cables segment impacts pricing. Collection periods can get extended and delivery schedules can get delayed due to lack of financial arrangements by key customers in the renewable energy sector and by EPC contractors. In optical fibre cables, the clientele is concentrated among a handful of telecom companies and BBNL where the capex spending has been severely impacted. The cyclical nature of their tendering, too, has a bearing on the order situation in the industry.

(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 stood at \$9.31 million, compared to \$7.93 million in the previous year. Profit after tax (PAT) stood at \$0.82 million, compared to \$0.65 million in the previous year. Operations of its downstream subsidiaries are as follows:

- **Quantum Apar Specialty Oils Pty. Ltd., Australia (Quantum)**

PSPL holds 65% equity in Quantum. Pursuant to the resolution passed by the shareholders, your Company completed the process of closing down Quantum and made an application for voluntary de-registration with the Registrar of Companies. During the period, it reported net sales of AUD 1.78 million, compared to AUD 8.27 million in the previous year and PAT of AUD 0.01 million, compared to AUD 0.41 million in the previous year. Total Retained Profit of AUD 0.82 million was distributed as dividend to shareholders.

– **Petroleum Specialities FZE (PSF)**

PSF was registered in November, 2014 as a Free Zone Establishment under an Industrial License issued by the Hamriyah Free Zone Authority, Government of Sharjah, UAE, for setting up manufacturing facility for a comprehensive range of Specialty Oils and Lubricants. PSPL holds 100% equity in PSF. During the year under review, net sales of PSF stood at $1.07 million and gross profit at $0.22 million and loss for the year stood at $1.01 million.

(ii) Apar Transmission & Distribution Projects Private Limited (ATDPPL) :

The Company was incorporated as a Wholly-owned Subsidiary of Apar Industries Limited on August 26, 2016 with the main objective of construction and installation, re-conductoring, and erection of overhead & underground T&D lines, among others. The Company is set to commence commercial activities shortly.

During the year under review, the Company incurred a loss of Rs. 0.08 million.

A statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached along with the financial statements of Apar Industries Ltd.

(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. The Company changed the Internal Auditors M/s KPMG India Pvt. Ltd. and appointed M/s Deloitte Haskins & Sells. 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. The Company also takes adequate steps for in-house training of employees and maintaining a safe and healthy environment.

6. BUSINESS RESPONSIBILITY REPORT :

Business Responsibility Report as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms a part of this Annual Report. – **Annexure - VIII**

7. SALE OF SHARES BY TEMPLETON AND CONSEQUENTIAL ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY :

During the year under review, Templeton Strategic Emerging Markets Fund III, L.D.C. (Templeton - Investor) sold the entire 3,636,363 Equity Shares held by it in the Company. Templeton thereupon withdrew the nomination of Mr. Rajesh Sehgal as Investor Director of the Company and ceased to be Investor Director w.e.f. March 30, 2017.

The existing Articles of Association (AoA) contain several specific articles pertaining to rights of the Templeton under the Subscription & Investor Rights Agreement (SIRA) dated March 31, 2011 entered into between the Company and Templeton. Consequent upon the termination of the said Agreement, these specific articles are no longer required.

It is therefore, proposed to adopt a new set of Articles of Association (AoA), by replacing the existing AoA by members and a Special Resolution to this effect is included at Item No. 7 in the Notice of the Annual General Meeting (AGM). The Board recommends the Resolution for adoption by members.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Dr. Narendra D. Desai, Chairman and Founder Promoter of the Company expired on 17th October, 2016. Dr. Desai was not only a chief architect of Apar's success but also a key stalwart in the Indian electrical industry. He was a true visionary leader, an amazing human being and an inspiring mentor always ready to help. Under his leadership, the Apar Group had grown up by leaps and bounds. His contribution towards the Company's growth can not be measured, but can be felt.

The Board of Directors places on record their sincere appreciation for the valuable guidance and leadership provided by late Dr. Desai during his tenure as a Chairman and Managing Director till 2004 and thereafter as Non-Executive Chairman of the Company and as a Chairman and Member of various Committees of the Directors of the Company.

The Board of Directors have appointed Mr. Kushal N. Desai, the Managing Director and Chief Executive Officer of the Company as Chairman and Managing Director, who will also act as Chief Executive Officer of the Company.

(b) 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.

(c) During the year under Review -

i. As stated above, Mr. Rajesh Sehgal, ceased to be Investor Director w.e.f. 30th March, 2017.

ii. Mr. Sehgal was appointed as an Additional Director of the Company w.e.f. 24th April, 2017 in the category of Independent Director Mr. Sehgal will hold office upto the date of the ensuing Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his appointment as Director of the Company. The Board proposes to appoint him for a period of five consecutive years upto the conclusion of 33rd Annual General Meeting of the Company to be held in the calendar year 2022.

In accordance with Section 149(7) of the Act, 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 SEBI Regulations.

Details of the proposal for re-appointment / appointment of Mr. Kushal N. Desai and Mr. Rajesh Sehgal are mentioned in the Statement pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as annexed to the Notice of the 28th Annual General Meeting.

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

(d) Dr. N. K. Thingalaya resigned as Chairman of Audit Committee on 23rd May, 2017 due to health constraint. However, he continues to be a member of the Audit Committee. In his place, Mrs. Nina Kapasi was appointed as Chairman of the Audit Committee w.e.f. 30th May, 2017.

BOARD EVALUATION :

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, 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 :

During the year, five 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.

9. DEPOSITS :

Company has not accepted deposits during the year. There were no outstanding deposits and no amount remaining unclaimed with the Company as on 31st March, 2017.

10. 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.

11. 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, 2017, 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, 2017 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. that 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.

12. 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. **Form AOC-2** (Disclosure of particulars of contracts / arrangements entered into by the company with related party) is annexed here to and forming part of Directors' Report.

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 has been uploaded on the Company's website.

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

13. **AUDITORS :**

STATUTORY AUDITORS :

M/s. Sharp & Tannan (Firm Registration No. 109982W), Chartered Accountants, have been Statutory Auditors of the company since Financial Year 2010-11. As a part of their internal reorganization, they are not seeking re-appointment at the ensuing Annual General Meeting and they seek appointment in the name of Sharp & Tannan (Firm Registration No. 127145W) for the remaining term upto the conclusion of the Annual General Meeting of the Company to be held in the year 2020 as available under provisions of Companies Act, 2013. Based on the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on 30th May, 2017 approved such appointment and recommended the members to approve the same.

The Company has received necessary eligibility certificate from Sharp & Tannan (Firm Registration No. 127145W) under Section 141 of the Companies Act, 2013. Accordingly, an Ordinary Resolution at Item No. 4 of the Notice of AGM is included in respect of seeking the approval of the Shareholders for their appointment. The Board recommends the said Resolution.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

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 2017-18 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. 6 of the Notice convening the AGM and Board recommends the said Resolution.

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"**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

14. **OTHER INFORMATION**

a. **Green Initiative**

To support the "Green Initiative" undertaken 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, 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 Corporate Social Responsibility (CSR) Committee constituted by the Board of Directors in terms of the provisions of Section 135(1) of the Companies Act, 2013 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 and upliftment of poor sections of society, 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. **Employee Stock Options :**

Members' approval was obtained at the Annual General Meeting held on August 9, 2007 for introduction of Employee Stock Option Scheme to issue and grant upto 16,16,802 options and it was implemented by the Company. Out of the above options, 175,150 Options have been granted in 2008, of which 26,338 Options were exercised upto May, 2015 and balance options were lapsed. Please refer **Annexure IX** forming part of this Report.

d. **Attached to and forming part of this report are the following inter alia :**

i) 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 – III"** 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."**

ii) Particulars relating to conservation of energy, technology absorption, research & development and foreign exchange earnings and outgo – **"Annexure – V".**

iii) Report on Corporate Governance and auditors' certificate regarding compliance of conditions of corporate governance. **"Annexure – VII".**

iv) Statement containing brief financial details of the subsidiaries in **Form AOC-1** which is attached to the financial statements of the Company.

v) disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 in **Form AOC – 2.**

e. 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".**

f. The Company has not attached the Balance Sheet, Profit & Loss Accounts and other documents of its four subsidiaries. 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 subsidiaries for the year ended March 31, 2017 in **Form AOC – 1** 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.

Further, pursuant to provisions of Section 136 of the Act, the financial statements of the Company, Consolidated Financial Statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

15. 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 receives 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.
5. The Company has in place the Policy on Prevention of Sexual Harassment at Workplace (POSH) in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

   During the year under review, the Company received one complaint which was investigated and closed.

16. 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

Kushal N. Desai
Chairman & Managing Director
DIN - 00008084

Place : Mumbai
Date : May 30, 2017.

Annexure – I to the

Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2017

[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** having Corporate Identification Number (CIN): L91110GJ1989PLC012802 (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, 2017, 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, 2017 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, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period);

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

  (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;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

(i) Secretarial Standards with respect to Board Meeting (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), respectively read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Decisions at Board Meetings were carried out unanimously.

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 company has, bought back in aggregate 2,28,150 Equity Shares of the face value of Rs. 10/- each at a price of Rs. 660/- per equity share (including premium of Rs. 650/- per equity share) from eligible sellers, through the Tender Offer method on a proportionate basis aggregating to Rs. 150,579,000/-. Consequently, the issued and paid up share capital of the Company reduced from then 3,84,96,769 fully paid up equity shares of Rs. 10/- each to 3,82,68,619 fully paid up equity shares of Rs. 10/- each.

Note: This Report is to be read with our Letter of even date which is annexed and forms an integral part of this report.

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

Place: Vadodara
Date: 19.05.2017

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

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Vadodara
Date: 19.05.2017

ANNEXURE - II TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) Activities – 2016-17

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 aim at Principle of Trusteeship, by serving the community through a focus on -

1. Healthcare and upliftment of poor sections of society.
2. Education,
3. Food and Mid-day meal for children,
4. Environmental sustainability and,
5. Health and Welfare of Senior Citizens.

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/pdf/financedata/our-policies/5-CSR-Policy.pdf

2. Composition of the CSR Committee :

Name of the Director	Category of Directorship
Dr. N. D. Desai, Chairman *	Promoter Director
Mr. F. B. Virani	Independent Director
Mr. Kushal N. Desai **	Managing Director and Chief Executive Officer
Mr. Chaitanya N. Desai ***	Managing Director

* Ceased to be a member with effect from 17.10.2016
** Appointed as a Chairman of the Committee with effect from 08.11.2016
*** Appointed as a member of the Committee with effect from 08.11.2016

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

Average Net Profit : Rs. 117.58 Crores.

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

Rs. 2.35 Crores

5. Details of CSR spent during the financial year:

a. **Total amount spent for the financial year:**
Rs. 4.07 Crores

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

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.	Rural Development / Organic Farming / Alternative Energy / Soil Bio-Technology – Tubewell / Water Irrigation system, organic agriculture inputs - Donation to Sri Chaitanya Seva Trust	Upliftment of poor sections of society particularly tribal and Adivasis.	Wada, Dist. Thane - Maharashtra	---	0.3250	0.3250	Directly by the Company

2.	Environmental sustainability - Donation to ISKCON Chowpatty	Upliftment of poor sections of society particularly tribal and Adivasis. - Supply of solar panel structural material and Relocation of 67.2 KWP solar power plant.	Wada, Dist. Thane - Maharashtra	--	0.1750	0.1750	Directly by the Company
3.	Education – Rural School Education Programme – School on Wheels for Rural Government School. Donation to Sister Nivedita Foundation	Education – School on Wheels, Programmes include teachers' training – scholership for economically bright rural Girls Students – reading workshop and environment awareness and protection etc.	Rajkot – Gujarat	---	0.05	0.05	Directly by the Company
4.	Rural Development / Organic Farming / Soil Bio-Technology – Education / Guidance on maintaining of ecological balance without using pesticides in the farms and aiming at giving Poisonous-Free Agricultural Products to Society by keeping ZERO BUDGET of farmers -- Donation to Shri Sant Janardan Swami (Maungiri) Maharaj Samadhisthan & Shri Kashivishwanath Mahadeo Education & Gopalan Trust	Rural Development / Organic Farming / Soil Bio-Technology	Kopargaon, Maharashtra	--	0.015	0.015	Directly by the Company
5.	Educational - Model integrating school and teacher education addressing the shortcomings in the mainstream education system -- Donation for funding Muktaangan's Corpus of Paragaon Charitable Trust, Mumbai.	Education -innovative educational model integrating school and teacher education.	Mumbai, Maharashtra	--	0.10	0.10	Directly by the Company

6.	Rural Development / Vocational Training in welding, agriculture, Organic Farming / Removation of Aangan wadies / Water Resources Development project / Rain water harvesting, diging of borewells, pumping and infrastructure for water management / vegetable cultivation etc. - Donation to Sri Chaitanya Seva Trust	Upliftment of poor sections of society particularly tribal and Adivasis.	Wada, Dist. Thane - Maharashtra	---	0.8925	0.8925	Directly by the Company
7.	Mid Day Meal Programme – Annamrita, a Scheme providing meals to Government school children. - Donation to Iskcon Food Relief Foundation.	Food and Mid Day Meal for Children	Wada & Vikramgad, Dist. Thane Maharashtra	---	0.50	0.50	Directly by the Company
8.	Education – Project of Dr. Narendra Desai Faculty of Medical Science and Research, a 750 Bed Hospital and Institute of Medical Science along with students Hostel -- Donation to Dharmsinh Desai Foundation	Education – Construction of Research centre, Hospital and Medical College - Service to Society	Nadiad, Gujarat	---	2.00	2.00	Through Dharmsinh Desai Foundation
9.	Education to mentally under-developed poor girls - Donation to Aekrang Children Development Institute.	Education & upliftment of poor sections of society	Rajkot – Gujarat	---	0.01	0.01	Directly by the Company
				TOTAL	**4.0675**	**4.0675**	**4.0675**

6. **Reasons for spending less :**

---- Not Applicable ----

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
Chairman – CSR Committee
DIN – 00008084

sd/-

(Chaitanya N. Desai)
Managing Director
DIN-00008091

Annexure III 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, 2017.

Names	Age (Years)	Designation / Nature of Duty	Qualifications	Experience (Years)	Remuneration (₹)	Date of Commencement of Employment	Last Employment and Designation
Mr. Kushal N. Desai	50	Chairman & Managing Director	B.Sc. (Hons.), (Ele.Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	28	40,166,302	24.03.1999	GE Lighting (India) Ltd. - President
Mr. Chaitanya N. Desai	45	Managing Director	B.Sc. (Hons.), (Chem.Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	23	40,423,083	29.05.1993	—

Notes :

1. The Remuneration includes salary, allowances, commission paid to Directors, reimbursement of leave travel and medical expenses / benefits, company's contribution to provident fund, leave encashment and other perquisites in respect of motor car, accomodation 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 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, as amended to date

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17 , ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17	Ratio of remuneration of each Director / to median remuneration of employees
1.	Dr. N. D. Desai, Non-Executive Chairman (expired on October 17, 2016)	-33%	29:1
2.	Mr. Kushal N. Desai, Chairman & Managing Director	49% $	75:1
3.	Mr. Chaitanya N. Desai, Managing Director	48% $	75:1
4.	Dr. N. K. Thingalaya, Independent Director *	-51%	0.22:1
5.	Mr. F. B. Virani, Independent Director *	11%	0.58:1
6.	Mr. Suyash Saraogi, Independent Director *	29%	0.60:1
7.	Mrs. Nina Kapasi, Independent Director *	20%	0.49:1
8.	Mr. Rajesh Sehgal, Investor Director (upto March 30, 2017)	** NA	NA

9.	Mr. V. C. Diwadkar, Chief Financial Officer	13%	
10.	Mr. Sanjaya R. Kunder, Company Secretary	13%	

$ Increase in remuneration is due to increase in commission amount calculated on net profit before tax which is higher by 61.88 %.

* Independent directors are paid only sitting fees.

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

ii) The median remuneration of employees of the Company during the financial year was Rs 5.39 lakh.

iii) In the financial year, there was an increase of 6 % in the median remuneration of employees;

iv) There were 1,274 permanent employees on the rolls of Company as on March 31, 2017;

v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 14% whereas the increase in the managerial remuneration for the same financial year was 48%.

vi) 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, 2017.

I. CONSERVATION OF ENERGY:

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

Conductor Division:

i. Conversion to AC drives for better energy savings through enhanced energy efficiency at various stages of manufacturing.
ii. Melting and holding furnaces LPG ignition has been modified into starting with furnace oil to save LPG.
iii. Installed Turbo Ventilator and transparent shed on the roof of shed for ventilation, cooling and better illumination.
iv. Installed Automatic Power factor control panel for improvement of Power factor.
v. Installed capacitor near motors to reduce cable loss in plant.
vi. Installed LED light fittings in place of HPSV/HPMV lamps.
vii. Modified/upgraded wire drawing machines for better productivity per machine per person
viii. VFD drive panels provided for Casting Inlet and Outlet Pumps.

Oil Division:

i. 24929 KWH solar power generated through 30KWp Roof top PV solar power plant and reduced the carbon emissions.
ii. Roof Top PV Solar power plant expanded, additional 330KWp installed.
iii. Occupancy sensor installed in the plant and in the office.
iv. Replaced the inefficient light fitting with the efficient light fittings in the plant with same lumens output.
v. Maintained power factor above 0.995 throughout the year.
vi. Steam condensate recovery system is working efficiently.
vii. Rain water collected through water harvesting and utilize in the boiler for steam generation.
viii. Compressed air leakages monitored regularly and maintained the leakages below 10%.
ix. Installed 300CFM screw compressor with VFD in place of reciprocating compressor.

Cable Division:

i. Various machines at Power, Rubber, OFC and Conductor Division converted from DC to AC.
ii. Maintain power factor more than 0.99 through out the year at all locations.
iii. APFC panel installed for new transformer unit at Khatalwada.
iv. By arresting air leakage in air compressor line and modifying water pipe line of cooling tower, able to reduce energy consumption at Umbergaon.
v. Two Wire Drawing machines modified with dual wire output at U-153 plant.
vi. Modification done in Copper taping machine caterpillar and head to increase the line speed.

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

i. Conversion of RST-DC drive into VFD AC drive system for energy saving.
ii. Skip machines take-up DC motor & drive conversion in AC VFD drive & motor for energy saving.

iii. Air compressor conversion from star-delta starter to AC VFD drive for energy saving.
iv. Cooling tower CT fan 7.5kw controlled through PID temperature controller for energy saving.
v. Plant office lights conversion from CFL 72 watt into 36 watt LED lights for energy saving.
vi. 1500 watt open area light to be changed for solar lights.
vii. Screw Compressor in place of Reciprocating Compressor.
viii. Street lights & plant shed lights installed LED lights in place of HPSV/HPMV lamps.
ix. Replacement of inefficient light fitting with the efficient/energy conservation light fitting in the plant.
x. Installation of additional 35KWp Roof top solar power generation system.
xi. Installation of Occupancy sensors in the remaining areas.
xii. Installation of motor power optimizer for the under loaded motors.
xiii. Investment proposed for up gradation of extrusion lines for energy saving by converting DC system to AC system.
xiv. Investment proposed for lighting MHL to LED at U-153 plant.
xv. Investment proposed for up gradation of wire drawing machines at U-153 plant for energy saving by converting DC system to AC system.
xvi. Loader & Dryer System to be installed at Extruders in Umbergaon

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

i. Impact on energy saving is approximately 10%.
ii. Saving approximately 5% in energy consumption of Aging furnace.
iii. Energy saving by replacement of street lights and plant lightswith LED lights.
iv. Saving in energy by 10 % by providing VFD panels for Casting Pumps.
v. Saving in energy by 20 % by replacing screw compressors in place of reciprocating compressors.

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

(A) Power and Fuel Consumption:

(i) Electricity:

		2016-17	2015-16
(a)	Purchased units	64,657,404	59,127,483
	Total Amount (₹/crore)	37.51	33.53
	Rate/Unit (₹)	5.80	5.67
(b)	Own Generation		
	Through Diesel Generator (Units)	567,726	759,216
	Average Units generated per liter of diesel oil	2.81	3.24
	Average Cost of Unit (₹)	17.00	13.63

(ii) Furnace Oil:

Quantity (Kl.)	7,038	7,026
Total Amount (₹/crore)	14.97	14.92
Average Rate/Kl. (₹)	21,267	21,232

(iii) Natural Gas:

Quantity (M3)	2,477,389	2,177,714
Total Amount (₹/crore)	6.02	6.53
Average Rate/M3. (₹)	24.29	29.99

(iv) LPG:

Quantity (Kl.)	28,548	68,780
Total Amount (₹/crore)	0.10	0.28
Average Rate/Kl. (₹)	34.82	40.30

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

		2016-17				2015-16			
	Divisions	Electricity (Units)	Furnace Oil (liters)	Natural Gas (M3)	LPG (liters)	Electricity (Units)	Furnace Oil (liters)	Natural Gas (M3)	LPG (liters)

(i)	**Oil Division :** Per KL output of Oil	9.11	1.33	-	-	9.12	1.23	-	-
(ii)	**Conductors Division:** Per MT output of Aluminum/Alloy Conductors	218	38	25	0.38	213	40	14	1.39
(iii)	**Cable Division:** Per Km. of cable	98	-	108	-	143	-	93	-

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:**

a) Development and establishment of special Aluminum Alloy wire rod, for high performance (high conductivity) conductor for power transmission and distribution.

b) Development and manufacturing of Aluminum clad steel wires.

c) Upgrade software support in design and development of all type of HTLS conductors.

d) Development of additional critical test facility for testing and evaluation of bare OHTL conductor and special materials.

e) High capacity computerized tensile testing machine for testing of new series alloy.

f) Specialty elastomeric, Recycling of PTFE scrap, Pressure Tight cables, Hybrid Rubber cables with integrated Fiber optics, Electron Beam irradiated Solar and Windmill cables.

g) Development of defense, railway and ship wiring cables through electron beam technology.

h) Development and field trials of :

i) Semi-synthetic metal working fluids for high speed and multi machining applications.

ii) Rust preventive oils for hot rolled/cold rolled steel protection, precision components.

i) Field trials of spray oils developed for applications in cotton fields at Akola and bioefficacy and phyto toxicity studies at AAU, Anand (in progress) and chili trials in Kheda district with farmers.

j) Development of applications for the PTFE Micronized powders produced by the Cables division in ink, lubricant and coating applications. Stability studies and product performance studies are in progress.

k) Development of high flash and long life transformer oils and evaluation completed.

l) Evaluation at independent laboratories completed for biodegradable transformer oils with high flash meeting special requirements of safety and biodegradability. Process adaptability trials are in progress.

m) Optimization of Petroleum jelly formulations for various applications such as ointments and ophthalmic applications. Customer approval trials are in progress.

n) Development of White oils for various grades of polymer applications.

o) Collaborative research work with Dharmsinh Desai University, Nadiad, Taylors University, Malaysia and University of Nottingham, Malaysia in nano lubricants/PTFE and other areas of research.

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

a) Development, establishment and commercialization of all type of 4th and 5th generation high performance smart aluminum conductors for all power utilities.

b) These new R&D and test facilities support conductor testing behavior and outputs are being applied in design optimization and risk mitigation towards building confidence to achieve performance of conductor in respect to various criteria (Raw material sourcing, product manufacturing, process setting and various type test requirements).

c) Optimum designing and conductor parameters to remain competitive.

d) Rapport towards market leader in HTLS for indigenous development.

e) Rapport in Power Producers, Power Utilities, various institutes (IEEMA, CEA, BIS, CBIP, Power Ministry, CPRI, ERDA, NABL) and stake holders.

f) Test facilities and NABL accreditation supporting acceptance of various type test and complete conductor test (in-house).

g) Competency enhancement of the team on design, manufacture, supply and installation of Bare OHTL conductors and competing global market.

h) Improvement in quality and reliability of product and services.

i) New orders awaited for specialty submarine cables.

j) Cost Reduction of various compounds.

k) Energy Saving.

l) Field trials completed and commercialized the products for rust preventive oils

m) Field trials and customer approvals/acceptance for metal working fluids for auto component segment established.

n) Papers presented at NLGI conference/Korea Tribology conference on PTFE applications in greases. New customers developed in greases, ink industry for PTFE micronized waxes.

o) New grade of petroleum jelly for ophthalmic ointment has been approved by customers and regular supplies in progress.

p) GMP certification from Foods and Drug Authority -Maharashtra is obtained for pharma grade products.

q) White oils for thermoplastic applications have been obtained and field trials completed and product commercialized.

(iii) Future plan of action:

a) Development of Sheave test facility for Overhead conductors and OPGW cables.

b) Additional test facilities for OPGW cables.

c) To continue to carry on the R&D activity and try to absorb it in above mentioned areas to reduce cost especially the E-beam cables.

d) To further develop finer particle PTFE powder and explore PTFE recycling business in the paint, printing ink, moulding applications etc.

e) Production of Natural ester based transformer oils for commercial trials will be completed.

f) Certification for the additive for Selective Catalytic Reduction (SCR) will be obtained once the plant is commissioned.

g) Commissioning of new testing equipment such as DGA analysis, simulated distillation and Noaks volatility will be completed and RRT will be taken up.

h) Increase the strength of R&D team to focus on new projects such as hydrogenation, development and commissioning of facility for additive used in selective catalytic reduction (SCR) emissions reductions as per the Bharat VI guidelines

i) To represent company in International committees such IEC and Cigre.

j) Obtaining GMP certification by WHO and USP for the Food grade White oil/petroleum jelly product line once the expansion project is completed.

(iv) Expenditure on R&D:

a) Capital = ₹1.16 crore

b) Revenue = ₹ 6.08 crore

c) Total = ₹ 7.24 crore

d) Total R&D Expenditure as a percentage of total turnover (Net of Excise) = 0.15%.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Technology imported (in last five years)	Year of Import	Has technology been fully absorbed
License to use proprietary knowhow, formulae, trademarks and trade names relating to manufacture & sale of lubricating Oils, greases and other special Lubricants for industrial, automotive and marine applications	2013	Yes
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 crores)

		2016-17	2015-16
(a)	Raw Materials (CIF)	2,340.84	2,228.44

(b)	Stores & Spares	2.28	3.33
(c)	Capital Goods	20.20	12.73
(d)	Others	62.80	73.20
		2,426.12	**2,317.70**

(ii) Total foreign exchange earned:

(₹ in crores)

		2016-17	**2015-16**
(a)	Physical Exports (FOB)	1,252.97	1,541.70
(b)	Deemed Exports (eligible for export incentives)	121.43	114.90
(c)	Others	42.27	56.50
		1,416.67	**1,713.10**

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

as on the financial year ended on **31.03.2017**

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

I. Registration and other details :			
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	:	Link Intime India Private Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390020 (Gujarat) Phone : 0265 – 2356573, 2356794 TeleFax : 0265 – 2356791 Email : vadodara@linkintime.co.in

II. Principal business activities of the company:

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	35.00
2.	AAC/AAAC/ACSR Conductors	7614	47.00
3.	Power / Telecom Cable	8544	17.00
4.	Others	--	1.00

III. Particulars of holding, subsidiary and associate companies :					
Sr. No.	Name and address of the Company	CIN	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.	Petroleum Specialities FZE, Sharjah	13975	Subsidiary of PSPL	100%	2 (87)(ii)
4.	Apar Transmission & Distribution Projects Private Limited, Wholly Owned Subsidiary of the Company	U74999GJ2016PTC093485	Subsidiary	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 – 01.04.2016				No. of Shares held at the end of the year – 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	22,196,762	--	22,196,762	57.659	21,971,422	--	21,971,422	57.414	-0.245
b) Central Govt	--	--	--	--	--	--	--	--	0
c) State govt (s)	--	--	--	--	--	--	--	--	0
d) Bodies Corpo.	111,278	--	111,278	0.289	110,153	--	110,153	0.288	-0.001
e) Banks / FI	--	--	--	--	--	--	--	--	0
f) Any Other....									
Maithili N. Desai Family Pvt. Trust	100,000	--	100,000	0.260	98,983	--	98,983	0.258	-0.002
Sub-total (A) (1):	**22,408,040**	**--**	**22,408,040**	**58.208**	**22,180,558**	**--**	**22,180,558**	**57.960**	**-0.248**
(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)	**22,408,040**	**--**	**22,408,040**	**58.208**	**22,180,558**	**--**	**22,180,558**	**57.960**	**-0.248**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4,275,911	740	4,276,651	11.109	7,006,799	716	7,007,515	18.311	7.202
b) Banks / FI	8,347	156	8,503	0.022	15,661	180	15,841	0.041	0.019
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs/FPIs	3,304,644	--	3,304,644	8.584	3,221,535	--	3,221,535	8.418	-0.166
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):	**7,588,902**	**896**	**7,589,798**	**19.715**	**10,243,995**	**896**	**10,244,891**	**26.771**	**7.056**

2. Non-Institutions									
a) Bodies Corp. i) Indian	1,576,449	6,587	1,583,036	4.112	1,411,220	6,587	1,417,807	3.705	-0.407
ii) Overseas	3,636,363	--	3,636,363	9.446	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 2 Lakh	2,283,983	200,528	2,484,511	6.453	2,719,699	195,541	2,915,240	7.618	1.165
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	187,069	--	187,069	0.486	576,237	-	576,237	1.506	1.02
c) Others (Specify)									
Foreign Individual	169,708	6,108	175,816	0.457	209,659	6,108	215,767	0.564	0.107
HUF	136,609	--	136,609	0.355	176,507	--	176,507	0.461	0.106
Clearing Members	295,479	--	295,479	0.768	541,612	--	541,612	1.415	0.647
Trust & Foundation	48	--	48	0.000	--	--	--	--	--
Sub-total (B)(2):	**8,285,708**	**213,223**	**8,498,931**	**22.077**	**5,634,934**	**208,236**	**5,843,170**	**15.269**	**-6.808**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**15,874,610**	**214,119**	**16,088,729**	**41.792**	**15,878,929**	**209,132**	**16,088,061**	**42.040**	**0.248**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**38,282,650**	**214,119**	**38,496,769**	**100.00**	**38,059,487**	**209,132**	**38,268,619***	**100.00**	**0**

* Paid up share capital has been reduced to 38,268,619 equity shares due to buy back of 228,150 equity shares during the year under review.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year – 01.04.2016			Shareholding at the end of the year – 31.03.2017			% 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	7,271,761	18.889	--	7,271,761	19.002	--	0.113
2.	Kushal N. Desai	7,378,428	19.166	--	6,415,899	16.765	--	-2.401
3.	Chaitanya N. Desai	7,367,260	19.137	--	6,403,970	16.734	--	-2.403
4.	Chaitanya N. Desai Family Trust – Trustee Smt. M. N. Desai	95,238	0.247	--	95,238	0.249	--	0.002
5.	Kushal Chaitanya N. Desai Family Trust – Trustee Smt. M. N. Desai	72,634	0.189	--	72,634	0.190	--	0.001
6.	Rishabh K. Desai	6,081	0.016	--	6,081	0.016	--	0
7.	Gaurangi K. Desai	3,200	0.008	--	3,200	0.008	--	0
8.	Noopur K. Desai	2,160	0.006	--	1,702,139	4.448	--	4.442
9.	Jinisha C. Desai	--	--	--	500	0.001	--	0.001
10.	Apar Corporation Pvt. Ltd.	110,654	0.287	--	109,529	0.286	--	-0.001
11.	Scope Pvt. Ltd.	324	0.001	--	324	0.001	--	0
12.	Maithili Trusteeship Services Pvt. Ltd.	300	0.001	--	300	0.001	--	0
13.	Maithili N. Desai Family Pvt. Trust	100,000	0.260	--	98,983	0.259	--	-0.001
	TOTAL	**22,408,040**	**58.208**	**--**	**22,180,558**	**57.960**	**--**	**-0.248**

* Dr. N.D. Desai expired on 17.10.2016

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

Sr. No.	Details	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
1.	At the beginning of the year	22,408,040	58.208	22,180,558	57.960
2.	At the end of the year			22,180,558	57.960

The total Promoters' Shareholding has been reduced / changed from 22,408,040 (58.208%) to 22,180,558 (57.960%) due to:

1. Disposal of 2,27,982 (0.592%) equity shares under Buy Back of Shares through Tender Offer Method on 10.03.2017.

2. Purchased of 500 equity shares by Smt. Jinisha C. Desai from Open Market on 31.03.2017

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

Sr. No.	Details	Shareholding at the beginning of the year		Shareholding at the end of the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Templeton Strategic Emerging Markets Fund III, L.D.C.	3,636,363	9.446	0	0
2.	HDFC Trustee Company Limited – HDFC Prudence Fund	2,194,750	5.701	2,244,750	5.865
3.	IIL Wealth Management Limited	--	--	1,700,000	4.442
4.	Reliance Capital Trustee Co. Ltd. A/c. Reliance Diversified Power Sector Fund	1,347,799	3.501	1,276,194	3.335
5.	Goldman Sachs India Fund Limited	1,133,091	2.943	1,133,091	2.961
6.	Reiffieisen – Eurasien – Aktien	978,200	2.541	6,80,000	1.777
7.	Reliance Capital Trustee Co. Ltd. A/c. Reliance Small Cap Fund	--	--	6,00,000	1.568
8.	Ocean Dial Gateway to India Mauritius Limited	--	--	5,29,746	1.384
9.	L and T Mutual Fund Trustee Ltd-L and T India Prudence Fund	--	--	4,91,000	1.283
10.	HDFC Small Cap Fund	--	--	4,26,000	1.113

(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
1.	**Dr. N. D. Desai***				
	At the beginning of the year as on 01.04.2016	7,271,761	18.890**	-	-
	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 31.03.2017	7,271,761	19.002***	---	---

Sr. No.	For Each of the Directors and KMP	No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
2.	**Shri Kushal N. Desai**				
	At the beginning of the year as on 01.04.2016	7,378,428	19.166**	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Less : Disposal of 1,12,529 equity shares under Buy Back of Shares through Tender offer Method on 10.03.2017 Less:Sale of 8,50,000 equity shares on 30.03.2017 through Open Market.	-- --	-112,529 -850,000	0.292** 2.221***
	At the end of the year as on 31.03.2017	6,415,899	16.765***	--	

3.	**Shri Chaitanya N. Desai**				
	At the beginning of the year as on 01.04.2016	7,367,260	19.137**	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Less : Disposal of 1,13,290 equity shares under Buy Back of Shares through Tender Offer Method on 10.03.2017 Less:Sale of 8,50,000 equity shares on 30.03.2017 through Open Market.	-- --	-113,290 -850,000	0.294** 2.221***
	At the end of the year as on 31.03.2017	6,403,970	16.734***	-	
4.	**Shri F. B. Virani**				
	At the beginning of the year as on 01.04.2016	7,000	0.018**	-	-
	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 02.05.2016 and Less :500 Shares Sold on 15.07.2016 Less : 500 Shares Sold on 16.03.2017	-- -- --	-1,000 -500 -500	0.003** 0.001** 0.001***
	At the end of the year as on 31.03.2017	5,000	0.013***	--	--
5.	**Shri Rajesh Sehgal**				
	At the beginning of the year as on 01.04.2016	--	--	-	-
	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 31.03.2017 (Upto 30.03.2017).	--	--	--	--
6.	**Dr. N.K.Thingalaya**				
	At the beginning of the year as on 01.04.2016	--	--	--	--
	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 31.03.2017	--	--	--	--
7.	**Shri Suyash Saraogi**				
	At the beginning of the year as on 01.04.2016	--	--	--	--
	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 31.03.2017	--	--	--	--
8.	**Smt. Nina Kapasi**				
	At the beginning of the year as on 01.04.2016	--	--	--	--
	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 31.03.2017	--	--	--	--

* Dr. N.D. Desai expired on 17.10.2016

** % Calculated on 38,496,769 equity share capital

*** % calculated on 38,268,619 (revised equity share capital consequent upon buy back of shares).

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
1.	**Shri Vivek C. Diwadkar**				
	At the beginning of the year as on 01.04.2016	1,952	0.005	-	-
	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 31.03.2017	1,952	0.005	-	-
2.	**Shri Sanjaya R. Kunder**				
	At the beginning of the year as on 01.04.2016	133	0.000	-	-
	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 31.03.2017	133	0.000	-	-

V. Indebtedness :

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

(₹ in crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	246.35	114.90	-	361.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.27	0.19	-	0.46
Total (i+ii+iii)	**246.62**	**115.09**	**-**	**361.71**
Change in Indebtedness during the financial year				
- Addition	254.58	271.75	-	526.33
- Reduction	(370.89)	(276.13)	-	(647.02)
- Exchange difference (Unrealised)	2.79	2.90	-	5.69
Net Change	**(113.52)**	**(1.48)**	**-**	**(115.00)**
Indebtedness at the end of the financial year				
i) Principal Amount	132.83	113.42	-	246.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.20	0.26	-	0.46
Total (i+ii+iii)	133.03	**113.68**	**-**	**246.71**

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 CMD & 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	1.12	1.12	2.24
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.04	0.07	0.11
	(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.....	 2.86 --	 2.86 --	 5.72 --
5.	Others, please specify	-	-	-
	Total (A)	**4.02**	**4.05**	**8.07**

B. Remuneration to other Directors :

1. Independent Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount Rs.
1.	Independent Directors	Dr. N.K. Thingalaya	Shri F. B. Virani	Shri Suyash Saraogi	Smt. Nina Kapasi	
	- Fee for attending Board / Committee Meetings	1,20,000	3,15,000	3,25,000	2,65,000	10,25,000
	- Commission	--	--	--	--	--
	- Others, please specify...	--	--	--	--	--
	Total B (1)	**1,20,000**	**3,15,000**	**3,25,000**	**2,65,000**	**10,25,000**
2.	**Other Non-Executive Director**					
		Name of Directors				
		*Dr. N. D. Desai – Upto 16.10.2016				
	- Fee for attending Board / Committee Meetings	1,20,000				
	- Commission	1,55,67,943				
	- Others, please specify...	--				
	Total B (2)	**1,56,87,943**				

* Dr. N.D.Desai expired on 17.10.2016

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

(₹ in crore)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel CFO and Company Secretary & Compliance Officer
1.	**Gross Salary**	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961-Basic	1.02
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961-others	0.10
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	0
2.	**Stock Option**	0
3.	**Sweat Equity**	0
4.	**Commission**	
	- as % of Profit	0
	- Others, specify....	0
5.	**Others, please specify**	**0**
	Total	**1.12**

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					

Annexure VII TO THE DIRECTORS' REPORT

Corporate Governance Report

1. 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.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is given below:

2. Board of Directors :

(a) 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 throughout the year under review. Dr. N. D. Desai being Non-Executive Director and Promoter was Chairman upto 16.10.2016 (expired on 17.10.2016). Thereafter, Mr. Kushal N. Desai being Executive Director and Promoter was appointed as Chairman w.e.f. 08.11.2016, During the year under review, half of the total number of Directors were 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 Regulation 26 (1) of the SEBI (LODR) Regulations, 2015 across all listed 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 Part A of Schedule II (Regulation 17 (7) of the SEBI (LODR) Regulations, 2015) 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 Regulation 17 of the SEBI (LODR) Regulations, 2015 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.

(b) The Board of Directors meet at least four times in a year with not more than 120 days gap between any two meetings to review the Company's performance and financial results, and more often, if considered necessary.

(c) The composition of the Board of Directors and details with regard to them are as follows as on 31st March, 2017 :

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
Mr. Kushal N. Desai	Chairman & Managing Director (Executive)	--	--	--
Mr. C. N. Desai	Managing Director (Executive)	--	--	--
Dr. N. K. Thingalaya	Non-Executive & Independent No. of Shares held : Nil	1	2	2
Mr. F. B. Virani	Non-Executive & Independent Director No. of Shares held : 5,000	--	--	--
Mr. Rajesh Sehgal (*)	Non-Executive & Investor Director up to 30-03-2017 and Non-Executive and Independent Director w.e.f. 24-04-2017 No. of shares held: Nil	1	3	--

Mr. Suyash Saraogi	Non-Executive & Independent Director No. of Shares held : Nil	--	--	--
Mrs. Nina Kapasi	Non-Executive & Independent Director No. of Shares held : Nil	--	--	--

* The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies and deemed public companies, Section 8 of Companies Act, 2013 and private limited companies.

(*) Mr. Rajesh Sehgal had ceased as Director from the Board of the Company w.e.f. 30.03.2017 consequent upon withdrawal of nomination by Templeton Strategic Emerging Markets Fund III, L.D.C. (Templeton) as an Investor Director and was appointed as an Additional Director to act as Non-Executive & Independent Director w.e.f. 24.04.2017 by Circular Resolution.

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.

(d) During the year under review

- Dr. N. D. Desai - Chairman (Non-Executive) expired on Monday, 17th October, 2016.
- Consequent upon the cessation of Dr. N. D. Desai, Mr. Kushal N. Desai, Managing Director and CEO of the Company was appointed as Chairman of the Board of Directors of the Company with effect from 8th November, 2016 and hence designated as Chairman & Managing Director of the Company.
- Mr. Rajesh Sehgal had ceased as Director from the Board of the Company w.e.f. 30.03.2017 consequent upon withdrawal of nomination by Templeton Strategic Emerging Markets Fund III, L.D.C. (Templeton) as an Investor Director.
- Mr. Rajesh Sehgal was appointed as an Additional Director to act as Non-Executive & Independent Director w.e.f. 24.04.2017.

(e) During the FY 2016-17, five Board Meetings were held. The dates on which the Board meetings were held are as follows:

May 25, 2016, August 5, 2016, November 8, 2016, January 6, 2017 and February 1, 2017.

(f) The last Annual General Meeting (27th AGM) was held on August 5, 2016 at 2.15 P.M. at the Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007, Gujarat.

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 5, 2016
Dr. N. D. Desai - Chairman (NDD)*	2	2	Yes
Dr. N. K. Thingalaya (NKT)	5	2	No
Mr. F. B. Virani (FBV)	5	5	Yes
Mr. Kushal N. Desai (KND)**	5	5	Yes
Mr. C. N. Desai (CND)	5	5	Yes
Mr. Rajesh Sehgal (RS)***	5	5	Yes
Mr. Suyash Saraogi (SS)	5	5	Yes
Smt. Nina Kapasi (NK)	5	5	Yes

* Ceased to exist as Chairman and Non-Executive Director due to death on 17.10.2016.

** Appointed as Chairman w.e.f. 08.11.2016.

*** Withdrawn as Investor Director by Templeton on 30th March, 2017. Appointed as an Additional Director on 24th April, 2017 to act as Non-Executive Independent Director of the Company.

(g) 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	2	NKT *	1	1	NDD **	2	2	NDD **	2	2
FBV	4	4	FBV	1	1	KND***	2	2	KND***	4	4

RS******	4	4	RS******	1	1	CND	4	4	CND ****	2	2
KND	4	4	-	-	-	SS*****	4	4	FBV	4	4
SS	4	4	-	-	-	-	-	-	-	-	-
NK *	4	4	-	-	-	-	-	-	-	-	-

Buyback Committee		
Members of the Committee	**No. of meetings held during the tenure of the member**	**No. of Meetings attended**
KND	5	4
CND	5	5
SS	5	2

* Chairman, however, Dr. N. K. Thingalaya could not attend the meetings on 05.08.2016 and 01.02.2017 due to health constraint. In his absence, Mrs. Nina Kapasi was appointed as the Chairman of the said Audit Committee Meetings. Upon resignation of Dr. N. K. Thingalaya as Chairman of the Audit Committee on 23.05.2017 Mrs. Nina Kapasi has been appointed as Chairman of the Audit Committee w.e.f. 30.05.2017.

** Ceased to exist as Chairman and Non-Executive Director due to death on 17.10.2016.

*** Mr. Kushal N. Desai has been inducted as new member of the Share Transfer and Shareholders' Grievance-cum-Stakeholders Relationship Committee after the demise of Dr. N. D. Desai w.e.f. 08.11.2016.

Mr. Kushal N. Desai was appointed as Chairman of Corporate Social Responsibility (CSR) Committee w.e.f. 08.11.2016, after the demise of Dr. N. D. Desai.

**** Mr. C. N. Desai has been inducted as new member of the Corporate Social Responsibility (CSR) Committee w.e.f. 08.11.2016 after the demise of Dr. N. D. Desai.

***** Mr. Suyash Saraogi was appointed as a Chairman of Share Transfer and Shareholders' Grievance-cum-Stakeholders Relationship Committee w.e.f. 08.11.2016 and has been inducted as new member of Nomination and Compensation-Cum-Remuneration Committee w.e.f. 30.05.2017.

***** Mr. Rajesh Sehgal ceased to be a member of the Audit Committee on 30th March, 2017 consequent upon withdrawal of his name as Investor Director of the Company by Templeton. He has been appointed as an Additional Director to act as Non-Executive Independent Director and inducted as member of the Audit Committee w.e.f. 24.04.2017 . He has been appointed as Chairman of Nomination and Compensation-cum-Remuneration committee w.e.f. 30.05.2017.

(h) Independent Directors' Meeting :

During the year under review, Independent Directors met on 1st February, 2017, inter alia, to discuss :

(a) review of the performance of non-independent directors and the Board as a whole;

(b) review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) 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 attended the said Meeting of Independent Directors except Dr. N. K. Thingalaya, who could not attend the meeting due to health constraint.

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 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/pdf/financedata/compositions-committees/4-Familirisation-Programmes-for-Independent-Directors.pdf

3. Audit Committee:

(a) 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 Part C of Schedule II (Regulation 18 (3) of the SEBI (LODR) Regulations, 2015. 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.

Terms 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;

(x) discussion with internal auditors of any significant findings and follow up thereon;

(xi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

During the FY 2016-17, four Audit Committee Meetings were held. The dates on which the Audit Committee Meetings were held are as follows:

May 25, 2016, August 5, 2016, November 8, 2016 and February 1, 2017.

Dr. N. K. Thingalaya could not attend the meetings on 05.08.2016 and 01.02.2017 due to health constraint. In his absence, Mrs. Nina Kapasi was appointed as the Chairman of the said Audit Committee Meetings.

Dr. N. K. Thingalaya resigned as Chairman of Audit Committee on 23rd May, 2017 due to health constraint. In his place, Mrs. Nina Kapasi has been appointed as Chairman of the Audit Committee w.e.f. 30th May, 2017.

Mr. Rajesh Sehgal ceased to be a member of the Audit Committee on 30th March, 2017 consequent upon withdrawal of his name as Investor Director of the Company by Templeton. He has been appointed as an Additional Director to act as Non-Executive Independent Director and inducted as member of the Audit Committee w.e.f. 24th April, 2017.

(b) Composition: Composition, Number of Meetings held and attended by the Members are given at Para 2(g) above.

All the members on the Audit committee have the requisite qualification for appointment on the commitee 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.

4. Nomination and Compensation-Cum-Remuneration Committee.

(a) In compliance with Section 178 of the Companies Act, 2013, the Board has constituted Nomination and Compensation-cum-Remuneration Committee.

Terms of Reference: The Broad terms of reference of the 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 Part D (A) of the Schedule II (Regulation 19 (4) of the SEBI (LODR) Regulations, 2015) 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 at **Para 2(g)** above.

Mr. Rajesh Sehgal ceased to be a member of the Nomination and Compensation-cum-Remuneration Committee on 30th March, 2017 consequent upon withdrawal of his name as Investor Director of the Company by Templeton. He has been appointed as an Additional Director to act as Non-Executive Independent Director. He has been inducted as member of Namination and Compensation-cum-Remuneration Committee w.e.f. 24th April, 2017.

Dr. N. K. Thingalaya resigned as Chairman of Nomination and Compensation-cum-Remuneration Committee on 23rd May, 2017 due to health constraint. In his place, Mr. Rajesh Sehgal has been appointed as Chairman of the Nomination and Compensation-cum-Remuneration Committee w.e.f. 30th May, 2017.

(b) 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.

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

(c) PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Part D (A) of the Schedule II (Regulation 19 (4) of the SEBI (LODR) Regulations, 2015, 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.

5. **Details of Remuneration Paid To All The Directors :**

a. 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.

b. The break-up of remuneration paid / payable to the Managing Directors for the FY 2016-17 is as under:

Name of Directors	Mr. K. N. Desai	Mr. C. N. Desai
Position	Chairman & Managing Director	Managing Director
Salary (₹)	11,254,879	11,196,595
Commission (₹)	28,554,266	28,554,266
Perquisites / Allowances (₹)	357,157	672,222
Total (₹)	40,166,302	40,423,083
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

c. In terms of the Companies Act, and as approved by the shareholders, late Dr. N. D. Desai, a Non-Executive Chairman has not been paid any remuneration including monetary value of facilities during the period from April 1, 2016 to October 17, 2016 (upto the date of his demise) for his professional services to the Company towards his fees. However, he has been paid Rs. 15,567,943/- as commission for the Financial Year 2016-17 for the proportionate period (up to October 16, 2016).

The Commission of the above director has been recommended by the Nomination and Compensation-cum-Remuneration Committee and fixed by the Board after considering his professional expertise and experience in the respective fields, loyalty and professional fees structure prevalent in the industry.

d. 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 Stock Options granted
Dr. N. D. Desai*	1,20,000	Nil
Dr. N. K. Thingalaya	1,20,000	Nil
Mr. F. B. Virani	3,15,000	Nil
Mr. Suyash Saraogi	3,25,000	Nil
Mrs. Nina Kapasi	2,65,000	Nil

* up to 16-10-2016

6. **Share Transfer & Shareholders Grievance-Cum-Stakeholders Relationship Committee:**

a. **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: Consequent upon the demise of Dr. N. D. Desai, the Chairman of the Share Transfer & Shareholders' Grievance-cum-Stakeholders Relationship Committee of the Board, the Committee was re-constituted on 8th November, 2016 and now it consists of the following three Directors, viz. Mr. Suyash Saraogi – Non Exucutive Chairman, Mr. Kushal N. Desai and Mr. C. N. Desai. The Share Transfer & Shareholders' Grievance-cum-Stakeholders Relationship Committee met four times during the financial year, i.e. on May 25, 2016, August 5, 2016, November 8, 2016 and February 1, 2017.

Composition, Number of Meetings held and attended by the Members are given at **Para 2(g)** above.

.**b.** **Share Transfer System :**

The Board of Directors and the Share Transfer & Shareholders' Grievance-cum-Stakeholders Relationship Committee have delegated the power of approval of share transfers / issue of duplicate share certificates etc. to the Company Secretary and Deputy Secretary of the Company jointly and severally, who approve the share transfers regularly and gist of the transfers are placed before the Share Transfer & Shareholders' Grievance-cum-Stakeholders Relationship Committee, periodically.

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

d. Status of complaints for the period April 1, 2016 to March 31, 2017.

1.	No. of complaints received	Nil
2.	No. of complaints resolved	Nil
3.	No. of complaints not solved to the satisfaction of the investors as at 31st March, 2017.	Nil
4.	Complaints pending as at 31st March, 2017.	Nil
5.	No. of share transfers pending for approval as at 31st March, 2017.	Nil

7. **Corporate Social Responsibility (CSR) Committee :**

The Corporate Social Responsibility (CSR) Committee was re-constituted on 8th November, 2016 and now consists of the following Directors :

1. Mr. K. N. Desai, Chairman & Managing Director
2. Mr. C. N. Desai, Managing Director
3. Mr. F. B. Virani, Independent Director

Terms of Reference :

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

(a) 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;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

Composition: Composition, Number of Meetings held and attended by the Members are given at **Para 2(g)** above.

The Corporate Social Responsibility (CSR) Committee met four times during the financial year, i.e. on May 25, 2016, August 5, 2016, November 8, 2016 and February 1, 2017.

8. **Buyback Committee :**

The Buyback Committee consists of the following Directors :

1. Mr. K. N. Desai, Chairman & Managing Director
2. Mr. C. N. Desai, Managing Director
3. Mr. Suyash Saraogi, Independent Director

Terms of Reference :

The Broad terms of reference of the Buyback Committee are finalizing the terms of Buyback like the mechanism for the Buyback, entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback; and all other related matters.

Composition: Composition, Number of Meetings held and attended by the Members are given at **Para 2(g)** above.

The Buyback Committee met five times during the financial year, i.e. on January 9, 2017, January 13, 2017, February 3, 2017, February 21, 2017 and March 10, 2017.

During the year under review, the Company has bought back 228,150 Equity Shares of Rs. 10/- each at a price of Rs. 660/- per share. The Issued, Subscribed and Paid-up Share Capital of the Company has reduced to Rs. 382,686,190/- divided into 38,268,619 Equity Shares of Rs. 10/- each. For further details, please refer Directors' Report - **Para-3**.

9. **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.

10. **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 Schedule V (E) (Regulation 34 (3) of the SEBI (LODR) Regulations, 2015) which is attached herewith.

11. **Subsidiary Companies**

The Company has formulated a Policy on Material Subsidiaries in terms of the SEBI (LODR) Regulations, 2015. The same can be accessed through weblink http://www.apar.com/pdf/financedata/our-policies/Policy%20on%20Material%20Subsidiaries.pdf. The Company has following Subsidiaries at present :.

i. Petroleum Specialities Pte. Ltd. Singapore (PSPL) – Wholly owned Subsidiary of the Company

ii. Quantum Apar Speciality Oils Pty. Ltd., Australia, Subsidiary of PSPL,

iii. Petroleum Specialities FZE, Sharjah – Wholly owned Subsidiary of PSPL, and

iv. Apar Transmission & Distribution Projects Private Limited – Wholly Owned Subsidiary of the Company.

On the basis of the definition of material subsidiary given in Regulation 16 of the SEBI (LODR) Regulations, 2015, the Company does not have any Material Subsidiary as on 31st March, 2017.

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.

12. 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 of Directors and the designated employees have confirmed compliance with the Code.

13. Disclosures :

a) General Body Meeting :

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

Annual General Meetings (AGM):

AGM	Date & Time	Location	Details of Special Resolutions
27th	August 5, 2016 at 2.15 P.M.	The Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 (Gujarat).	To adopt new set of Articles of Association of the Company.
26th	August 7, 2015 at 2.15 P.M.	The Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 (Gujarat).	1. 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. 2. 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.
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.

b) Related Party Transactions :

The details of all significant transactions with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year are periodically placed before the Audit Committee. The relevant details of all transactions with related parties given in Note No. 43 of the audited Accounts for the FY 2016-17 and also in Director's Report **under Para 12 (Also refer Form AOC-2)**, 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 and can be accessed through http://www.apar.com/pdf/financedata/our-policies/1-Policy-on-Related-Party-Transactions.pdf

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 Regulation 17 (8) of the SEBI (LODR) Regulations, 2015 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 nationwide 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 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 2016-2017.

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

i) M/s. KPMG (India) Private Limited, Chartered Accountants were Internal Auditors of the Company and their reports were discussed at the Audit Committee Meetings. The Board has appointed M/s. Deloitte Haskins & Sells as Internal Auditors in place of KPMG, at its meeting held on 30th May, 2017

j) **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.

14. General Information :

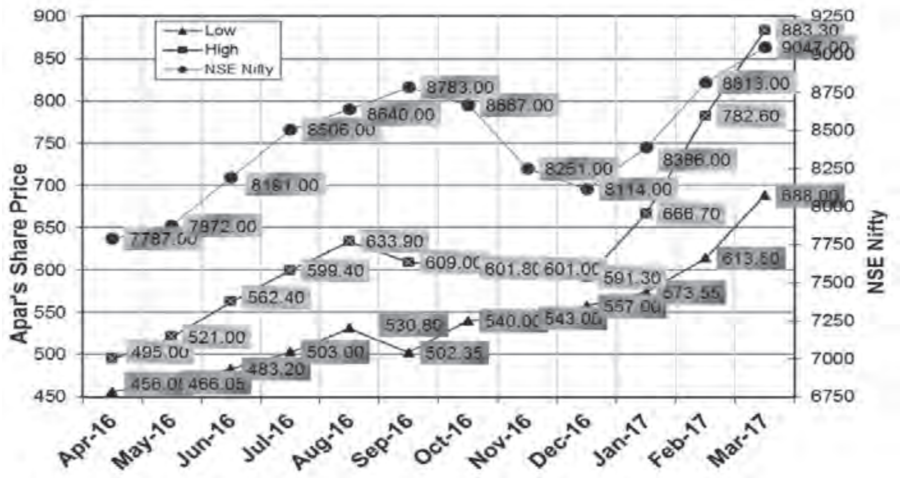
a.	**Annual General Meeting**	:	
	Day, Date and Time	:	Wednesday, 9th August, 2017, at 2.15 P.M. at The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara - 390 007 (Gujarat).
b.	**Financial Calendar for 2017-18**	:	
	Financial year ending	:	31st March.
	First Quarter Results (June, 2017)	:	On or before 14th August, 2017.
	Half Yearly Results (September, 2017)	:	On or before 14th November, 2017.
	Third Quarter Results (December, 2017)	:	On or before 14th February, 2018.
	Approval of Annual Account (2017-18)	:	On or before 30th May, 2018.
c.	Book Closure Dates	:	Thursday, 3rd August, 2017 to Wednesday, 9th August, 2017 (both days inclusive)
d.	Dividend Payment		Dividend Warrants will be dispatched after the AGM, but before the expiry of statutory period of 30 days from the date of AGM.
e.	Registered Office	:	301, Panorama Complex, R. C. Dutt Road, Vadodara - 390 007 (Gujarat).
f.	Listing of Shares on the Stock Exchanges	:	The Equity Shares of the Company are listed on – - **BSE Ltd. (BSE) - Scrip Code No. 532259** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. - **National Stock Exchange of India Limited (NSE) - Scrip Symbol - APARINDS** "Exchange Plaza", Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. The Company has paid the due listing fees to both the Stock Exchanges.

g. Stock Price Data for the financial year April, 2016 to March, 2017 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
2016	April	495.00	455.00	22,939	495.00	456.05	1,85,965
	May	521.20	462.40	2,38,494	521.00	466.05	7,76,196
	June	562.10	487.00	90,643	562.40	483.20	5,85,665
	July	598.80	503.25	69,698	599.40	503.00	3,84,725
	August	633.55	531.10	1,05,576	633.90	530.80	6,36,284
	September	605.00	510.00	91,834	609.00	502.35	5,38,971
	October	610.00	547.00	65,004	601.80	540.00	3,72,360
	November	595.55	543.05	8,15,495	601.00	543.00	6,18,530
	December	590.00	552.50	37,990	591.30	557.00	2,73,656
2017	January	666.00	575.50	1,24,225	666.70	573.55	8,94,367
	February	782.10	617.00	2,00,987	782.60	613.50	7,99,391
	March	787.70	689.45	2,12,192	883.30	688.00	58,27,174

h. **Stock Performance :**

The performance / movement of price of the Company's Equity Share as compared to NSE Nifty 50 Index is given in the chart below:



i.	Registrar for Share Transfer and Depository	:	Link Intime India Private Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 (Gujarat). Ph. Nos. (0265) 2356573, 2356794 TeleFax. (0265) 2356791 E-mail: vadodara@linkintime.co.in

j. **Distribution of Shareholding as at 31st March, 2017 :**

Range of Equity Shares		No. of Equity Shareholders	% of Equity Shareholders	No. of Equity Shares held	% of Shareholding
1	500	23,381	94.30	11,87,798	3.10
501	1,000	589	2.38	4,47,912	1.17
1,001	2,000	399	1.61	5,83,371	1.53
2,001	3,000	100	0.40	2,57,348	0.67
3,001	4,000	78	0.31	2,81,376	0.74
4,001	5,000	46	0.18	2,11,870	0.55
5,001	10,000	84	0.34	5,83,991	1.53
10,001	and above	118	0.48	3,47,14,953	90.71
Total		**24,795**	**100.00**	**38,268,619**	**100.00**

k. **Shareholding Pattern as at 31st March, 2017:**

Category	No. of Equity Shares held	% Holding
Promoters / Persons Acting in concert	22,180,558	57.96
Banks, Financial Institutions and Insurance Companies	15,841	0.04
Mutual funds	7,007,515	18.31
Foreign Institutional Investors / Foreign Portfolio Investors	32,21,535	8.42
NRIs / OCBs	2,15,767	0.56
Corporate Bodies	1,417,807	3.70
Resident Individuals	4,209,596	11.01
Total	**38,268,619**	**100.00**

l. **Dematerialization of Shares & Liquidity :**

As at March 31, 2017, 99.45 % 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, Link Intime India Private Limited. The Equity Share ISIN is INE372A01015. Members holding shares in physical mode are urged in their own interest to hold these shares in dematerialised form with any depository participant.

m. Global Depository Receipts (GDR) / American Depository Receipts (ADR) / Warrants or any Convertible instrument, conversion dates and likely impact on Equity :

NIL

n. Whistle Blower Policy:

The Company has 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.

o. Plant Locations :

Divisions	Locations
a) Conductors Division	a) Silvassa*, Athola, Rakholi and Jharsuguda.
b) Oil Division	b) Rabale, Silvassa* and Hamriyah Free Zone - Sharjah - UAE, (owned by Petroleum Specialities FZE, a stepdown operating subsidiary).
c) Cable Division	c) Umbergaon and Khatalwad (Gujarat)

* Union Territory of Dadra & Nagar Haveli

p. 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 (Gujarat).
Ph. (0265) 2331935, 2339906
Fax (0265) 2330309.
E-mail : com_sec@apar.com
Investor Grievance Redressal cell :

15. 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 Schedule VI of SEBI (LODR) Regulations, 2015 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, 2017 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, 2016	3,619	47,473
ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2016-2017.	22	300
iii)	Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2016-2017.	22	300
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, 2017.	**3,597**	**47,173**

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

16. Cost Audit :

The Cost Auditors appointed by the Company pursuant to Section 148 (3) of Companies Act, 2013 and Rule 6 (2) of the Companies (Cost Records and Audit) Rules, 2014 have submitted their Cost Audit Reports for the Financial Year ended 31st March, 2016. The said Cost Audit Reports were filed in XBRL mode with Ministry of Corporate Affairs (MCA) on 2nd September, 2016 (due date of filing was 30th September, 2016).

The due date for filing the Cost Audit Reports for the financial year ended 31st March, 2017 is within 30 days from the date of receipt of a copy of Cost Audit Report.

17. 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" forming part of the Directors' Report. The Report does not contain any qualifying remark.

18. Employee Stock Options :

Members' approval was obtained at the Annual General Meeting held on August 9, 2007 for introduction of Employee Stock Option Scheme to issue and grant upto 16,16,802 options and it was implemented by the Company. Out of the above options, 175,150 Options have been granted, of which 26,338 Options were exercised and 148,812 options were lapsed.

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 web site.

I confirm that the Company has in respect of the financial year ended 31st March, 2017, 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, 2017.

Place : Mumbai
Date : 30th May, 2017.

Kushal N. Desai
Chairman & Managing Director
and CEO

Auditors' Certificate on Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by Apar Industries Limited (the 'Company'), for the year ended 31st March, 2017, as prescribed in regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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 of the conditions of Corporate Governance. 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 the above mentioned Listing Regulations.

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

VINAYAK PADWAL
Partner
Membership No.049639

Place: Mumbai
Date: 30th May, 2017

Annexure VIII TO THE DIRECTORS' REPORT

Business Responsibility Report for the Financial year 2016-17.

Section A : General Information about the Company:

1.	Corporate Identity Number (CIN)	:	L91110GJ1989PLC012802
2.	Name of the Company	:	Apar Industries Limited
3.	Registered Address	:	301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007 (Gujarat)
4.	Website	:	www.apar.com
5.	E-mail id	:	com_sec@apar.com
6.	Financial Year reported	:	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	2710 – Transformer & Speciality Oils 7614 – AAC / AAAC / ACSR Conductors 8544 – Power / Telecom Cable
8.	List three product / services that the Company is engaged (industrial activity code-wise)	:	(i) Transformer & Specilaity Oils (ii) AAC / AAAC / ACSR Conductors (iii) Power / Telecom Cable
9.	Total Number of locations where business activity is undertaken by the Company	:	51 -Both International and National
i.	Number of international locations	:	3 Locations through Subsidiaries
ii.	Number of national locations	:	48 Locations (Factories, Offices including lease offices and depots)
10.	Market served by the Company	:	In addition to serving Indian markets, the Company exports its products to over 100 countries worldwide as on 31st March, 2017.

Section B : Financial Details of the Company :

1.	Paid up capital (INR)	:	Rs. 38.27 Crores
2.	Total Turnover (INR)	:	Rs. 5,232.42 Crores
3.	Total Profit after taxes (INR)	:	Rs. 182.32 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	2.23 % of Profit after Tax.
5.	List of activities in which expenditure in 4 above has been incurred:-	:	1. Healthcare and upliftment of poor sections of society. 2. Education, 3. Food and Mid-day meal for children 4. Environmental sustainability and, 5. Health and Welfare of Senior Citizens

Section C : Other details :

1.	Does the Company have any Subsidiary Company / Companies?	:	Yes, the Company has 4 subsidiaries.
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	:	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	:	No

Section D : BR Information :

1.	**Details of Director / Directors responsible for BR**	:	
a.	Details of the Director / Director responsible for implementation of the BR policy / policies	:	
	DIN Number	:	00008084
	Name	:	Mr. Kushal N. Desai
	Designation	:	Chairman & Managing Director
b.	**Details of the BR head**	:	
	1. DIN Number (if applicable)	:	—
	2. Name	:	Mr. Sanjay Kumar
	3. Designation	:	Vice President – HR & Admin
	4. Telephone Number	:	022-25263400
	5. Email id	:	sanjay.kumar@apar.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under :

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability,

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle,

P3 – Businesses should promote the well-being of all employees,

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized,

P5 – Businesses should respect and promote human rights,

P6 – Businesses should respect, protect, and make efforts to restore the environment,

P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner,

P8 – Businesses should support inclusive growth and equitable development,

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the Policy being formulated in consultation with the relevant stakeholders?	N	N	N	N	N	N	N	N	N
3	Does the policy conform to any national / international standards? If yes, specify (50 words)	Y. The policies conform to the principles of National Voluntary Guidelines on Social Environmental and Economic Responsibilities of Business (NVGs) notified by Ministry of Corporate Affairs.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Directors / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.apar.com/pdf/financedata/our-policies/11-Business%20 Responsibility%20 Policy.pdf	http://www.apar.com/pdf/financedata/our-policies/11-Business%20 Responsibility%20 Policy.pdf	http://www.apar.com/pdf/financedata/our-policies/11-Business%20 Responsibility%20 Policy.pdf	http://www.apar.com/pdf/financedata/our-policies/11-Business%20 Responsibility%20 Policy.pdf	http://www.apar.com/pdf/financedata/our-policies/11-Business%20 Responsibility%20 Policy.pdf	http://www.apar.com/pdf/financedata/our-policies/11-Business%20 Responsibility%20 Policy.pdf	http://www.apar.com/pdf/financedata/our-policies/11-Business%20 Responsibility%20Policy.pdf	http://www.apar.com/pdf/financedata/our-policies/11-Business%20 Responsibility%20 Policy.pdf	http://www.apar.com/pdf/financedata/our-policies/11-Business%20 Responsibility%20 Policy.pdf
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

2a. If answer to Sr. No. against any principle is 'No', please explain why: (Tick upto 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles.	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months.	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify) :	-	-	-	-	-	-	-	-	-
A.	For Sr. No. 2 : While there may not be formal consultation with all stakeholders, the relevant policies have been evolved over a period of time by taking inputs from concerned internal stakeholders.									
B.	For Sr. No. 10 : While your Company has not carried out Independent audit of the policies, the Internal Function periodically looks at the implementation of the policies.									

3. **Governance related to BR**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has been mandated to provide Business Responsibility Report for the first time for the Financial Year 2016-17. The Company will publish the BR Report with the Annual Accounts for the Financial Year 2016-17 and upload the same on the Company's website at www.apar.com

Section E : Principle-wise Performance :

Principle 1 : Business should conduct and govern themselves with Ethics, Transparency and Accountability:

The Company believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards, transparency and accountability in its dealings with all its constituents.

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 is **"To satisfy customer needs and retain leadership by manufacturing and supplying quality products and services through continuous improvement by motivated employees"**. Our concept of quality addresses all the three dimensions – people, processes and products.

1. **Does the policy relating to ethics, bribery and corruptions cover only the Company ? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct and a Vigil Mechanism named Whistleblower Policy that are approved by the Board of Directors. These are applicable to all Board Members and employees of the Company, and an annual affirmation is taken from the designated employees. The Code is available on the Company's website viz. www.apar.com

2. **How many stakeholders complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

There were no Investor complaints from its shareholders during 2016-17. No complaint was outstanding as on 31st March, 2017.

Customers complaints were immediately attended to and resolved to their satisfaction.

Company's Code of Conduct has a provision for all Company's stakeholders to freely share their concerns and grievances with the Company.

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

Company

- Understand the "Service" and a "Service attitude" to customers and fellow associates that forms the basis of it's business.
- Understand that mutual Trust and Respect is the essence of it's Human Values.
- Understand Accountability and Commitment in setting and meeting aggressive targets.
- Understand that Company will always conduct it's business with unyielding Integrity and ethics.
- Understand Excellence and deliver products and service of the highest quality.
- Understand the importance of Change and see it as an Opportunity and not as a Threat.
- Understand Speed as a Competitive Advantage in a changing and uncertain world, delivering Better, Faster and more Competitive products and services.
- Promise to deliver to all customers, Innovative and Value based solutions... Always be an integral part of the Customers' Success.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a. Company's Conductors Divisions are using recyclable steel drums in place of wooden pallets in order to protect the environment and reduce cost to the Company.

b. In Company's Oil Division, water is collected through rain water harvesting and using the same in boiler operations for steam generation. Division has installed 330KWp Solar power plant for it's energy consumption.

c. Company's Cable Division has replaced highway light fittings 250W HPMV with 150 W metal halid 88 numbers thereby saving 70 KWH per day at Umbergaon.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing / production/ distribution achieved since the previous year throughout the value chain?

The details are given in Annexure-V relating to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo of Directors' Report.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products viz. Conductors are mainly used for transmission and distribution of power. Hence these products do not have any significant impact on energy during use by the consumers. However, the Company has been actively growing its presence in the High Efficient Conductors (HEC). The Company has incorporated energy efficient, state of the art, technology in its conductor division towards power consumption optimization and reducing furnace oil consumption from about 80+ kg/MT to 75 kg/MT at Rakholi unit and to 55 kg/MT at Athola unit.

Similarly, the Transformer Oils and other specialty oils are used by the power utilities and hence they also have no significant impact on energy during use by the consumers.

The Company has strengthened a Six Sigma, a business management strategy using DMAIC approach in various sections of its Speciality Oil Division. This has resulted in the overall improvement in the process efficiency, productivity, energy conservation, process capability and reduction in variation leading to cost effectiveness.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's Jharsuguda plant is located in Eastern part of India in Orissa where the Company can source the raw material viz. Aluminium easily. Similarly, the finished goods, viz. different kinds of Conductors can also be supplied more easily to the eastern part of India thereby saving both inward and outward freight.

Aluminium accounts for about 70% of the conventional finished product value, where company has entered into strategic alliances with key suppliers on long-term basis.

Further Company's Conductors Unit and Oils Unit are both located in Silvassa, which is very near to the Mumbai Port. Hence Procurement / Transportation of raw material as well as finished goods can be exported very easily thereby saving on both inward as well as outward freight.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As long as local supplies are concerned, company procures goods from local suppliers including Micro, Small and Medium Enterprises and materials are imported under Advance License Scheme to the extent possible. Further, the Company procures goods and services like security, housekeeping, gardening, and such other services from the suppliers located near the factories of the Company.

Company ensures right quality production at suppliers' end as well to ensure the desired quality levels of the end product, resulting into enhanced capability of supplier to produce right quality material for elevated volumes.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Company's conductor division has mainly three elements, namely aluminium, steel and wooden packaging material. Out of these, aluminium is reprocessed on 100% basis, while steel wastage is being sold to scrap processors.

   As an environment friendly step, Conductor division is increasingly replacing, about 70% OR more, its packaging from wooden drums/reels to steel & hybrid (made-up of steel frame and PP sheet) drums/reels for local and export customers. Likewise wooden laggings used along with wooden drums is also increasingly being replaced with PP sheet. Both steel drums/reels and PP sheet are used for 3 or more cycles of conductor supply and yet salvageable.

   In Oil division, there is a reduction in clay consumption used for percolation in Transformer Oil manufacturing thereby reduction in Hazardous waste generation.

   The manufacturing processes of Aluminimum Conductors, Specialty Oils and Cables do not directly discharge any significant effluent or waste. Oil manufacturing plant in Sharjah, UAE has zero effluent discharge and industrial wastage.

Principle 3 : Businesses should promote the wellbeing of all employees :

Apar's Corporate Philosophy is to encourage practice "to do what is right as a human being". It offers employment with a sense of certainty for a successful long term career that would be driven by boundless growth opportunities and exposure to immense learning opportunities.

It nurtures a cohesive team culture that inspires employees to actively participate in all organizational development initiatives with no limitation of opportunities which makes Apar an exhilarating place to be in.

With the intent of connecting people for fostering and building people interaction, Apar encourages employees to undertake fun-at-work initiatives also, so that they enjoy a sense of bonding within the company. At the same time safety and health of employees is extremely important to the Company.

The company's oil division had a Zero accident rate during the year under review.

1. **Please indicate the Total number of employees.**

   1,274 Nos. (excluding temporary and contractual employees.)

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

   a. Temporary - 53

   b. Contractual - 3796

   c. Casual - 0

3. **Please indicate the Number of permanent women employees.**

   78

4. **Please indicate the Number of permanent employees with disabilities.**

   NIL

5. **Do you have an employee association that is recognized by management.**

   Yes only 1 Association (Central Labour Association)

6. **What percentage of your permanent employees is members of this recognized employee association?**

   About 3% of the permanent employees are a part of Central Labour Association.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints Filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced Labour / involuntary labour	0	0
2	Sexual harassment	1	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

a. Permanent Employees	–	50%
b. Permanent Women Employees	–	70%
c. Casual / Temporary / Contractual Employees	–	35%
d. Employees with Disabilities	–	N/A

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

Apar recognizes the interest of all communities including those of disadvantaged, vulnerable, marginalized and weaker sections of the society and proactively engage with them. It believes that it has a responsibility to think and act beyond the interests of its shareholders to include all its' stakeholders specially interest of the weaker sections of the society.

Apar is committed to providing a safe and healthy workplace. Making sure that our employees, associates and contractors return home from work safely each day, is more important than anything else. We are committed to ensuring zero harm to our employees, associates and contractors and the communities in which we operate. This is integral to our business and is laid down in our health and safety policies, standards and working procedures.

1. Has the Company mapped its internal and external stakeholders ? Yes / No.

Yes, to the extent possible.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Your Company gives significant importance to the interests of those stakeholders who are disadvantaged, vulnerable and marginalized through various initiatives including generation of employment for the local communities wherever the plants of the Company are situated, giving priority to employment to local people. The Company employs Contract labour at the manufacturing plants and other non-core activities like housekeeping, warehouse operations etc. and closely monitors that the Contractors meet their obligations towards the Contract Labour employed by them.

Wherever new plant is being erected, sources local labour for construction, maintenance etc.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company's CSR activities aim at, inter alia, healthcare and upliftment of poor sections of Society. During the year under review, the Company has contributed for organic farming, alternative sources of energy, soil-biotechnology, tubewell, water irrigation system, organic agriculture inputs, all aiming to engage with the disadvantaged, vulnerable and marginalized stakeholders / sections of society.

Principle 5: Businesses should respect and promote human rights:

Apar recognizes the human rights and treat others with dignity and respect. It believes that it is one's fundamental rights to live with dignity and respect. Company has adopted a Policy on "Prevention of Sexual Harassment at Work Place" (POSH) to provide safe and healthy work environment to it's employees by establishing a guidelines to deter any sexual harassment at work.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Company does recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace including that of communities, consumers and vulnerable and marginalized groups. All aspects of human rights have been included and covered in the Code of Business Conduct and in various human resource practices / policies issued by the HR Department from time to time.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no shareholders' complaints and there were about 47 consumer complaints which were promptly attended and redressed suitably to the customers' satisfaction.

Principle 6 : Business should respect, protect, and make efforts to restore the environment:

Apar is committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any products and services on the ecological environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The policy related to Principle 6 cover the Company and its other stakeholders, to the extent possible.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. Please refer to – Annexure II to Directors' Report – Annual Report on Corporate Social Responsibility Activities.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has mechanism to identify and assess potential environment risks in its various plants / units.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The company has not carried out any particular project related to clean development mechanism, as such there is no environment compliance report filed.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. Please refer to report on Conservation of Energy, Technology Absorption and Foreign Exechange Earnings and outgo - Annexure - V to the Directors' Report.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions / waste generated by the Company are well within the permissible limits given by CPCB/SPCB for the financial Year under review.

The Company's Oil Division at Sharjah – UAE has zero effluent discharge and industrial wastage.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None.

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Company engages with industry bodies and associations to influence public and regulatory policy in a responsible manner and advocating best practices for the benefit of society at large.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of :

a. Aluminium Association of India

b. Bombay Chamber of Commerce and Industry.

c. Cable and Conductor Manufacturers Association of India (CACMAI)

d. Exim Club, Vadodara.

e. Export Engineering Promotion Council.

f. Federation of Gujarat Industries

g. Indian Electrical & Electronics Manufacturers' Association (IEEMA)

h. Indian Merchant Chamber

i. Manufacturers of Petroleum Specialties Association (MPSA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has developed Medium Voltage Covered Conductors (MVCC) which consist of a conductor insulated by a covering made of specialty polymer insulating material(s) as protection against accidental contacts with grounded parts such as tree branches etc. Such covered conductors reduce interruptions by contact of tree branches or creepers, reduce towering costs, cause negligible leakage current on surface, protect big birds and animals like peacocks, flamingos, elephants etc., increase the power distribution network reliability, reduce power interruptions and outages. The Company has used the platform of Indian Electrical & Electronics Manufacturers' Association (IEEMA) to promote entry of this new product to utilities.

Principle 8 : Businesses should support inclusive growth and equitable development :

Company believes in the principle of trusteeship. Apar has from its inception served society by taking forward this philosophy and catalyzing societal welfare through focused projects in the healthcare, education and nutrition sectors especially for the needy and weaker sections of the Society. The company has adopted a CSR policy through which it undertakes the projects in accordance with Schedule VII of the Companies Act, 2013.

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company's CSR programme focus, inter alia, at healthcare and poor sections of society and Environment sustainability. The

Company has contributed towards rural development / organic farming / alternative energy / soil bio-technology / water irrigation systems / organic agriculture inputs etc.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The programmes / projects detailed at point no. 1 have been undertaken through external NGOs / Institutions.

3. **Have you done any impact assessment of your initiative?**

   The management closely monitors the spending of its contributions towards the above social causes and the Company's Directors are paying regular visits at the projects where the Company has given contribution.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   The details of Company's contribution as also the names of the Institutions to whom the contribution is given along with the details of their projects are given in the Annual Report on CSR activities (please refer Annexure II to the Directors' Report), which forms part of this Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   As mentioned earlier, the Company closely monitors the spending of its contributions towards the above social causes and the Company's Directors are paying regular visits at the projects where the Company has given contribution. The Company also seeks reports from the institutions the details of their spending from time to time.

   Further, the Company has undertaken tree plantation of 500 nos. in program initiated by DISH and MPCB. Further, the Company has also planted tree in and around factory and thereby increased the green belt area inside the plant. Further it has also undertaken the Rain Water Harvesting project and Solar Energy Project.

   The Company's Rabale Oil Plant has Apar Employees Co-operative Society under which, the employees get financial assistance at concessional rates.

   The Company's oil Division has received certificate for active participation in Best Welfare Practices Competition – 2017 organized by Directorate of Industrial Safety and Health, Thane Division, Maharashtra. Further, the Company has been awarded Good Manufacturing Practices Certificate in the manufacturing and testing of White Oil.

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

Apar has long standing relationships with it's customer which includes leaders in the Power and Telecom sectors built on the back of a successful track record of delivering the most high performance and cost efficient products. It has an extensive portfolio of over 400 types of specialty, Industrial and automotive oils; Largest range of conventional and new generation conductors and a comprehensive range of power and telecommunication cables.

The Company continue to strive to make available goods that are safe, competitively priced, easy to use and safe to dispose off, for the benefit of it's customers and end users.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   A total of 47 customers complaints (42 Cable products and 5 Conductor products) have been received which were promptly attended and redressed suitably to the customers' satisfaction, out of which, no complaints are pending at the end of financial year. No consumer case is pending bearing one at the end of financial Year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No / N.A. / Remarks (additional information).**

   No, the Company is only displaying information as mandated by local laws. No additional information is provided in the products of the Company.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No such case has been filed against the Company during the last five years and pending as on the end of financial year.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   The Company has not carried out any consumer survey / customer satisfaction trend during the year. However, the Company has not come across with any kind of negative feedback on the performance while discussing with the consumers. In fact, the Company has been receiving repeat orders from the customers which itself reflects the competitiveness of Company's products in the markets, supply of quality materials and fulfillment of our commitment.

Annexure IX 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 (option exercised upto 31st March, 2015 – 26,072 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	:	148,812
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	:	14,41,652 options yet to be granted
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, CS have exercised 1,952 and 133 options respectively and equal number of shares were allotted. Balance options lapsed. * All the 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.	:	Not Applicable (No options granted and exercised in Financial Year 2016-17).

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 entire 26,338 Equity Shares allotted to the employees under the scheme.

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.

Financial Section

Independent Auditor's Report

To the Members of APAR Industries Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Apar Industries Limited (the 'Company')**, which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flows Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Standalone Ind AS 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 Ind AS 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 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including Ind AS, of the financial position of Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and Statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, 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, the Cash Flow Statement and the Statement of Changes in Equity 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 Indian Accounting Standards (Ind-As) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;

(g) 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) Rule, 2014. In our opinion and to the best of our information and according to the explanation given to us;

(1) the Company has disclosed the impact of pending litigations on its financial position in its standalone

Ind AS financial statements (Refer Note 44 to the Standalone Ind AS Financial Statements);

(2) the Company have long-term contracts including derivative contracts for which there are no material foreseeable losses (Refer Note 35-41 and 49 to the Standalone Ind AS Financial Statements);

(3) there has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company; and

(4) the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company (Refer Note 50 to the Standalone Ind AS Financial Statements).

For Sharp & Tannan
Chartered Accountants
Firm's registration number: 109982W

Vinayak M. Padwal
Partner
Membership No.049639

Mumbai, 30th May, 2017

Annexure 'A' to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended 31st March, 2017, we report that;

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of the fixed assets by which fixed assets are verified in a phased manner programme of verification. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification and in our opinion, is reasonable, considering the size of the Company and nature of its assets.

(c) According to the information and explanations given to us, the title deeds of immovable properties (including land whose title deeds have been pledged as securities against term loan borrowed by Company) are held in the name of the Company.

(ii) 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. The discrepancies noticed on such verification, which were not material, have been properly dealt with in the books of account.

(iii) According to the information and explanations give to us, the Company has not granted loans, secured or unsecured, to the Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provision of Paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) According to the information and explanations given to us and the records examined by us, the Company has not accepted any deposits from the public during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.

(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 with respect to its 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 and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, to 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 examined by us, the particulars of income tax, sales tax, service tax, duty of customs, duty of excise, and value added tax as at 31st March, 2017 which have not been deposited on account of a dispute pending, are as under:

(viii) 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 loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institute and Government. The Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and by way of term loan. Accordingly, the Paragraph 3(ix) of the Order is not

Name of the Statute	Nature of the disputed dues	Amount Rs. (in crore)	Period to which the amount relates	Forum where disputes are pending
The Central Sales Tax Act,1956, Local Sales Tax Act and Works Contract Tax Act	Tax, Interest and Penalty	0.13	1998-99 2001-04 2003-04 2004-05 2010-11	Commercial Tax Officer
		0.09	2010-11 to 2013-14	Deputy Commissioner
		8.02	2002-03 to 2004-05 2006-07 2009-10 2010-11 2011-12	Commissioner VAT
		5.34	1998-99 2006-07 2008-09	Tribunal
		0.15	2009-10	High Court
The Central Excise Act, 1994 The Customs Act, 1962 Service Tax under the Finance Act, 1994.	Duty, Service Tax, Interest and Penalty	1.73	2004 to 2007 2007-08 2008 to 2012	Commissionerate
		5.72	1997 to 2001 2001 to 2004 2004-05 2007-08 2008-09 2011-12	CESTAT / Tribunal
		2.32	1998-99 2005-06 2006-07	High Court
		5.30	1995 to 2000 2001 -02	Supreme Court

applicable to the Company.

(x) 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 fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the relevant details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the Paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Sharp & Tannan
Chartered Accountants
Firm's registration number: 109982W

Vinayak M. Padwal
Partner
Membership No.049639

Mumbai, 30th May, 2017

Annexure 'B' to the Independent Auditor's Report

Report on the Internal Financial Controls Under Clause (i) of Sub- Section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Apar Industries Limited (the 'Company') as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Sharp & Tannan
Chartered Accountants
Firm's registration number: 109982W

Vinayak M. Padwal
Partner
Membership No.049639

Mumbai, 30th May, 2017

Balance Sheet As at 31st March, 2017

(₹ in crore)

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	458.05	384.84	369.29
Capital work-in-progress-Tangible	2	26.73	20.81	9.47
Goodwill	3	7.42	10.08	-
Other Intangible assets	3A	2.12	2.69	3.34
Capital work-in-progress-Intangible	3A	1.02	-	-
Investments in Subsidiaries and Joint Ventures	4	0.27	0.26	29.93
Financial Assets				
Trade receivables	9A	1.90	-	-
Other non-current assets	5	6.71	4.25	4.52
Other non-current assets	6	27.72	41.28	14.23
Other Tax Assets		168.82	134.68	140.90
Total non current assets		**700.76**	**598.89**	**571.68**
Current Assets				
Inventories	7	935.36	765.95	963.92
Financial Assets				
Investments	8	118.57	109.24	1.05
Trade receivables	9	1,234.09	1,069.56	1,199.01
Cash and cash equivalents	10	83.49	75.62	29.49
Bank balances other than above	11	13.17	13.83	8.27
Short-term loans and advances	12	14.70	14.13	19.72
Derivatives	12A	37.26	0.01	0.28
Other current assets	13	162.46	130.13	132.90
Total current assets		**2,599.10**	**2,178.47**	**2,354.63**
TOTAL ASSETS		**3,299.86**	**2,777.36**	**2,926.31**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	38.27	38.50	36.86
(b) Other equity	14B,14C			
Reserves & Surplus		852.37	684.18	544.05
Other reserves		57.41	37.85	37.72
Total equity		**948.05**	**760.53**	**618.63**
Non current liabilities				
Financial liabilities				
Borrowings	15	34.77	60.28	94.38
Other financial liabilities	16	2.52	2.95	2.72
Provisions	17	4.34	3.54	3.70
Deferred tax liabilities (net)	18	44.34	29.54	24.74
Total non current liabilities		**85.97**	**96.31**	**125.54**
Current liabilities				
Financial liabilities				
Borrowings	19	186.47	263.80	386.67
Trade and other payables	20	1,704.05	1,389.63	1,551.26
Other financial liabilities	21	47.61	51.44	25.64
Derivatives	21A	24.80	9.68	7.19
Other current liabilities	22	140.65	69.94	94.23
Short term provisions	23	0.92	0.85	0.80
Liabilities for current tax		161.34	135.18	116.36
Total current liabilities		**2,265.84**	**1,920.52**	**2,182.14**
Total liabilities		**2,351.81**	**2,016.83**	**2,307.68**
Total Equity and Liabilities		**3,299.86**	**2,777.36**	**2,926.31**
Significant accounting policies	1			
Contingent liabilities and commitments	44			

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

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai, 30th May, 2017

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2017

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2017

(₹ in crore)

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue			
I. Revenue from Operations (Gross of excise duty)	24	5,232.42	5,497.24
II. Other income	25	15.80	9.92
III. Total Revenue		**5,248.22**	**5,507.16**
IV. Expenses			
Cost of materials consumed	26	3,497.57	3,735.66
Purchases of Stock-in-Trade	27	79.10	68.18
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(63.87)	53.72
Excise Duty		456.84	472.88
Employee benefits expense	29	104.74	90.27
Finance costs	30	113.66	157.33
Depreciation and amortization expense	2,3,3A	43.45	37.69
Other expenses	31	739.86	719.28
Total Expenses		**4,971.35**	**5,335.01**
Less : Transfer to capital assets		2.58	0.48
Net total expenses		**4,968.77**	**5,334.53**
V. Profit Before Exceptional Items and Tax		**279.45**	**172.63**
VI. Exceptional Items		-	-
VII. Profit Before Tax		**279.45**	**172.63**
VIII. Tax expense:			
1. Current Tax		91.90	55.73
2. Deferred Tax		4.58	5.07
3. Taxes of earlier years		0.65	(3.87)
		97.13	**56.93**
IX. Profit/(Loss) for the period from continuing operation		**182.32**	**115.70**
X. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		(1.11)	(0.42)
Income tax relating to items that will not be reclassified to profit or loss		0.38	0.15
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		30.66	0.63
Income tax relating to items that will be reclassified to profit or loss		(10.61)	(0.22)
XI. Total Comprehensive Income for the year (IX+X)		**201.64**	**115.84**
XII. Earnings per equity share (Face value of ₹ 10 each)	32		
Basic		47.38	30.88
Diluted		47.38	30.88
Significant Accounting Policies	1		

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

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai, 30th May, 2017

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2017

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Statement of cash flows for the year ended 31st March, 2017

(₹ in crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from operating activities		
Profit before tax	279.45	172.63
Adjustments for		
Depreciation on non current assets	40.79	35.04
Amortisation of intangible assets	2.66	2.66
(Gain)/loss on sale of property, plant and equipment	0.63	0.06
Finance costs	77.23	83.11
Finance income	(7.31)	(6.70)
Dividend on investments and from subsidiaries	-	(0.57)
Unrealised exchange loss/(gain)	(6.12)	(6.28)
Profit on sale of investments	(8.49)	(2.64)
Movement in working capital		
(Increase)/ Decrease in trade and other receivables	(236.76)	140.68
(Increase)/ Decrease in inventories	(169.41)	197.96
Increase/ (Decrease) in trade and other payables	438.36	(180.63)
(Decrease)/ Increase in other liabilities	-	-
Tax paid	(100.53)	(34.35)
Net cash generated by / (used in) operating activities	**310.50**	**400.97**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(111.18)	(73.99)
Acquisition of intangibles	(1.53)	(0.36)
Proceeds from sale of property, plant and equipment	2.77	0.72
Investment in ATDPPL	(0.01)	-
Purchase of investments (net)	(0.84)	(100.99)
Dividend on investments and from subsidiaries	-	0.57
Net cash generated by / (used in) investing activities	**(110.79)**	**(174.05)**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings	(71.64)	(119.69)
Proceeds/(repayments) of long-term borrowings	(37.66)	(9.65)
Sale of Shares	-	71.03
Interest received/(paid) - net	(68.08)	(73.22)
Dividend Payment	(0.49)	(38.19)
Buyback of shares	(15.06)	-
Tax on dividends	-	(6.48)
Net cash (used in) / generated by financing activities	**(192.93)**	**(176.20)**
Net increase / (decrease) in cash and cash equivalents	6.78	50.71
Effect of exchanges rate changes on cash and cash equivalents	0.43	0.41
Cash and cash equivalents at the beginning of the year	89.45	37.76
Add: On amalgamation of Apar Lubricants Limited	-	0.57
Cash and cash equivalents at the end of the year	**96.66**	**89.45**

Notes :

1) Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.
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 ₹ 6.03 crore; (Previous year ₹ 6.62 crore), fixed deposit under lien ₹ 4.58 crore (Previous year ₹ 4.58 Crore).

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

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai, 30th May, 2017

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2017

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Statement of changes in equity

(a) Equity share capital		As at March 31, 2017		As at March 31, 2016		As at April 1, 2015		
		No. of Shares	Amount (₹ in Crore)	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)	
Balance at the beginning of the reporting period Balance		38,496,769	38.50	36,861,116	36.86	36,835,044	36.83	
Changes in equity share capital during the year		(228,150)	(0.23)	1,635,653	1.64	26,072	0.03	
Balance at the end of the reporting period		38,268,619	38.27	38,496,769	38.50	36,861,116	36.86	
(b) Other equity	Reserves & Surplus					Items of OCI		
For the year ended	Retained earnings - Surplus	General reserve	Securities premium reserve	Capital reserve	Capital Redemption Reserve	Cash flow hedging reserve	Other items of OCI	Total
Balance at April 1, 2015	**218.45**	**175.00**	**150.61**	**23.77**	**14.75**	**(0.80)**	**-**	**581.77**
Total comprehensive income for the year								
Profit for the year	115.70							115.70
Other comprehensive income for the year						0.41	(0.27)	0.14
Total comprehensive income for the year	115.70	-	-	-	-	0.41	(0.27)	115.84
Transactions with the owners of the Company Contributions and distributions								
Dividends (including tax on dividend)	(44.98)							(44.98)
Transfer / Receipt	(15.00)	15.00						(0.00)
Sale of treasury shares			69.41					69.41
Balance at March 31, 2016	**274.18**	**190.00**	**220.01**	**23.77**	**14.75**	**(0.39)**	**(0.27)**	**722.04**
Total comprehensive income for the year								
Profit for the year	182.32							182.32
Other comprehensive income for the year						20.05	(0.73)	19.32
Total comprehensive income for the year	182.32	-	-	-	-	20.05	(0.73)	201.64
Transactions with the owners of the Company Contributions and distributions								
Refund of dividend tax	0.93							0.93
Transfer / Receipt	(20.00)	20.00						-
Buy back of shares	(0.23)		(14.83)		0.23			(14.83)
Balance at March 31, 2017	**437.20**	**210.00**	**205.18**	**23.77**	**14.98**	**19.66**	**(1.00)**	**909.78**

Note

i) The nature and purpose of each of the Reserves have been explained under Note 14B Other Equity and 14C Items of OCI

ii) During the year, the Company has bought back 228,150 Equity Shares of Rs. 10/- at a price of Rs. 660/- per share for an aggregate amount of Rs. 15.06 Crores. The Issued, Subscribed and Paid-up Share Capital of the Company has thus reduced to Rs. 382,686,190/- divided into 38,268,619 Equity Shares of Rs. 10/- each. The entire process of Buyback of the above shares was completed on 10th March, 2017.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of
Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai, 30th May, 2017

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2017

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Share-based payment arrangements:

A. Description of share-based payment arrangements

Share option programmes (equity-settled)

The Company implemented "Apar Industries Limited Stock Option Plan 2007" (ESOP 2007), in the year 2007, as approved by the Shareholders of the Company and the Compensation Committee of the Board of Directors.

The purpose of this Plan is to promote the success of the Company by rewarding and motivating key employees for high levels of individual performance, and to retain such employees. This purpose may be achieved through the grant of options to key employees to purchase equity shares of the Company.

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. The Exercise Price of Rs. 259.75 per option was cancelled due to substantial fall in the secondary market and fresh market linked price of Rs. 207.05 was fixed at the 19th Annual General Meeting held on August 29, 2008.

Apar Industries Limited Stock Option Plan 2007

Grant Date	9-Aug-07
No. of Options	175,150
Exercise Price (INR)	207.05
Vesting Period	3 years.

B. Measurement of fair values

The exercise price shall be the Market Price, "Market Price" means the latest available closing price of the shares of the Company on the date of grant.

C. Reconciliation of outstanding share options.

	31 March 2017	31 March 2016
Outstanding at the beginning of the year	Nil	9,671
Vested during the year	Nil	Nil
Forfeited during the year	Nil	(9,405)
Exercised during the year	Nil	(266)
Outstanding at the end of the year	Nil	Nil

During the year 2015-16, Company has allotted 266 equity shares of ₹ 10/- each to employees of the Company under Employee stock option plan 2007 at an exercise price of ₹ 207.05 per share.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 1 Significant Accounting Policies

1. General information

Apar Industries Limited, founded by Late Shri. Dharmsinh D. Desai in the year 1958 is one among the best established companies in India, operating in the diverse fields of electrical and metallurgical engineering. Over the ensuing years it has been offering value added products and services in Power Transmission Conductors, Petroleum Specialities and Power & Telecom Cables.

2. Basis of accounting

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act/ Companies Act 1956 ("the 1956 Act"), as applicable. For all periods up to and for the year ended 31 March 2016, the Company's has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in Note 51

3. Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated.

4. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

- certain financial assets and liabilities (including mutual fund investments and derivatives) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value;
- share-based payments;

5. Key estimates and assumptions

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets**

  Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

Note	1	Significant Accounting Policies (Contd.)

- **Discounting of long-term financial assets/liabilities**

  All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method.

- **Fair value of financial instruments**

  Derivatives and investments in mutual funds are carried at fair value. Derivatives includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and commodity future contracts are determined using the fair value reports provided by merchant bankers and LME brokers respectively. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

- **Sales incentives and Customer Loyalty Programmes**

  Rebates are generally provided to distributors or dealers as an incentive to sell the Company's products. Rebates are based on purchases made during the period by distributor / customer. The company determines the estimates of benefit accruing to the distributors/ dealers based on the schemes introduced by the Company.

  The amount allocated to the loyalty programme/ incentive is deferred, and is recognised as revenue when the Company has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

  The cash incentives offered under various schemes are in the nature of sales promotion and provision for such incentives are provided for.

6. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. Standards issued but not yet effective

Ind AS 115 Revenue from Contract with Customers: In February 2015, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company's is in the process of making an assessment of the impact of Ind AS 115 upon initial application. As at the date of this report, the Company's management does not expect that the impact on the Company's results of operations and financial position will be material upon adoption of Ind AS 115.

8. Significant accounting policies followed by the company

A. Foreign currency

Note	1	Significant Accounting Policies (Contd.)

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

B. Revenue

i. Sale of goods and Services

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks, rewards and controls of ownership in the goods are transferred to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

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

ii. Lease income:

The Company has determined that the payments by the lessee are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Accordingly rental income arising from operating leases is accounted for on an accrual basis as per the terms of the lease contract

iii. Dividend income is recognised when the right to receive the payment is established.

C. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company's has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- **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.

- **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.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- **Gratuity Fund**

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions

Note	1	Significant Accounting Policies (Contd.)

to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company's recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Long-term Compensated Absences and Long Wages Schemes are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss .

D. Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

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

E. Grants/ Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the statement of profit and loss in the same period as the related cost, which they are intended to compensate, are accounted for.

F. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company's is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

G. Inventories

Inventories are measured at the lower of standard cost and net realizable value. Inventory of scrap is valued at estimated realizable value.The cost of inventories is determined using the weighted average method. Inventories of finished goods include excise duty as applicable.

H. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The cost of the property, plant and equipment's at 1st April 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company's.

iii. Depreciation

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight Line or the Written Down Value based on the method consistently followed by the respective entities in the Company.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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

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

I. Intangible Assets

Intangible assets which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

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.

The cost of the intangible assets at 1st April 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

J. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

K. Share-based payments:

a. Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

b. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

c. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

d. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 1 Significant Accounting Policies (Contd.)

employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss

e. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

L. Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve.

M. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, Commodity future Contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company's commits to purchase or sell the asset.

Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through profit and loss (FVTPL)

- Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.
- In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').
- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments and Mutual Funds

Note	1	Significant Accounting Policies (Contd.)

- All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company's decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- The company has elected to apply the exemption available in respect of the carrying value of the investments held in subsidiaries, joint ventures and associates in accordance with Ind AS 27.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Note	1	Significant Accounting Policies (Contd.)

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iii. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under the "effective portion of cash flow hedges". The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on the present value basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit and loss in the same period or periods during which the hedged expected future cash flows affect profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial items cost of initial recognition or for other cash flow hedges, it is reclassified to profit and loss in the same period as the hedged future cash flows affect the profit and loss.

If the hedged cash flows are no longer expected to occur, then the amounts that have been accumulated in the other equity are immediately reclassified to profit and loss.

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of

Note 1 Significant Accounting Policies (Contd.)

outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

N. Leases

i. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

ii. Lease assets

Assets held by the Company under leases that transfer to the Company's substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

O. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use.

Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

P. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Companycash management.

Q. Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the financial statements.

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Company. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

R. Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 2 Property, plant and equipment

(₹ in crore)

	Gross Carrying Amount						Depreciation				Net Block	
	Cost As at 31-03-2016	Transfer on amalgamation **	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions/ Adjustments	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
(i) Tangible assets												
Land- Freehold	25.95	-	-	-	-	25.95	-	-	-	-	25.95	25.95
Land-Leasehold	10.60	-	-	-	-	10.60	0.14	0.14	-	0.28	10.32	10.46
Building (Refer Note a. below)	113.10	-	27.21	-	-	140.31	4.84	5.23	-	10.07	130.24	108.26
Plant and machinery (Refer Note a. & b. below)	251.51	-	83.09	(6.63)	(0.31)	327.66	24.84	30.10	(2.26)	52.68	274.98	226.67
Furniture and fixtures	3.92	-	0.68	(0.27)	-	4.33	0.77	0.61	(0.24)	1.14	3.19	3.15
Equipments	7.32	-	6.10	(0.47)	-	12.95	1.99	2.01	(0.42)	3.58	9.37	5.33
Motor vehicles	6.39	-	0.66	(0.47)	-	6.58	1.37	1.59	(0.38)	2.58	4.00	5.02
Sub total (i)	**418.79**	**-**	**117.74**	**(7.84)**	**(0.31)**	**528.38**	**33.95**	**39.68**	**(3.30)**	**70.33**	**458.05**	**384.84**
(ii) Capital work-in-progress Tangible assets												
Buildings						-				-	6.58	6.07
Plant and machinery						-				-	20.15	14.74
Sub total (ii)	-	-	-	-	-	-	-	-	-	-	**26.73**	**20.81**
Grand Total											**484.78**	**405.65**

	Gross Carrying Amount						Depreciation				Net Block	
	Deemed Cost As at 01-04-2015	Transfer on amalgamation **	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2016	Upto 31-03-2015	For the year	Deductions/ Adjustments	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
(i) Tangible assets												
Land- Freehold	25.87	-	0.08	-	-	25.95	-	-	-	-	25.95	25.87
Land-Leasehold	10.60	-	-	-	-	10.60	-	0.14	-	0.14	10.46	10.60
Building (Refer Note a. below)	107.00	-	6.10	-	-	113.10	-	4.84	-	4.84	108.26	107.00
Plant and machinery (Refer Note a. & b. below)	212.87	-	36.37	(0.86)	3.13	251.51	-	24.93	(0.09)	24.84	226.67	212.87
Furniture and fixtures	3.54	0.02	0.36	(0.00)	-	3.92	-	0.64	0.13	0.77	3.15	3.54

	Gross Carrying Amount						Depreciation				Net Block	
	Deemed Cost As at 01-04-2015	Transfer on amalgamation **	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2016	Upto 31-03-2015	For the year	Deductions/ Adjustments	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
Equipments	5.48	0.23	1.64	(0.02)	-	7.32	-	2.00	(0.00)	1.99	5.33	5.48
Motor vehicles	3.93	0.09	2.77	(0.41)	-	6.39	-	1.44	(0.07)	1.37	5.02	3.93
Sub total (i)	**369.29**	**0.34**	**47.32**	**(1.29)**	**3.13**	**418.79**	**-**	**33.99**	**(0.04)**	**33.95**	**384.84**	**369.29**
(ii) Capital work-in-progress Tangible assets												
Buildings						-				-	6.07	3.71
Plant and machinery						-				-	14.74	5.76
Sub total (ii)	-	-	-	-	-	-	-	-	-	-	**20.81**	**9.47**
Grand Total											**405.65**	**378.75**

The Company has availed the deemed cost exemption in relation to the tangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortisation on April 1, 2015 under the previous GAAP

Deemed cost as on 1 April 2015

Particulars	Land- Freehold	Land-Leasehold	Building	Plant and machinery	Furniture and fixtures	Equipments	Motor vehicles	Total
Gross Block as on 1 April 2015	25.87	12.14	130.95	387.34	10.12	18.13	8.13	**592.68**
Accumulated Depreciation till 1 April 2015	-	1.54	23.95	174.47	6.58	12.65	4.20	**223.39**
Net Block treated as Deemed cost upon transition	25.87	10.60	107.00	212.87	3.54	5.48	3.93	**369.29**

* Previous year figures have been disclosed in the table above.

Note 3 Goodwill

(₹ in crore)

Deemed Cost As at 01-04-2015	Amortisation for the year	Net Block as at 31-03-16
12.74	2.66	10.08
Cost As at 01-04-2016	**Amortisation for the year**	**Net Block as at 31-03-17**
10.08	2.66	7.42

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 3A Intangible assets

	Gross Block						Depreciation				Net Block	
	Cost As at 31-03-2016	Transfer on amalgamation **	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions/ Adjustments	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Specialised software	3.34	-	0.55	-	-	3.89	0.99	1.06	-	2.05	1.84	2.35
Non compete fee	0.41	-	-	-	-	0.41	0.07	0.05	-	0.13	0.28	0.34
	3.75	-	0.55	-	-	4.30	1.06	1.11	-	2.18	2.12	2.69
Capital work-in-progress intangible assets											1.02	-
TOTAL	**3.75**	**-**	**0.55**	**-**	**-**	**4.30**	**1.06**	**1.11**	**-**	**2.18**	**3.14**	**2.69**

	Gross Block						Depreciation				Net Block	
	Deemed Cost As at 01-04-2015	Transfer on amalgamation **	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2016	Upto 31-03-2015	For the year	Deductions/ Adjustments	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
Specialised software	2.93	0.03	0.38	-	-	3.34	-	0.99	-	0.99	2.35	2.93
Non compete fee	0.41		-	-	-	0.41	-	0.07	-	0.07	0.34	0.41
TOTAL	**3.34**	**0.03**	**0.38**	**-**	**-**	**3.75**	**-**	**1.06**	**-**	**1.06**	**2.69**	**3.34**

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortisation on April 1, 2015 under the previous GAAP

Deemed cost as on 1 April 2015			
Particulars	**Specialised software**	**Non compete fee**	**Total**
Gross Block as on 1 April 2015	7.75	0.54	**8.29**
Accumulated Depreciation till 1 April 2015	4.82	0.13	**4.95**
Net Block treated as Deemed cost upon transition	2.93	0.41	**3.34**

* Previous year figures have been disclosed in the table above.

** Refer Note 14 (i) on Equity Share Capital

Note

a. Includes expenditure on Research and development ₹ 1.16, (Previous year ₹ 0.73 crore) for Plant and machinery (Refer Note 52)

b. Addition to Fixed Assets includes, ₹ (0.31) crore for the year ended 31 March 2017 (Previous year ₹ 3.13 crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. The unamortised amount of such exchange differences, as on 31st March, 2017 is ₹ 10.30 crore (Previous year ₹ 12.08 crore)

c. As on 31 March 2017, the Company had contractual commitments of ₹ 17.71 crore for the year ended 31 March 2017 (Previous year ₹ 23.24 crore) for purchase of property, plant and equipment.

d. Refer Note 15 (a) on Long term Borrowing for amounts of restrictions on the title and PPE pledged as securities.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 4 Investments in Subsidiaries and Joint Ventures

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Investment in subsidiaries, joint ventures and associate **In subsidiary companies**			
- 100,000; (Previous year 100,000) Ordinary shares of S$ 1 each fully # paid in Petroleum Specialities Pte Limited, Singapore	0.26	0.26	0.26
- 10,000 Equity shares of Apar Transmission & Distribution Projects Pvt Ltd of of ₹ 10 each, fully paid up	0.01	-	-
- Nil; (Previous year: 01 April 2015 6,767,250) equity shares of Apar lubricants Limited of Rs. 10 each, fully paid up (Refer Note)	-	-	29.67
Total	**0.27**	**0.26**	**29.93**
Impairment Loss	**-**	**-**	**-**

It is carried at cost

Note:

Investee	Principal place of business	Proportion of ownership
Petroleum Specialities Pte Limited	Singapore	100%
Apar Transmission & Distribution Projects Pvt Ltd	India	100%

The Company's Wholly-owned Subsidiary, Apar Lubricants Limited (ALL) (formerly Apar Chematek Lubricants Limited) was amalgamated with the Company by Order of the Hon'ble High Court of Gujarat dated 23rd October, 2015. The Scheme of Amalgamation has become effective from 10th November, 2015 with retrospective effect from 1st January, 2015, being the Appointed Date and the said business is now carried on as part of Company's Oil Division.

Consequent to the Amalgamation of ALL with the Company, the entire authorised share capital of ALL viz 1,00,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 10,00,00,000/- has been added to the Authorised Share Capital of the Company. Hence the Authorised Share Capital of the Company now stands at Rs. 1,019,987,500/- divided into 101,998,750 Equity Shares of Rs. 10/- each. Consequent to the Amalgamation ALL stand dissolved without winding-up.

Note 5 Other Non current Financial Assets

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Unsecured, considered good			
Security deposits	6.71	4.25	4.52
	6.71	**4.25**	**4.52**

Note 6 Other non current assets

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Capital advances	8.78	12.99	2.39
Balance with government authority	18.18	27.28	11.30
Others	0.76	1.01	0.54
	27.72	**41.28**	**14.23**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 7 Inventories

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Raw materials and components	321.32	287.22	383.96
Raw materials-in transit	238.00	169.30	218.30
Work-in-progress	127.02	88.66	86.55
Finished goods	209.28	184.60	243.23
Stock-in-trade	14.27	13.47	10.18
Stock-in-trade - in transit	0.62	0.59	1.06
Stores and spares	24.85	22.11	20.64
	935.36	**765.95**	**963.92**

Note : Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of cenvat.

Note 8 Current investments

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
a. Investment in mutual funds			
Union KBC Liquid Fund Growth-Direct Plan No. of units 543,352.70 (31 March 2016: 528,941.31, 01 April 2015: 940.53)	88.31	80.19	0.13
Union KBC Dynamic Bond fund -Growth No. of units Nil (31 March 2016: 2,280,081.35, 01 April 2015: Nil)	-	3.07	-
Union KBC Small and Midcap Fund Regular Plan-Growth No. of units Nil (31 March 2016: Nil, 01 April 2015: 539,700)	-	-	0.66
Union KBC Ultra Short Term Debt Fund-Growth-Direct Plan No. of units Nil (31 March 2016: Nil, 01 April 2015: 384.26)	-	-	0.26
IDBI Liquid Fund Growth- Direct Plan No. of units Nil (31 March 2016: 799,27.02, 01 April 2015: Nil)	-	12.98	-
IDBI Ultra Short Term Fund Growth - Direct plan No. of units Nil (31 March 2016: 802,40.68, 01 April 2015: Nil)	-	13.00	-
Axis Treasury Advantage fund - Direct Growth No. of units 163,866.64 (31 March 2016: Nil, 01 April 2015: Nil)	30.26	-	-
	118.57	**109.24**	**1.05**

b. Market Value of Quoted Investments			
Book value	118.57	109.24	1.05
Market value	118.57	109.24	1.05
Impairment Loss	-	-	-

All the above securities have been classified and measured at FVTPL. Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 37 & Note 39

Note 9 Trade receivables (Current)

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Trade receivables			
Secured, considered good	0.52	0.52	0.52
Unsecured, considered good (Refer Note below)	1,233.57	1,069.04	1,198.49
Unsecured, considered doubtful	27.02	18.63	14.57
	1,261.11	**1,088.19**	**1,213.58**
Less: Allowances for doubtful debts	**27.02**	**18.63**	**14.57**
	1,234.09	**1,069.56**	**1,199.01**

Note

Includes receivable from subsidiaries/ down-stream subsidiaries

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Due from a subsidiary / Joint venture			
Petroleum Specilities Pte Ltd.	1.13	0.58	-
Quantum Apar Speciality Oils Pty Ltd.	-	5.61	7.02
Petroleum Specilities FZE	11.76	0.35	-
	12.89	**6.54**	**7.02**

The company's exposure to credit and currency risk related to trade receivables are disclosed in note 38 and note 36 respectively.

Note 9A Trade receivables (Non-Current)

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Trade receivables			
Secured, considered good	-	-	-
Unsecured, considered good	1.90	-	-
Unsecured, considered doubtful	-	-	-
	1.90	**-**	**-**
Less: Allowances for doubtful debts	**-**	**-**	**-**
	1.90	**-**	**-**

Note 10 Cash and cash equivalents

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
On current accounts	80.87	70.64	27.61
On deposits with original maturity of less than three months	0.02	0.00	-
On unclaimed dividend account (Refer Note below)	0.54	1.03	0.73
Cash on hand	0.16	0.11	0.13
Cheques on hand	1.11	1.07	1.02
Funds in transit	0.79	2.77	-
	83.49	**75.62**	**29.49**

Note:
There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2017.
Bank balances include Rs. 3.61 Crore as at March, 31 2017 (Rs. 4.08 Crore as at March 31, 2016) held in a foreign country which are not freely remissible because of exchange restrictions.

Note 11 Bank balances other than (Note 10) above

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Deposits with original maturity for more than 3 months but less than 12 months (Refer Note i below)	7.14	7.21	2.36
Margin money deposit (Refer Note ii below)	6.03	6.62	5.91
	13.17	**13.83**	**8.27**

Note
i) Includes deposit of ₹ 4.58 crore under lien.
II) Against letters of credit for Company's import of raw materials and working capital loans.

Note 12 Short-term loans and advances

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Unsecured, Considered Good, Unless Otherwise Stated			
Loans and advances to related parties	1.63	0.64	0.15
Others			
Security Deposits	7.19	7.77	8.87
Interest accrued but not due on fixed deposits	0.37	0.32	0.35

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Interest accrued but not due on security deposits	0.12	0.02	0.05
Other receivable	5.39	5.38	10.30
	14.70	**14.13**	**19.72**
Loans and advances to related party			
Petroleum Specialities Pte. Ltd (a subsidiary Company)	1.14	0.58	0.15
Petroleum Specialities FZE (a subsidiary of the above Company)	0.48	0.06	-
Apar Transmission & Distribution Projects Pvt Ltd (a subsidiary Company)	0.01	-	-
	1.63	**0.64**	**0.15**

(₹ in crore)

Loans and advances to subsidiary companies	**Maximum amount due at any time during the year**		
	31 March 2017	31 March 2016	April 1, 2015
Petroleum Specialities Pte. Ltd (a subsidiary Company)	1.14	0.58	**0.15**
Petroleum Specialities FZE (a subsidiary of the above Company)	0.48	0.06	**-**
Apar Transmission & Distribution Projects Pvt Ltd (a subsidiary Company)	0.01	-	**-**

Note 12A Derivatives-Asset

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Derivatives used for hedging	37.13	-	0.28
Interest rate swap used for hedging	0.13	0.01	-
	37.26	**0.01**	**0.28**

Note 13 Other Current Assets

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Balances with statutory/government authorities	127.89	91.49	98.55
Prepayments and others	34.57	38.62	34.33
Others	-	0.02	0.02
	162.46	**130.13**	**132.90**

Note 14 Equity Share Capital

(₹ in crore)

		31 March 2017	31 March 2016	April 1, 2015
a	**Authorised :**			
	FY 16-17: 101,998,750 (Previous year 101,998,750) Equity shares of ₹ 10 each FY 15-16: 101,998,750 (Previous year 91,998,750) Equity shares of ₹ 10 each	102.00	102.00	92.00
	TOTAL	**102.00**	**102.00**	**92.00**
b	**Issued :**			
	FY 16-17: 38,268,619 (Previous year 38,496,769) Equity shares of ₹ 10 each FY 15-16: 38,496,769 (Previous year 36,861,116) Equity shares of ₹ 10 each	38.27	38.50	36.86
	TOTAL	**38.27**	**38.50**	**36.86**
c	**Subscribed and Paid up :**			
	FY 16-17: 38,268,619 (Previous year 38,496,769) Equity shares of ₹ 10 each FY 15-16: 38,496,769 (Previous year 36,861,116) Equity shares of ₹ 10 each	38.27	38.50	36.86
		38.27	**38.50**	**36.86**

		31 March 2017	31 March 2016	April 1, 2015
d	**Reconciliation of number of shares outstanding at the beginning and end of the year :**			
	Outstanding at the beginning of the year	38,496,769	36,861,116	36,835,044

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

		31 March 2017	31 March 2016	April 1, 2015
	Issued (Buy Back) during the year	(228,150)	266	26,072
	Treasury Shares sold during the year	-	1,635,387	-
	Outstanding at the end of the year	38,268,619	38,496,769	36,861,116

e Terms/rights attached to equity shares

i) 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.

ii) During the year ended 31 March 2017, recommended dividend for the financial year 2016 -17 @ Rs 10/- per share aggregating to Rs 46.06 crore (including dividend tax Rs 7.79 crore) on 38,268,619 Equity shares of Rs 10 each fully paid.

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

		31 March 2017	31 March 2016	April 1, 2015
f	**Reconciliation of number of shares outstanding at the beginning and end of the year under Employee Stock Option Plan:**			
	Outstanding at the beginning of the year	-	9,671	99,294
	Forfeited during the year	-	9,405	63,551
	Issued during the year	-	266	26,072
	Outstanding at the end of the year	**-**	**-**	**9,671**

		31 March 2017		31 March 2016		01 April 2015	
g	**Shareholders holding more than 5% shares in the company is set out below:**	No of shares	%	No of shares	%	No of shares	%
	Dr. N. D. Desai	7,271,761	19.00%	7,271,761	18.89%	7,271,761	18.89%
	Kushal N. Desai	6,415,899	16.76%	7,378,428	19.17%	7,378,428	19.17%
	Chaitanya N. Desai	6,403,970	16.73%	7,367,260	19.14%	7,367,260	19.14%
	Templeton Strategic Emerging Markets Fund III, L.D.C.	-	-	3,636,363	9.45%	3,636,363	9.45%
	HDFC Trustee Company Limited - HDFC Prudence fund	3,083,150	8.06%	2,194,750	5.70%	1,694,750	4.40%

h Shares Reserved for issue under options

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

i Scheme of Amalgamation of Apar Lubricants Limited (ALL)

At the hearing held on 23rd October, 2015, the Honorable High Court of Gujarat at Judicature at Ahmedabad have sanctioned the Scheme of Amalgamation of Apar Lubricants Limited (ALL) (wholly-owned subsidiary of the Company) with Apar Industries Limited (AIL) w.e.f. 1st January, 2015 (being the appointed date). The effective date of the Scheme is 10th November, 2015, being the date on which Certified Copy of the High Court Order and the Scheme filed with Registrar of Companies, Gujarat.

Pursuant to the Scheme :

(i) The Authorised Share Capital of AIL enhanced by Rs 10 crore and now stands at Rs. 1,019,987,500 divided into 101,998,750 Equity Shares of Rs. 10 each;

(ii) The ALL stand dissolved without winding-up; and

(iii) The Scheme has accordingly been given effect to in the financial statements with effect from the Appointed date. All the assets and liabilities excluding fixed assets of ALL have been transferred to the Company at the book value as recorded in books of Transferor Company. Fixed assets have been recorded at its estimated market value. The Company has followed 'Purchase Method' of accounting as per the Accounting Standard (AS) 14 'Accounting for Amalgamations'."

(iv) The scheme of amalgamation is followed as per the court order hence goodwill is not tested for impairment, instead amortisation of goodwill is carried out as laid down in court scheme

(v) The net loss ₹ 0.00 crore of the Transferor Company from the appointed date i.e. 1st January, 2015 till 31st March, 2015 has been transferred to the surplus in Statement of profit and loss in the books of the company, thereby adjusting opening reserves. This loss has been arrived at after charging amortisation of Goodwill of ₹ 0.44 crore (net of tax) for the relevant period.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 14B Other Equity

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Retained earnings - Surplus	437.20	274.18	218.45
General reserve	210.00	190.00	175.00
Securities premium reserve	205.18	220.01	150.61
Capital reserve	23.77	23.77	23.77
Capital Redemption Reserve	14.98	14.75	14.75
	891.12	**722.70**	**582.58**
Retained earnings - Surplus			
Opening balance	274.18	218.45	
Increase/(Decrease) during the year	163.02	55.72	
Closing Balance	**437.20**	**274.18**	
General reserve			
Opening balance	190.00	175.00	
Increase/(Decrease) during the year	20.00	15.00	
Closing Balance	**210.00**	**190.00**	
Securities premium reserve			
Opening balance	220.01	150.61	
Increase/(Decrease) during the year	(14.83)	69.40	
Closing Balance	**205.18**	**220.01**	
Capital reserve			
Opening balance	23.77	23.77	
Increase/(Decrease) during the year	-	-	
Closing Balance	**23.77**	**23.77**	
Capital Redemption Reserve			
Opening balance	14.75	14.75	
Increase/(Decrease) during the year	0.23	(0.00)	
Closing Balance	**14.98**	**14.75**	

Note 14C Items of OC

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Cash flow hedging reserve	19.66	(0.39)	(0.80)
Other items of OCI	(1.00)	(0.27)	-
	18.66	**(0.66)**	**(0.80)**
Cash flow hedging reserve			
Opening balance	(0.39)	(0.80)	
Increase/(Decrease) during the year	20.05	0.41	
Closing Balance	**19.66**	**(0.39)**	
Other items of OCI			
Remeasurment of defined benefit liability/(asset)			
Opening balance	(0.27)	-	
Increase/(Decrease) during the year	(0.73)	(0.27)	
Closing Balance	**(1.00)**	**(0.27)**	

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Nature and purpose of reserves

i. Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges.

ii. Securities premium reserve

The Securities Premium used to record the premium received on the issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013. The reserve also comprises the profit on treasury shares sold 16,35,387.

iii. Capital reserve

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

iv. Capital redemption reserve

Capital redemption reserve represents amounts set aside by the Company for future redemption of capital.

v. General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Note 15 Long term borrowings

(₹ in crore)

	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
	Non current			Current		
Term loans (Secured)						
Rupee term loans from banks	19.89	33.18	46.47	13.33	13.33	3.33
Foreign currency term loans from banks	14.88	27.10	47.91	11.68	23.83	9.37
	34.77	**60.28**	**94.38**	**25.01**	**37.16**	**12.70**

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Note 37, 38 and 39 respectively

Details of security:

a Rupee term loans and foreign currency loan from banks are secured as under:

i 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.

ii 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 Khatalwad properties and hypothecation of movable plant and machinery at Khatalwad excluding movable machinery hypothecated to ECB Lenders.

b Terms of repayment of term loan :

i In respect of Rupee Term Loan from Bank in 10 quarterly installments till September, 2019, 9 installments of ₹ 3.33 crore each and last of ₹ 3.34 crore

ii In respect of Foreign Currency Term Loans from Union Bank of India,Hongkong; in May ,2017 ₹ 11.67 crore; in May, 2018 ₹ 14.88 crore.

The Company does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

Note 16 Other non-current financial liabilities

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Deposits from dealers	2.52	2.95	2.72
	2.52	**2.95**	**2.72**

Note: Measured at amortised cost

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Note 37, 38 and 39 respectively

Note 17 Long term provisions

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Provision for gratuity- In respect of directors	0.85	0.74	0.62
Provision for leave benefits (Refer Note 34)	3.49	2.80	3.08
	4.34	**3.54**	**3.70**

Note 18 DEFERRED TAX LIABILITIES (NET)

(a) Movement in deferred tax balances

(₹ in crore)

	March 31, 2017					
	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(39.75)	(5.64)	-	(45.39)	-	(45.39)
Derivatives	(0.04)	(0.04)	(10.61)	(10.69)	-	(10.69)
Loans and borrowings	1.69	(1.74)	-	(0.05)	-	(0.05)
Employee benefits	2.03	(0.49)	0.38	1.92	1.92	-
Deferred income	0.16	0.50	-	0.66	0.66	-
Provisions	6.45	2.90	-	9.35	9.35	-
Investments	(0.06)	(0.07)	-	(0.13)	-	(0.13)
Security Deposits	(0.00)	0.00	-	0.00	0.00	-
Tax assets (Liabilities)	**(29.54)**	**(4.58)**	**(10.23)**	**(44.35)**	**11.93**	**(56.27)**
Set off tax						11.93
Net tax Assets (Liabilities)	**(29.54)**	**(4.58)**	**(10.23)**	**(44.35)**	**11.93**	**(44.34)**

(b) Movement in deferred tax balances

(₹ in crore)

	March 31, 2016					
	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(35.17)	(4.58)		(39.75)	-	(39.75)
Derivatives	0.28	(0.11)	(0.22)	(0.04)	-	(0.04)
Loans and borrowings	1.90	(0.22)		1.69	1.69	-
Employee benefits	2.58	(0.70)	0.15	2.03	2.03	-
Deferred income	0.74	(0.58)		0.16	0.16	-
Provisions	5.04	1.41		6.45	6.45	-
Investments	(0.11)	0.05		(0.06)	-	(0.06)
Security Deposits	0.00	(0.00)		(0.00)	-	(0.00)
Tax assets (Liabilities)	**(24.74)**	**(4.72)**	**(0.07)**	**(29.54)**	**10.32**	**(39.86)**
Set off tax						10.32
Net tax Assets (Liabilities)	**(24.74)**	**(4.72)**	**(0.07)**	**(29.54)**	**10.32**	**(29.54)**

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 19 Short term borrowings

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Secured Loans			
Working capital loans from banks (Refer Notes below)			
Rupee loans	-	-	-
Packing credit loan in foreign currency from banks	73.05	148.90	162.32
Total	**73.05**	**148.90**	**162.32**
Unsecured Loans			
Packing credit loan in foreign currency from banks	62.64	91.62	91.58
Buyer's Credit in foreign currency	50.78	23.28	132.77
	186.47	**263.80**	**386.67**

Note :

Working capital loans from banks (secured) 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.

The Company does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

Note 20 Trade and other payables

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Due to Micro, Small and Medium Enterprises	7.76	9.28	5.08
Due to other than micro and small and medium enterprises	1,696.29	1,380.35	1,535.59
Due to subsidiary companies	-	-	10.59
	1,704.05	**1,389.63**	**1,551.26**

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
(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 21 Other financial liabilities

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Current maturities of long-term borrowings			
Current portion of long-term foreign currency loan (Refer Note 15 (b))	11.68	23.83	9.37
Current portion of long-term Rupee loan (Refer Note 15 (b))	13.33	13.33	3.33
Interest accrued but not due on borrowings	12.96	10.98	7.84
Creditors for capital expenditure	9.10	2.27	4.37
Unclaimed dividend	0.54	1.03	0.73
	47.61	**51.44**	**25.64**

Note:-

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2017.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 21A Derivatives-Liability

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Derivatives used for hedging	24.80	9.68	7.15
Interest rate swap used for hedging	-	-	0.04
	24.80	**9.68**	**7.19**

Note 22 Other current liabilities

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Statutory dues towards Government	10.81	7.33	6.39
Other payables (Refer Note below)	129.84	62.61	87.84
	140.65	**69.94**	**94.23**

Note:-

Other payables includes deposit and advance from customers.

Note 23 Short term provisions

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Provision for employee benefits			
Provision for leave benefits (Refer Note 34)	0.92	0.85	0.80
	0.92	**0.85**	**0.80**

Note 24 Revenue from operations (Gross)

(₹ in crore)

	2016-17	2015-16
Sale of products (Gross)		
Finished goods	5,044.97	5,357.43
Raw materials	4.48	14.35
Traded goods	101.61	82.74
Total	**5,151.06**	**5,454.52**
Sale of services	40.65	11.09
Other operating revenue		
Others	40.71	31.63
Total	40.71	**31.63**
Revenue from operations (gross)	**5,232.42**	**5,497.24**

Note 24.1 Details of products sold

(₹ in crore)

	2016-17	2015-16
Finished goods sold		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	1,778.01	1,911.30
AAC/AAAC/ACSR- Conductor, Aluminum Rods	2,348.86	2,711.83
Cables	911.41	730.38
Thermoplastic Elastomers	6.69	3.92
	5,044.97	**5,357.43**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Raw materials sold		
Base Oils and additives	3.56	13.17
Ferrous metal and Non-ferrous metals	0.84	1.11
Others	0.08	0.07
	4.48	**14.35**
Traded goods sold		
Thermoplastic Elastomers	33.43	24.86
Lubricants	24.61	20.68
Aluminium,HTLS Hardware & GSW Steel Wire, etc.	33.26	35.80
others	10.31	1.40
	101.61	**82.74**
	5,151.06	**5,454.52**

Note 25 Other Income

(₹ in crore)

	2016-17	2015-16
Interest income	7.31	6.70
Dividend income	-	0.57
Financial assets at FVTPL-net change in fair value	0.21	(0.15)
Gain on sale of investments (net)	8.28	2.80
TOTAL	**15.80**	**9.92**

Note 26 Cost of materials consumed

(₹ in crore)

	2016-17	2015-16
Inventory at the beginning of the year	456.51	602.26
Add : Purchases	3,600.38	3,589.92
	4,056.89	4,192.18
Less: Closing Inventory	559.32	456.52
TOTAL	**3,497.57**	**3,735.66**

Note 26.1 Details of materials consumed

(₹ in crore)

	2016-17	2015-16
Non-ferrous metals	1,900.48	2,118.45
Ferrous metals	217.56	191.14
Chemicals	67.10	59.76
Base Oils	1,063.56	1,140.87
XLPE- Compound	73.31	59.93
Others	175.56	165.51
	3,497.57	**3,735.66**

Note 27 Purchases of Stock-in-Trade

(₹ in crore)

	2016-17	2015-16
Thermoplastic Elastomers	30.10	25.04
Lubricants	21.31	15.73
Aluminium,HTLS Hardware & GSW Steel Wire, etc.	17.81	25.96
Others	9.88	1.45
	79.10	**68.18**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 28 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2016-17	2015-16
Inventories at the beginning of the year		
Finished goods	184.60	243.23
Work-in-progress	88.66	86.55
Traded goods	14.05	11.25
	287.31	**341.03**
Inventories at the end of the year		
Finished goods	209.28	184.60
Work-in-progress	127.02	88.66
Traded goods	14.88	14.05
	351.18	**287.31**
	(63.87)	**53.72**

Note 28.1 Details of Inventory

(₹ in crore)

	2016-17	2015-16
Finished goods		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	51.18	43.28
AAC/AAAC/ACSR- Conductors	105.66	108.55
Cables	51.78	31.61
Thermoplastic Elastomers	0.66	1.16
	209.28	**184.60**
Work-in-progress		
Oil	10.33	8.63
Conductor	65.18	36.35
Cables	51.30	43.62
Thermoplastic Elastomers	0.21	0.06
	127.02	**88.66**
Traded goods		
Thermoplastic Elastomers	10.41	10.24
Lubricants	4.20	3.81
Others	0.27	-
	14.88	14.05

Note 29 Employee benefits expense

(₹ in crore)

	2016-17	2015-16
Salaries, wages and bonus	92.20	79.50
Contribution to provident and other funds	7.11	5.62
Gratuity expense	(1.11)	(0.42)
Staff welfare expenses	6.54	5.57
	104.74	**90.27**

Note 30 Finance costs

(₹ in crore)

	2016-17	2015-16
Interest on borrowings	77.23	83.11
Bank charges for borrowing	7.34	6.73
Applicable net loss on foreign currency transactions and translation	29.09	67.49
	113.66	**157.33**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 31 Other expenses

(₹ in crore)

	2016-17	2015-16
Consumption of stores and spares	25.18	23.72
Packing materials	198.96	187.23
Excise duty adjustment of finished goods stock	6.07	(8.79)
Storage charges	11.59	9.35
Power, electricity and fuel	61.11	56.42
Processing charges, fabrication and labour charges	94.72	90.11
Freight and forwarding charges	166.93	186.86
Rent	1.78	1.75
Rates and taxes	6.13	3.52
Insurance	5.84	5.68
Repairs and maintenance		
Plant and machinery	4.20	3.07
Buildings	3.02	2.34
Others	4.98	4.47
Advertising and sales promotion	2.40	1.73
Sales commission	29.60	37.84
Travelling and conveyance	17.74	16.67
Printing and stationery	1.91	1.79
Legal and professional fees	10.83	9.98
Directors sitting fees	0.11	0.12
Commission to Chairman, Managing Director and Joint Managing Director	7.27	5.35
Discount and rebates	0.06	0.00
Lease rental	1.85	2.08
CSR Activities - Donations *	4.07	1.73
Other donations	0.02	0.13
Royalty	5.34	8.64
Bank charges and commission	14.99	17.70
Bad debts and advances written-off	5.33	8.60
Less: Allowances for doubtful debts utilised	(0.92)	(2.29)
Allowances for doubtful debts and advances	10.84	7.10
Loss on sale of fixed assets (net)	0.63	0.06
Miscellaneous expenses (Refer note below)	37.28	36.32
	739.86	**719.28**

Note : Miscellaneous Expenses (includes Auditors' Remuneration)

(₹ in crore)

Auditor remuneration	2016-17	2015-16
Audit fees	0.27	0.24
Cost auditor's remuneration	0.01	0.01
Other services	0.12	0.13
Reimbursement of expenses	0.01	0.00
	0.41	**0.39**

* Gross amount required to be spent by the Company during the year on CSR Activities : ₹ 2.35 crore.

(₹ in crore)

Details of corporate social responsibility expenditure	2016-17	2015-16
Amount required to be spent by the Group during the year	2.35	2.14
Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.07	1.73
Yet to be paid in cash (including earlier years)	**0.10**	**1.81**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 32 Earning per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

(₹ in crore)

i. Profit attributable to ordinary shareholders (basic)	2016-17	2015-16
Profit (loss) for the year, attributable to the owners of the Company	182.32	115.70
Profit (loss) for the year, attributable to ordinary shareholders	**182.32**	**115.70**

ii. Weighted average number of ordinary shares (basic)	2016-17	2015-16
Issued ordinary shares at April 1	38,496,769	36,861,116
Effect of buy back	(13,752)	-
Effect of treasury shares sold	-	603,217
Effect of share options exercised	-	234
Weighted average number of shares at March 31	**38,483,017**	**37,464,567**

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2017 and as at 31/03/2016, hence diluted earnings per share is same as basic earnings per share.

Note 33 Tax expense

(a) Amounts recognised in profit and loss

(₹ in crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current income tax	91.90	55.73
Taxes of earlier years	0.65	(3.87)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	4.58	4.72
On amalgamation of ALL	-	0.35
Deferred tax expense	4.58	5.07
Tax expense for the year	**97.13**	**56.93**

(b) Amounts recognised in other comprehensive income

(₹ in crore)

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(1.11)	0.38	(0.73)	(0.42)	0.15	(0.27)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	30.66	(10.61)	20.05	0.63	(0.22)	0.41
	29.55	**(10.23)**	**19.32**	**0.21**	**(0.07)**	**0.14**

(c) Reconciliation of effective tax rate

(₹ in crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax	279.45	172.63
Enacted Income tax rate in India	34.608%	34.608%
Tax using the Company's domestic tax rate	96.72	59.74
Tax effect of:		
Non-deductible tax expenses	0.41	0.14
Incremental deduction allowed for research and development costs	(0.65)	(0.80)
Income exempt from tax	-	(0.20)
Others	-	1.91
Recognition of tax effect of previously unrecognised tax losses\(gain)	0.65	(3.87)
	97.13	**56.93**

Note 34 Employee benefits

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised Rs. 1.58 crore (previous year Rs. 1.37 crore) for superannuation contribution and other retirement benefit contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company recognised Rs. 3.58 crore (previous year Rs. 3.11 crore) for provident fund contributions in the Statement of Profit and Loss.

(ii) 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.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Movement in net defined benefit (asset) liability

(₹ in crore)

Particulars	31 March 2017	31 March 2016	01 April 2015
	Gratuity	Gratuity	Gratuity
	Funded	Funded	Funded
Table showing change in benefit obligation			
Defined Benefit obligation at beginning of the year	**8.69**	**7.10**	**5.56**
a) Included in Profit or Loss			
Current Service Cost	0.72	0.60	0.46
Interest Cost	0.72	0.57	0.52
	1.44	**1.17**	**0.98**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

(₹ in crore)

	31 March 2017	31 March 2016	01 April 2015
b) Included in OCI			
Re-measurement or Actuarial (gain) / loss arising from:			
demographic assumptions	-	-	-
financial assumptions	0.55	(0.13)	0.59
experience adjustment	0.74	0.47	0.39
	1.29	**0.34**	**0.98**
c) Other			
Benefits paid	(0.51)	(0.24)	(0.42)
Liability transferred in /Acquisitions	-	0.32	-
	(0.51)	**0.08**	**(0.42)**
Defined Benefit obligation at end of the year	**10.91**	**8.69**	**7.10**

(₹ in crore)

Table showing change in Fair Value of Plan Assets	31 March 2017	31 March 2016	01 April 2015
	Gratuity	Gratuity	Gratuity
	Funded	Funded	Funded
Fair value of plan assets at beginning of the year	8.69	7.15	5.56
Interest income	0.72	0.57	0.52
Return on plan asset recognised in OCI	0.17	(0.08)	0.23
Employer Contribution	1.83	1.01	1.26
Benefit paid	(0.51)	(0.24)	(0.42)
Assets transferred in /Acquisitions	-	0.28	-
Fair value of plan assets at year end	10.91	8.69	7.15
Actual return on plan assets	0.89	0.49	0.75

Defined benefit obligations

i) Actuarial assumptions

In arriving at the valuation for gratuity & leave salaries following assumptions were used:

Particulars	31 March 2017	31 March 2016	01 April 2015
	Gratuity	Gratuity	Gratuity
	Funded	Funded	Funded
Mortality Table (LIC)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	60 years	60 years	60 years
Attrition rate	2.00%	2.00%	2.00%
Discount Rate	7.52%	8.27%	8.05%
Expected rate of return on plan assets (per annum)	7.52%	8.27%	8.05%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in crore)

	March 31, 2017		March 31, 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(7,179,556)	8,359,535	(5,370,516)	6,224,569
Future salary growth (1% movement)	8,489,182	(7,404,463)	6,368,467	(5,574,988)
Employee Turnover (1% movement)	1,613,077	(1,840,369)	1,625,040	(1,845,563)

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Comapany's financial statements as at balance sheet date:

(₹ in crore)

Net Asset / (liability) recognised in the Balance Sheet as at 31st March, 2017	31 March 2017	31 March 2016	01 April 2015
	Gratuity	Gratuity	Gratuity
	Funded	Funded	Funded
Present value of obligation	10.91	8.69	7.15
Fair Value of plan assets	(10.91)	(8.69)	(7.10)
Amount recognised in balance sheet	-	-	0.05
Recognised under:			
Long term Provision (Refer Note 17)	-	-	-
Short term Provision (Refer Note 23)	-	-	0.05
Total	-	-	**0.05**

(₹ in crore)

Expense recognised during the year	31 March 2017	31 March 2016	01 April 2015
	Gratuity	Gratuity	Gratuity
	Funded	Funded	Funded
Included in Profit or Loss			
Current Service Cost	0.72	0.60	0.46
Interest Cost	0.72	0.57	0.52
Return on plan assets, excluding acturial gain or loss	(0.72)	(0.57)	(0.52)
Included in OCI			
Re-measurement or Actuarial (gain) / loss arising from:			
financial assumptions	0.55	(0.13)	0.59
experience adjustment	0.74	0.47	0.39
Return on plan assets, excluding acturial gain or loss	(0.17)	0.08	(0.23)
Net Cost	**1.83**	**1.01**	**1.21**

Note 35 Financial instruments – Fair value measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

(₹ in crore)

March 31, 2017	Note No.	Carrying amount					Fair value			
		Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Investments										
- Mutual Fund	8		118.57			118.57	118.57			118.57
Loans & advances										
- Non-current										-
- Current	12				14.70	14.70				-
Trade Receivables										-
- Non-current					1.90	1.90				
- Current	9				1,234.09	1,234.09				
Cash and Cash Equivalents	10				83.49	83.49				-
Other Bank Balances	11				13.17	13.17				-
Other financial assets										
- Non-current	5				6.71	6.71				-
- Current					-	-				-
Derivatives	12A	37.26				37.26		37.26		37.26
Total financial assets		37.26	118.57	-	1,354.07	1,509.90	118.57	37.26	-	155.83
Financial liabilities										
Borrowings	15, 19				221.24	221.24				-
Other financial liabilities										
- Non-current	16				2.52	2.52				-
- Current	21				47.61	47.61				-
Derivatives	21A	6.77	18.03			24.80		24.80		24.80
Trade Payables	20				1,704.05	1,704.05				-
Total financial liabilities		6.77	18.03	-	1,975.42	2,000.22	-	24.80	-	24.80

(₹ in crore)

March 31, 2016	Notes	Carrying amount					Fair value			
		Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Investments										
- Mutual Fund	8		109.24			109.24	109.24			109.24
Loans & advances										
- Non-current						-				-
- Current	12				14.13	14.13				-
Trade Receivables	9				1,069.56	1,069.56				-
Cash and Cash Equivalents	10				75.62	75.62				-
Other Bank Balances	11				13.83	13.83				-
Other financial assets										
- Non-current	5				4.25	4.25				-
- Current					-	-				-
Derivatives	12A	0.01				0.01		0.01		0.01
Total financial assets		0.01	109.24	-	1,177.40	1,286.64	109.24	0.01	-	109.25

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

(₹ in crore)

	Notes	Carrying amount					Fair value			
March 31, 2016		**Fair value-hedging instruments**	**FVTPL**	**FVTOCI**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities										
Borrowings	15, 19				324.08	324.08				-
Other financial liabilities										
- Non-current	16				2.95	2.95				-
- Current	21				51.44	51.44				-
Derivatives	21A	0.18	9.50			9.68		9.68		9.68
Trade Payables	20				1,389.63	1,389.63				-
Total financial liabilities		0.18	9.50	-	1,768.11	1,777.78	-	9.68	-	9.68

(₹ in crore)

	Notes	Carrying amount					Fair value			
April 1, 2015		**Fair value-hedging instruments**	**FVTPL**	**FVTOCI**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets										
Investments										
- Mutual Fund	8		1.05			1.05	1.05			1.05
Loans & advances						-				
- Non-current						-				-
- Current	12				19.72	19.72				-
Trade Receivables	9				1,199.01	1,199.01				-
Cash and Cash Equivalents	10				29.49	29.49				-
Other Bank Balances	11				8.27	8.27				-
Other financial assets						-				
- Non-current	5				4.52	4.52				-
- Current					-	-				-
Derivatives	12A		0.28			0.28		0.28		0.28
Total financial assets		-	1.33	-	1,261.00	1,262.33	1.05	0.28	-	1.33
Financial liabilities										
Borrowings	15				481.05	481.05				-
Other financial liabilities						-				
- Non-current	16				2.72	2.72				-
- Current	21				25.64	25.64				-
Derivatives	21A	0.80	6.39			7.19		7.19		7.19
Trade Payables	20				1,551.26	1,551.26				-
Total financial liabilities		0.80	6.39	-	2,060.66	2,067.86	-	7.19	-	7.19

Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to Rs. 190.18 Crore and Rs. 171.41 Crore as of March 31, 2017, March 31, 2016, respectively, are not included.

Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to Rs. 145.90 crores and Rs. 74.33 crores as of March 31, 2017 and March 31, 2016 respectively, are not included.

Note: The fair value for financial instruments such as trade receivables, cash and cash equivalents, trade payables etc have not been disclosed because the carrying values approximate the fair value.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

B. Measurement of fair values

Valuation techniques and significant observable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant observable inputs used (if any).

Financial instruments measured at fair value

Type	Valuation technique	Level
Mutual fund investments	Quoted NAV	1
Commodity futures	Basis the quotes given by the LME broker/dealer.	2
Derivative liability Forward contracts for foreign exchange	FEDAI rate adjusted for interpolated spreads based on residual maturity	2
Interest rate swap for variable foreign currency loans	Basis the quotes given by the Bank	1

Note 35 A Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management.

The Company's risk management framework, are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Note 36 Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. The companies export receivables are covered under ECGC credit insurance policy.

The carrying amount of following financial assets represents the maximum credit exposure:

At March 31, the maximum exposure to credit risk for trade and other receivables age wise was as follows.

(₹ in crore)

	March 31, 2017	March 31, 2016	April 1, 2015
Neither past due nor impaired	888.50	712.86	580.49
past due 1-90 days	237.89	244.61	409.02
past due 91 -180 days	56.13	40.11	128.38
past due 180 days	51.56	71.98	81.11
	1,234.08	**1,069.56**	**1,199.01**

Management believes that the unimpaired amounts which are past due are fully collectable.

Short term loans and advances

At March 31, the maximum exposure to credit risk for short term loans and advances age wise was as follows.

(₹ in crore)

	March 31, 2017	March 31, 2016	April 1, 2015
Neither past due nor impaired	14.70	14.13	19.72
past due 1-90 days	-	-	-
past due 91 -180 days	-	-	-
past due 180 days	-	-	-
	14.70	**14.13**	**19.72**

Management believes that the unimpaired amounts which are past due are fully collectable.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

The movement in the allowance for impairment in respect of trade receivable and short loans and advances as follows

(₹ in crore)

	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2015	14.58	-
Amounts provided	8.27	-
Amount written back	(4.22)	-
Balance as on 31 March 2016	18.63	-
Amounts provided	10.84	-
Amount written back	(2.45)	-
Balance as on 31 March 2017	27.02	-

Other non-current financial assets

Other non-current financial assets includes earnest money deposit, security deposits to customers. This advances and deposits were made in continuation of business related activities and are made after review as per companies policy.

Cash and cash equivalents

The Company holds cash and cash equivalents of Rs. 96.67 Crore as on 31 March 2017 (Rs. 89.45 Crore as on 31 March 2016). The cash and cash equivalents are held with the bank and financial institutions, with good credit ratings.

Derivatives

Derivatives are entered with counterparties who have good credit ratings.

Guarantee given by the Company for credit facilities enjoyed by subsidiary.

Guarantees were given by Apar Industries Limited for credit facilities enjoyed by Petroleum Specialities Pte Ltd.,a wholly-owned subsidiary Rs. 81. 08 Crore* (Previous Year Rs. 82.83 Crore*) and by Petroleum Specialities FZE ,a downstream subsidiary company Rs. 275.66 Crore* (Previous Year Rs. 76.20 Crore*).

Guarantees to the bank are for punctual performance by the Company of all the Company's obligation under facility agreement.

* Guarantee amount are in USD and are translated using closing rate as on 31 st March.

Note 37 Financial instruments – Fair values and risk management Liquidity Risk

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in crore)

Contractual cash flows						
March 31, 2017	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	59.78	59.78	25.01	28.06	6.71	-
Short term loan from bank (Secured)	73.05	73.05	73.05	-	-	-
Short term loan from bank (Unsecured)	113.42	113.42	113.42	-	-	-
Trade and other payables	1,704.05	1,704.05	1,704.05	-	-	-
Other financial liabilities	25.12	25.12	25.12	-	-	-
Derivative financial liabilities						

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

(₹ in crore)

Contractual cash flows						
March 31, 2017	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Forward exchange contracts used for hedging						
- Outflow	24.80	24.80	24.80	-	-	-
Interest Rate Swap						
- Outflow	-	1.16	1.16	-	-	-
- Inflow	0.13	1.29	1.29	-	-	-

Contractual cash flows						
March 31, 2016	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	97.44	97.44	37.16	25.25	35.03	-
Short term loan from bank (Secured)	148.90	148.90	148.90	-	-	-
Short term loan from bank (Unsecured)	114.90	114.90	114.90	-	-	-
Trade and other payables	1,389.63	1,389.63	1,389.63	-	-	-
Other financial liabilities	17.24	17.24	17.24	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	9.68	9.68	9.68	-	-	-
Interest Rate Swap						
- Outflow	-	0.45	0.45	-	-	-
- Inflow	0.01	0.47	0.47	-	-	-

Contractual cash flows						
April 1, 2015	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	107.08	107.08	12.70	35.82	58.56	-
Short term loan from bank (Secured)	162.32	162.32	162.32	-	-	-
Short term loan from bank (Unsecured)	224.35	224.35	224.35	-	-	-
Trade and other payables	1,551.26	1,551.26	1,551.26	-	-	-
Other financial liabilities	15.66	15.66	15.66	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	7.15	7.15	7.15	-	-	-
Interest Rate Swap						
- Outflow	0.04	0.74	0.74	-	-	-
- Inflow	-	0.78	0.78	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Note 38 Financial instruments – Fair values and risk management Risk

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Commodity risk

The Company is affected by the price volatility of certain commodities viz. Aluminum, Copper and Oil. Its operating activities require the ongoing purchase and manufacture of the conductors, cables and Oil and thus requires continuous supply of these commodities. Due to the increase in volatility of the price of the commodities namely Aluminum and Copper, the Company has purchased forward contracts (for which there is an active market).

Currency risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Company do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2017:

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date.

Fig. in Crore

	March 31, 2017					
	USD	EUR	GBP	JPY	ETB	NPR
Trade receivables	4.04	0.12	-	-	-	-
Cash and cash equivalents	0.59	0.00	-	-	0.71	2.64
Long term Borrowings	(0.41)	-	-	-	-	-
Short term borrowings	(1.49)	(0.57)	-	-	-	-
Trade payables	(4.14)	(0.02)	-	-	-	-
Net Exposure	(1.41)	(0.46)	-	-	0.71	2.64

Fig. in Crore

	March 31, 2016					
	USD	EUR	GBP	JPY	ETB	NPR
Trade receivables	3.95	0.05	-	0.09	-	-
Cash and cash equivalents	0.31	0.00	-	-	0.57	3.82
Long term Borrowings	(0.77)	-	-	-	-	-
Short term borrowings	(3.63)	-	-	-	-	-
Trade payables	(1.32)	(0.01)	(0.00)	-	-	-
Net Exposure	(1.46)	0.04	(0.00)	0.09	0.57	3.82

Fig. in Crore

	April 01, 2015					
	USD	EUR	GBP	JPY	ETB	NPR
Trade receivables	4.65	-	-	-	-	-
Cash and cash equivalents	0.03	0.00	-	-	-	-
Long term Borrowings	(0.92)	-	-	-	-	-
Short term borrowings	(4.98)	-	-	-	-	-
Trade payables	(6.75)	(0.00)	-	-	-	-
Net Exposure	(7.98)	(0.00)	-	-	-	-

The following significant exchange rates have been applied during the year.

	Average rate			Year-end spot rate		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
USD	67.09	65.45	61.14	64.85	66.25	62.42
EUR	73.61	72.28	77.48	69.07	75.43	67.24
GBP	87.64	98.75	98.54	81.35	95.44	92.40
JPY	0.62	0.55	0.52	0.58	0.59	0.52
ETB	2.93	3.04	3.04	2.81	3.05	3.02
NPR	0.61	0.61	0.61	0.61	0.61	0.61

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
Effect in INR Crore	**Strengthening**	**Weakening**
March 31, 2017		
USD (1% movement)	0.91	(0.91)
EUR (1% movement)	0.32	(0.32)
GBP (1% movement)	-	-
JPY (1% movement)	-	-
ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.02)	0.02
	1.20	**(1.20)**

	Profit or loss	
Effect in INR Crore	**Strengthening**	**Weakening**
March 31, 2016		
USD (1% movement)	0.97	(0.97)
EUR (1% movement)	(0.03)	0.03
GBP (1% movement)	0.00	(0.00)
JPY (1% movement)	(0.00)	0.00
ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.02)	0.02
	0.90	**(0.90)**

Note 39 Financial instruments – Fair values and risk management Interest rate risk

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

In order to manage the risk of changing interest rates, the Company has entered into Interest Rate Swaps, whereby it switches its existing floating USD interest rate to USD fixed interest rates. This structure helps it hedge the risk of fluctuations in USD 6 month LIBOR on its USD Loan.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in crore)

	Nominal amount		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Variable-rate instruments	59.78	97.44	107.08
	59.78	97.44	107.08

Interest rate sensitivity for fixed rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in crore)

	Profit or loss	
	100 bp increase	**100 bp decrease**
March 31, 2017		
Variable-rate instruments	(0.60)	0.60
Interest rate swaps	0.27	(0.27)
Cash flow sensitivity (net)	(0.33)	0.33
March 31, 2016		
Variable-rate instruments	(0.97)	0.97
Interest rate swaps	0.13	(0.13)
Cash flow sensitivity (net)	(0.84)	0.84

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 40 Financial instruments – Hedge accounting

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss or other comprehensive income.

Currency risk-

The Group's risk management policy is to hedge its estimated foreign currency exposure in respect of highly forecasted purchase transaction. The Group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges. Group's policy is to match the critical terms of the forward exchange contracts with that of the hedged item.

Commodity risk

The Group's risk management policy is mitigate the impact of fluctuations in the aluminium/copper prices on highly forecast purchase transactions. The Group uses futures contract to hedge its commodity risk. Such contracts are generally designated as cash flow hedges.

Interest rate

The Group's risk management policy is to mitigate its interest rate risk exposure on floating rate borrowings by entering into fixed-rate instruments like interest rate swaps to eliminate the variability of cash flows attributable to movements in interest rates. Such hedges are designated as cash flow hedges.

Qualifying criteria

For derivative contracts designated as hedge, the Company documents at inception the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The hedging book consists of transactions to hedge Balance Sheet assets or liabilities. The tenor of hedging instrument may be less than or equal to the tenor of underlying hedged asset or liability.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Sr. No.	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Interest rate hedge	Floating rate financial asset or liability	Floating rate financial asset or liability is converted into a fixed rate financial asset or liability using a floating to fixed interest rate swap. This is usually denominated in the currency of the underlying (which in most cases is the functional currency). if not, it may be combined currency swap.	Interest rate swap	Interest rate swap is a derivative instrument whereby the Company receives or pays (in case of asset or a liability respectively) at a floating rate in return for a fixed rate asset or liability.	Cash flow hedge
2	Future contract	Highly probable purchase transaction	Mitigate the impact of fluctuations in aluminium and copper prices, on projected purchase contracts for metal	Futures contract	Company enters into a forward derivative contract to purchase a commodity at a fixed price and at a future date. These are customized contracts transacted in the over–the–counter market. Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over–the–counter market.	Cash flow hedge

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Sr. No.	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
3	Forward contract	foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Company enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts These are customized contracts transacted in the over–the–counter market.	Cash flow hedge

The Company, interalia, takes into account the following criteria for constructing a hedge structure as part of its hedging strategy. The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

(₹ in crore)

As at 31 March 2017	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	26.59	0.13	-	(0.12)	(0.12)	NA	NA	(0.02)	Finance Cost
Foreign exchange forward contracts	92.02	-	6.55	5.67	5.67	NA	NA	(20.70)	Finance Cost
Commodity contracts	349.97	37.13	0.23	(36.21)	(36.21)	NA	NA	65.12	COGS

(₹ in crore)

As at 31 March 2016	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	13.25	0.01	-	(0.05)	(0.05)	NA	NA	(0.06)	Finance Cost
Foreign exchange forward contracts	93.17	-	0.88	0.88	0.88	NA	NA	0.35	Finance Cost
Commodity contracts	664.88	0.73	0.03	(1.46)	(1.46)	NA	NA	(52.40)	COGS

(₹ in crore)

As at 1 April 2015	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year
Interest rate swaps	21.85	-	0.04	(0.00)
Foreign exchange forward contracts	-	-	-	-
Commodity contracts	229.49	0.41	1.17	0.53

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

The tables below provide details of the Company's hedged items under cash flow hedges:

(₹ in crore)

	As at 31 March 2017			As at 31 March 2016		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve		Change in the value of hedged item for the year	Balance in cash flow hedge reserve	
		Where hedge accounting is continued	Where hedge accounting is discontinued		Where hedge accounting is continued	Where hedge accounting is discontinued
Floating rate borrowing	(0.12)	(0.13)	NA	(0.05)	(0.01)	NA
Highly probable purchases	5.67	6.55	NA	0.88	0.88	NA
Highly probable forecast transactions	(36.21)	(36.91)	NA	(1.46)	(0.70)	NA

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

(₹ in crore)

	Movement in Cash flow hedge reserve for the years ended	
	March 31, 2017	31-Mar-16
Opening balance	**0.17**	**0.80**
Effective portion of changes in fair value:		
a) Interest rate risk	(0.10)	0.01
b) Commodity price risk	(101.33)	50.95
c)Foreign currency risk	26.37	0.53
Net amount reclassified to profit or loss:		
a) Interest rate risk	(0.02)	(0.06)
b) Commodity price risk	65.12	(52.40)
c)Foreign currency risk	(20.70)	0.35
Tax on movements on reserves during the year		
Closing balance	(30.49)	0.17

Disclosure of effects of hedge accounting on financial performance
31st March, 2017

(₹ in crore)

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	(0.12)	NA	(0.02)	Finance Cost
Foreign exchange risk	5.67	NA	(20.70)	Finance Cost
Commodity price risk	(36.21)	NA	65.12	COGS

31st March, 2016

(₹ in crore)

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	(0.05)	NA	(0.06)	Finance Cost
Foreign exchange risk	0.88	NA	0.35	Finance Cost
Commodity price risk	(1.46)	NA	(52.40)	COGS

Note 41 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
Borrowings	246.25	361.24
Less : Cash and cash equivalent	96.67	89.45
Adjusted net debt	149.58	271.79
Total equity	948.05	760.53
Less : Hedging reserve	19.66	(0.39)
Adjusted equity	928.39	760.92
Adjusted net capital gearing ratio	0.16	0.36

Note 42 Segment reporting

A. **General Information**

(a) **Factors used to identify the entity's reportable segments, including the basis of organisation -**

The operations of the Company are segmented into Primary Segment (Business Segment) & Secondary Segment (Geographical Segment).

(b) **Following are reportable segments**

Reportable segment
Conductor
Transformer & Specialities Oils
Power/Telecom Cables

(c) **Identification of segments:**

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Profit or Loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products / services.

(d) **Segment revenue and results:**

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(e) **Segment assets and liabilities:**

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

B. Information about reportable segments

For the year ended March 31, 2017

(₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	2,447.54	1,820.69	923.77	5,192.00	40.42		5,232.42
Other income	0.09	2.11	2.58	4.78	11.02		15.80
Intersegment revenue	13.95	3.93	3.07	20.95	0.48	(21.43)	-
Segment revenue	**2,461.58**	**1,826.73**	**929.42**	**5,217.73**	**51.92**	**(21.43)**	**5,248.22**
Segment profit (loss) before tax & Finance Cost	179.02	174.21	61.39	414.62	2.24		416.86
Less :- Interest expense							113.66
Less:- Other unallocated expenditure net of unallocable income							23.75
Profit before tax							279.45
Tax expenses							97.13
Profit after tax							182.32
Capital employed							
Segment assets	1,313.77	943.19	702.33	2,959.28	25.48		2,984.76
Unallocable corporate and other assets				-			315.10
Total Asset	1,313.77	943.19	702.33	2,959.28	25.48	-	3,299.86
Segment liabilities	1,069.14	645.59	355.49	2,070.22	2.31		2,072.53
Unallocable corporate and other liabilities				-			279.28
Total Liabilities	1,069.14	645.59	355.49	2,070.22	2.31	-	2,351.81
Capital expenditure	54.48	3.60	49.78	107.86	0.15		108.00
Capital expenditure -Unallocable							4.71
Depreciation and Amortisation expense	14.90	9.33	15.99	40.22	0.09		40.32
Depreciation and Amortisation- Unallocable				-			3.14

For the year ended March 31, 2016

(₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	2,774.83	1,951.00	742.55	5,468.38	28.86	-	5,497.24
Other income	0.95	2.51	1.56	5.03	4.89	-	9.92
Intersegment revenue	9.46	3.04	1.72	14.21	-	(14.21)	-
Segment revenue	**2,785.24**	**1,956.55**	**745.83**	**5,487.62**	**33.75**	**(14.21)**	**5,507.16**
Segment profit (loss) before tax & Finance Cost	130.98	191.86	29.36	352.20	2.27		354.47
Less :- Interest expense							157.32
Less:- Other unallocated expenditure net of unallocable income							24.52
Profit before tax							172.63
Tax expenses							56.93
Profit after tax							115.70
Capital employed							
Segment assets	1,176.64	785.48	526.25	2,488.37	19.51	-	2,507.88

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

(₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
Unallocable corporate and other assets				-			269.49
Total Segment Asset	1,176.64	785.48	526.25	2,488.37	19.51	-	2,777.37
Segment liabilities	901.41	520.80	319.59	1,741.79	1.52		1,743.32
Unallocable corporate and other liabilities				-			273.51
Total Segment Liabilities	901.41	520.80	319.59	1,741.79	1.52	-	2,016.82
Capital expenditure	45.51	8.38	16.32	70.21	0.88		71.09
Capital expenditure -Unallocable							3.26
Depreciation and Amortisation expense	11.06	9.33	14.25	34.64	0.07		34.71
Depreciation and Amortisation- Unallocable				-			2.99

C. Information about geographical areas

(₹ in crore)

(a) Revenue from external customers	For the year ended March 31, 2017	For the year ended March 31, 2016
- Within India*	3,943.84	3,901.79
- Outside India	1,288.58	1,595.45
	5,232.42	**5,497.24**

* include deemed exports ₹ 121.43 crore (Previous year ₹ 114.90 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	31 /3/2017	31/3/2016
USD (US Dollor)	1,222.93	1,533.50
EUR (EURO)	29.39	7.96
NPR (Nepalese Rupee)	-	2.07
CAD (Canadian Dollor)	0.51	-
JPY (Japanese Yen)	0.15	0.10
INR	35.60	51.83
Total	**1,288.58**	**1,595.46**

(₹ in crore)

b) Segment Assets	For the year ended March 31, 2017	For the year ended March 31, 2016
- Within India	3,017.18	2,502.13
- Outside India	282.68	275.24
	3,299.86	**2,777.37**

(₹ in crore)

Segment assets outside India currency wise	31 /3/2017	31/3/2016
USD (US Dollor)	270.41	267.26
EUR (EURO)	8.66	3.85
NPR (Nepalese Rupee)	1.62	2.34
JPY (Japanese Yen)	-	0.05
ETB (Ethiopian Birr)	1.99	1.74
Total	**282.68**	**275.24**

Note 43 Related party relationships, transactions and balances

A. List of Related Parties

a). Subsidiary Companies:

(1). Petroleum Specialties Pte. Ltd, Singapore

(2). Quantum Apar Speciality Oil Pty. Ltd, Australia (subsidiary of Petroleum Specialities Pte. Ltd)

(3). Petroleum Specilities FZE, Sharjah (100% subsidiary of Petroleum Specialities Pte. Ltd)

(4). Apar Transmission & Distribution Projects Private Limited (100 % Subsidiary of Apar Industries Limited)

b). Key Managerial Personnel:

Mr. K. N. Desai - Chairman and Managing Director (Chairman w.e.f. 08.11.2016)
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 - Upto 16.10.2016

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 Nikita C. Desai
Mrs. Vineeta R. Srivastava
Mr. Rajeev Srivastava
Ms. Krishangi R. Srivastava
Mrs. Arti V. Diwadkar
Mr. Amit V. Diwadkar
Mrs. Vinaya S. Kunder
Master Akshat S. Kunder

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.
Apar Technologies Private Ltd
Apar Technologies Pte. Ltd.
Chaitanya N. Desai Family Private Trust
Maithili N. Desai Family Private Trust
Kushal Chaitanya N. Desai Family Trust (Trust dissolved on 31.03.2017)
Chaitanya N. Desai Family Trust (Trust dissolved on 31.03.2017)
Catalis World Private Ltd
Gayatri Associates
Maithili Trusteeship Services Private Limited
Kushal N. Desai Family Private Trust
Narendra D. Desai Family Private Trust

B. Related Party Transactions

(i) Subsidiary companies:

(₹ in crore)

Sr No.	Transactions	2016-17	2015-16
1	Sale of finished goods/ Raw materials / traded goods	13.39	17.37
2	Guarantee given by the company on behalf of subsidiary	356.73	159.03
3	Guarantee commission from the subsidiary	0.57	0.07
4	Balance outstanding as on		
	a) Receivable from subsidiary company for supply of raw material, finished goods, capital goods, dividend and services, guarantee commission.	12.90	6.54

(ii) **Key Managerial Personnel :**

(₹ in crore)

Sr No.	Transactions	2016-17	2015-16
1	Remuneration	9.18	6.41
2	Dividends paid (payment basis)	-	14.75
3	Buy back of shares	14.90	-

(iii) Chairman having significant influence Upto 16.10.2016

(₹ in crore)

Sr No.	Transactions	2016-17	2015-16
1	Director's commission	1.56	1.78
2	Legal and professional fees	-	0.55
3	Sitting fees	0.01	0.02
4	Dividends paid (payment basis)	-	7.27

(iv) Relatives of key managerial personnel

(₹ in crore)

Sr No.	Transactions	2016-17	2015-16
1	Dividends paid (payment basis)	-	0.01
2	Salary paid	-	0.01
3	Buy back of shares	0.00	

(v) Entities over which key management personnel/individual having significant influence

(₹ in crore)

Sr No.	Transactions	2016-17	2015-16
1	Rent paid	0.09	-
2	Dividends paid (payment basis)	-	0.95
3	Dividend received	-	0.57
4	Buy back of shares	0.14	-

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)

	2016-17	2015-16
(i) Sale of finished goods/ raw materials / traded goods		
- Quantum Apar Speciality Oils Pty Ltd.	-	17.08
- Petroleum Specilities FZE, Sharjah	13.39	-
(ii)Guarantee given by the company on behalf of the following subsidiaries:		
- Petroleum Specilities Pte Ltd.	81.08	82.83
- Petroleum Specilities FZE	275.66	76.20
(iii)Guarantee commission from the following subsidiaries:		
- Petroleum Specilities Pte Ltd.	0.25	0.01
- Petroleum Specilities FZE	0.32	0.06
(iv) Dividends paid (payment basis)		
- Dr. N. D. Desai	-	7.27
- Kushal N. Desai	-	7.36
- Chaitanya N. Desai	-	7.36
(v) Buyback of shares		
- Kushal N. Desai	7.43	-
- Chaitanya N. Desai	7.48	-
(vi) Legal and professional fees		
- Dr. N. D. Desai	-	0.55
(vii) Rent paid		
- Apar Corporation Private Ltd.	0.09	-
(viii) Director remuneration		
- Kushal N. Desai	4.02	2.70
- Chaitanya N. Desai	4.04	2.73
- Dr. N. D. Desai	1.56	1.78
(ix) Sitting fees		
- Dr. N. D. Desai	0.01	0.02
(x) Dividend received		
- AIL Benefit trust	-	0.57

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Note 44 Contingent liabilities and commitments

(₹ in crore)

	:	March 31, 2017	March 31, 2016	April 1, 2015
A)	**Contingent liabilities not provided for**			
a)	Claims against the Company not acknowledged as debts -			
	i) Demand/ Show cause-cum-demand notices received and contested by the Company with the relevant appellate authorities:			
	Excise duty (also refer note (iii) below)	5.61	6.49	7.15
	Service tax	-	-	0.20
	Customs duty	7.18	4.81	4.81
	Sales tax	14.34	13.27	12.88
	ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	10.52	9.90	9.28
	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.	5.12	5.12	4.45
	iv) Labour matters	2.17	2.12	2.12
	v) Others	6.59	6.65	6.47
b)	i) Guarantee given by the Company for credit facilities enjoyed by Petroleum Specialities Pte Ltd.,a wholly-owned subsidiary	81.08	82.83	-
	ii) Guarantee given by the Company for term loan facilities enjoyed by Petroleum Specialities FZE ,a downstream subsidiary company.	275.66	76.20	-
c)	Bills of exchange discounted	51.58	89.14	57.84
d)	Taxation:			
	Disputed demands of income tax	-	-	6.99
B)	**Capital commitments**			
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	17.71	23.24	5.80

Note 45 Details of imported and indigenous raw materials, components and spare parts consumed during the financial year

(₹ in crore)

	March 31, 2017		March 31, 2016	
	Value	% of total consumption	Value	% of total consumption
Raw materials				
Imported	2,245.86	64.21	2,465.53	66.00
Indigenous	1,251.70	35.79	1,270.13	34.00
	3,497.57	**100.00**	**3,735.65**	**100.00**
Components and spare parts				
Imported	2.53	10.03	3.33	14.04
Indigenous	22.65	89.97	20.39	85.96
	25.18	**100.00**	**23.72**	**100.00**

Note 46 Value of imports on CIF basis

(₹ in crore)

	March 31, 2017	March 31, 2016
Raw materials	2,340.84	2,228.44
Components and spare parts	2.28	3.33
Capital goods	20.20	12.73
	2,363.32	**2,244.50**

Note 47 Expenditure in foreign currency

(₹ in crore)

	March 31, 2017	March 31, 2016
Professional fees	5.45	1.65
Royalty	5.31	5.00
Interest and bank charges	14.61	13.85
Commission and foreign travel	28.05	44.56
Sea freight and demurrage	9.37	4.51
	62.80	**69.57**

Note 48 Earnings in foreign exchange

(₹ in crore)

	March 31, 2017	March 31, 2016
Export of goods (calculated on FOB basis)	1,252.97	1,541.70
Deemed exports	121.43	114.90
Dividend from subsidiaries	-	-
Others (Freight, insurance and interest)	42.27	56.50
	1,416.67	**1,713.10**

Note 49 Master Netting

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2017, March 31, 2016 and 1 April 2015.

(₹ in crore)

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
31 March 2017			
Financial assets			
Derivative instruments			
Forward contract	37.13	0.23	36.91
Interest rate swap	0.13	-	0.13
Total	37.26	0.23	37.04
Financial liabilities			
Derivative instruments			
Forward contract	24.80	0.23	24.57
Interest rate swap	-	-	-
Total	24.80	0.23	24.57

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
31 March 2016			
Financial assets			
Derivative instruments			
Forward contract	-	-	-
Interest rate swap	0.01	-	0.01
Total	0.01	-	0.01
Financial liabilities			
Derivative instruments			
Forward contract	9.68	-	9.68
Interest rate swap	-	-	-
Total	**9.68**	-	**9.68**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

(₹ in crore)

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
1 April 2015			
Financial assets			
Derivative instruments			
Forward contract	0.28	0.28	-
Interest rate swap	-	-	-
Total	**0.28**	**0.28**	-
Financial liabilities			
Derivative instruments			
Forward contract	7.15	0.28	6.88
Interest rate swap	0.04	-	0.04
Total	**7.19**	**0.28**	**6.92**

Company enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreement. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in same currency are aggregated into a single net amount that is payable by one party to other.

In certain circumstances e.g. when a credit event such as default occurs-all outstanding transactions under the agreement are terminated, the termination value is assessed and only a net amount is payable in the settlement of all transactions.

The ISDA master netting agreement do not meet the criteria for offsetting in the balance sheet. This is because the Company does not have currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on default.

Note 50 SBN

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

(₹)

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2,233,000	769,616	**3,002,616**
(+) Permitted receipts	-	4,278,553	**4,278,553**
(-) Permitted payments	-	(3,479,866)	**(3,479,866)**
(-) Amount deposited in Banks	(2,233,000)	(846)	**(2,233,846)**
Closing cash in hand as on 30.12.2016	-	**1,567,457**	1,567,457

Note 51 Explanation to transition to Ind AS

A. Transition to Ind AS

These are Company's first standalone financial statements prepared in accordance with Ind AS. The company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April 2016, with a transition date of 1st April 2015. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March 2017 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as the transition date between the Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

B. Set out below are the Ind AS 101 mandatory exceptions applied in the transition from previous GAAP to Ind AS and optional exemptions availed as applicable.

B.1 Ind AS mandatory exceptions

B.1.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

1. Determination of whether significant risk, rewards and controls are transferred to the customer
2. Fair valuation of financial instruments (including derivative instruments)
3. Impairment of financial instruments

B.1.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B.1.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B.2 Ind AS optional exemptions

B.2.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and Other Intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

B.2.2 Deemed cost for investments in subsidiaries, joint ventures and associates

Ind AS 101 permits a first time adopter to elect to continue with the carrying value of its investments in subsidiaries, joint ventures and associates as recognised in the financial statements as at the date of transition to Ind AS. Accordingly, the Company has elected to measure all its investments in subsidiaries, joint ventures and associates at their previous GAAP carrying value.

B.2.3 Share based payments

Ind AS 101 permits entities not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Company has elected to measure only the unvested stock options on the date of transition as per Ind AS 102.

B.2.4 Business Combinations

A first-time adopter may elect not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs). Accordingly, the company has not restated any of the past business combinations. for business combinations prior to 1 April 2015, goodwill represents amount recognised under the previous GAAP subject to adjustments as prescribed under Ind AS 101

Note 51 Explanation to transition to Ind AS (continued)

For the purposes of reporting as set out in Note 1, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the "transition date").

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

Reconciliation of equity as at April 01, 2015

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	a	38.50	(1.64)	36.86
(b) Other equity				
Reserves & Surplus	a,b,c,d,e,f,h,i & j	560.71	(16.66)	544.05
Other reserves		37.72	-	37.72
Total equity		**636.92**	**(18.29)**	**618.63**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Non current liabilities				
Financial liabilities				
Borrowings	c	94.78	(0.40)	94.38
Other financial liabilities		2.72	-	2.72
Provisions		3.70	-	3.70
Deferred tax liabilities (net)	d	27.54	(2.81)	24.74
Other non-current liabilities		-	-	-
Total non current liabilities		**128.75**	**(3.21)**	**125.54**
Current liabilities				
Financial liabilities				
Borrowings		386.67		386.67
Trade and other payables	e,f & g	1,560.87	(9.61)	1,551.26
Other financial liabilities	f & g	4.63	21.00	25.64
Derivatives	f	-	7.19	7.19
Other current liabilities	g	115.51	(21.28)	94.23
Short term provisions	b	15.69	(14.90)	0.80
Liabilities for current tax(net)		-	116.36	116.36
Total current liabilities		**2,083.37**	**98.77**	**2,182.14**
Total liabilities		**2,212.12**	**95.56**	**2,307.68**
Total Equity and Liabilities		**2,849.04**	**77.27**	**2,926.31**

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		369.29	-	369.29
Capital work-in-progress		9.47	-	9.47
Goodwill		-	-	-
Other Intangible assets		3.34	-	3.34
Investments in Subsidiaries and Joint Ventures		29.93	-	29.93
Financial Assets				
Other non-current assets	h	43.33	(38.81)	4.52
Other non-current assets		-	14.23	14.23
Other Tax Assets		-	140.90	140.90
Total non current assets		**455.37**	**116.31**	**571.68**
Current Assets				
Inventories	e	929.38	34.53	963.92
Financial Assets				
Current investments	i	0.73	0.33	1.05
Trade and other receivables	e	1,239.18	(40.17)	1,199.01
Cash and cash equivalents		29.49	-	29.49
Bank balances other than (iii) above		8.27	-	8.27
Short-term loans and advances	h & j	25.57	(5.85)	19.72
Derivatives		0.28	-	0.28
Other current assets	a	160.78	(27.88)	132.90
Total current assets		**2,393.68**	**(39.04)**	**2,354.63**
TOTAL ASSETS		**2,849.05**	**77.27**	**2,926.31**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Reconciliation of equity as at March 31, 2016

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		38.50	-	38.50
(b) Other equity				
Reserves & Surplus	a,b,c,d,e,f,h,i & j	687.61	3.42	684.18
Other reserves	k	38.36	0.50	37.85
Total equity		**764.46**	**3.93**	**760.53**
Non current liabilities				
Financial liabilities				
Borrowings	c	60.51	0.23	60.28
Other financial liabilities		2.28	(0.67)	2.95
Provisions		3.54	-	3.54
Deferred tax liabilities (net)	d	31.27	1.73	29.54
Total non current liabilities		**97.60**	**1.29**	**96.31**
Current liabilities				
Financial liabilities				
Borrowings		263.80	-	263.80
Trade and other payables	e	1,399.03	9.40	1,389.63
Other financial liabilities	f & g	-	(51.44)	51.44
Derivatives	f	-	(9.68)	9.68
Other current liabilities	g	122.08	52.14	69.94
Short term provisions		0.85	-	0.85
Liabilities for current tax(net)			(135.18)	135.18
Total current liabilities		**1,785.75**	**(134.76)**	**1,920.52**
Total liabilities		**1,883.35**	**(133.47)**	**2,016.83**
Total Equity and Liabilities		**2,647.82**	**(129.54)**	**2,777.36**

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		384.83	-	384.84
Capital work-in-progress		20.81	-	20.81
Goodwill		10.08	-	10.08
Other Intangible assets		2.69	-	2.70
Investments in Subsidiaries and Joint Ventures		0.26	-	0.26
Financial Assets			-	
Other non-current assets	h	45.66	41.41	4.25
Other non-current assets			(41.28)	41.28
Other Tax Assets			(134.68)	134.68
Total non current assets		**464.34**	**(134.55)**	**598.91**
Current Assets				
Inventories	e	764.59	(1.36)	765.95
Financial Assets			-	
Current investments	i	109.07	(0.17)	109.24
Trade and other receivables	e	1,071.60	2.04	1,069.56
Cash and cash equivalents		89.45	13.83	75.62
Bank balances other than (iii) above		-	(13.83)	13.83
Short-term loans and advances	h & j	143.65	129.52	14.13
Derivatives	f	-	(0.01)	0.01
Other current assets	a	5.12	(125.01)	130.13
Total current assets		**2,183.48**	**5.01**	**2,178.47**
TOTAL ASSETS		**2,647.82**	**(129.54)**	**2,777.37**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

Reconciliation of total comprehensive income for the year ended March 31, 2016

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from Operations (Gross)	e	5,482.83	14.41	5,497.24
Less : Excise Duty		(472.88)	472.88	
I. Revenue from Operations (Net)		5,009.95	487.29	5,497.24
II. Other income	i & l	3.37	6.55	9.92
III. Total Revenue		5,013.32	493.84	5,507.16
IV. Expenses				
Cost of materials consumed	e	3,735.65	(0.01)	3,735.66
Purchases of Stock-in-Trade		68.17	(0.01)	68.18
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	e	20.54	(33.18)	53.72
Excise Duty		-	(472.88)	472.88
Employee benefits expense	k	90.69	0.42	90.27
Finance costs	c,f & l	151.56	(5.77)	157.33
Depreciation and amortization expense		37.69	-	37.69
Other expenses	e	739.26	20.47	718.80
Total Expenses		**4,843.57**	**(490.96)**	**5334.53**
V. Profit Before Exceptional Items and Tax		169.75	2.88	172.63
VI. Exceptional Items	a	43.15	(43.15)	-
VII. Profit Before Tax		**212.89**	**(40.26)**	**172.63**
VIII. Tax expense:				
1. Current Tax	k	55.73	-	55.73
2. Deferred Tax	d	4.07	(1.00)	5.07
3. Taxes of earlier years		(3.87)	-	(3.87)
		55.93	**(1.00)**	**56.93**
IX. Profit/(Loss) for the period		**156.98**	**(41.28)**	**115.70**
X. Other Comprehensive Income				
Items that will not be reclassified to profit or loss	k	-	(0.42)	(0.42)
Income tax relating to items that will not be reclassified to profit or loss	k	-	0.15	0.15
Items that will be reclassified to profit or loss		-	0.63	0.63
Income tax relating to items that will be reclassified to profit or loss		-	(0.22)	(0.22)
XI. Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**156.98**	**(41.14)**	**115.84**

Note 51 Explanation to transition to Ind AS (continued)

For the purposes of reporting as set out in Note 1, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the "transition date").

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

Net worth reconciliation as at 1 April, 2015 and 31 March, 2016

(₹ in crore)

	Particulars		1 April, 2015	31 March, 2016
	Net worth as per IGAAP		**636.92**	**764.46**
	Adjustments:-			
Less	Treasury Shares	a	27.88	
	Loan processing fees/ transaction costs	c	5.50	4.87
	Difference on account of revenue recognition net of related costs	e	2.13	0.46

	Fair valuation of derivatives	f	0.81	0.50
	Amortisation of prepaid lease rent due to discounting of deposits (net of related interest income)		0.00	0.00
	Deferred tax impact on items to be reclassified to profit or loss		-	0.22
Add	Proposed dividend & Tax on dividend	b	14.90	-
	Income tax impact of above adjustments	d	2.81	1.96
	Fair valuation of financial assets		0.33	0.18
	Total impact on net worth		(18.29)	(3.93)
	Net worth as per Ind AS		**618.63**	**760.53**

Reconciliation of Profit for the period ended 31 March, 2016

(₹ in crore)

	Particulars		31 March, 2016
	Net Profit as per IGAAP as on 31 March, 2016		**156.98**
	Adjustments:-		
	Difference on account of revenue recognition net of related costs	e	1.66
	Amortisation of Loan Processing Fees	c	0.63
	Change in Fair value of Derivatives	f	0.31
	Income tax impact of above adjustments	d	(0.86)
	Change in fair value of Investments	i	(0.15)
	Net Gain on sale of Shares	a	(43.15)
	Items of OCI that will be reclassified to profit or loss (net)		0.41
	Total impact on Net Profit		(41.14)
	Net Profit as per Ind AS as on 31 March, 2016		**115.84**

Notes

a **Treasury Shares :-**

Under Indian GAAP, Treasury Shares were shown as receivable under other current asset. However as per para 33 of Ind AS 32, Financial Instruments: Presentation, If an entity reacquires its own equity instruments, those instruments ('treasury shares') shall be deducted from equity.

b **Proposed dividend :-**

Under Indian GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

c **Loan processing fees :**

Under Indian GAAP, all costs which are directly attributable and incremental to the origination of borrowing required to be charged to Profit and Loss account. Under Ind AS, this costs required to be reduced from the borrowing at inception and recognise as finance cost in Statement of profit and loss subsequent to the date of transition over the tenure of borrowing.

d **Income tax impact of above adjustments:**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

e **Revenue**

Revenue from sale of goods has been recognised only when the risk, rewards and control in the goods passes to the buyer, hence, cost corresponding to the revenue has been deferred.

Excise Duty

Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2016. The total comprehensive income for the year ended and equity as at 31 March 2016 has remained unchanged.

Cash incentives - Under IGAAP, cash incentives provided to customers were recorded under Other expenses. Under Ind AS, all such cash incentives given to customers are recorded net off revenue. This has resulted in reduction in sales and other expenses and will have no impact on profit.

f **Fair Valuation of derivatives:**

Under Indian GAAP, the premium and discount on forward contracts were amortised over the contract period. However, under Ind AS all derivatives are measured at fair value at each reporting period and changes therein are recognised in profit and loss.

g **Financial Liabilities:**

As per Schedule III of companies act, financial liabilities are disclosed as other financial liabilities, which are earlier shown as other current liabilities.

h **Interest free deposit & Advance rent**

As per Ind AS 109, all financial assets and liabilities are to be measured at fair value on initial recognition. Accordingly, security deposits placed / collected in relation to arrangements which are non-cancellable for limited periods, are to be recognised at their respective fair values and the difference between fair value and transaction price is recognised in opening reserves at the transition date and changes thereafter have to be recognised in statement of profit and loss.

i **Fair valuation of investments:**

Under Indian GAAP, the Company accounted for long term investments at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTPL , which are measured at fair value. At the date of transition to Ind AS, difference between the instruments' fair value and Indian GAAP carrying amount has been recognised in the statement of profit and loss.

j **Bill discounted without recourse**

Under Ind AS, the trade receivables without recourse have been derecognized and corresponding discounting charges have been expensed as finance cost.

k **Employee Benefit**

Both under IGAAP and Ind-AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Note 52 Research and Development Expenses :

(₹ in crore)

(A)	**R & D Center-OIL Division (Rabale - DSIR Recognised)**		
		2016-17	**2015-16**
(a)	Salary, wages and other benefits	1.64	2.22
	Consumables and Other expenses	0.23	0.08
	sub-Total	1.87	2.30
(b)	Capital expenditure		
	Plant and machinery	-	0.01
	Total	**1.87**	**2.31**
(B)	**R & D Center-Conductor Division**		
		2016-17	**2015-16**
(a)	Consumables and other expenses	3.70	0.35
	sub-Total	3.70	0.35
(b)	Capital expenditure		
	Plant and machinery		
		1.15	0.72
		4.85	**1.07**
(C)	**R & D Center-Cable Division**		
		2016-17	**2015-16**
(a)	Salary, wages and other benefits	0.11	0.16
	Consumables and other expenses	0.41	0.39
	sub-Total	0.51	0.56
(b)	Capital expenditure		
	Plant and machinery	0.01	-

		0.01	-
	Total	**0.52**	**0.56**
	Grand Total (A+B+C)	**7.24**	**3.94**

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

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai, 30th May, 2017

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2017

Nina P. Kapasi
Director
DIN : 02856816

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 Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Apar Industries Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries constitute the 'Group'), and its jointly controlled entity comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash flow and the Consolidated statement of Changes in Equity for the year ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS 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 Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint venture 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, 2017, and their consolidated profit and loss including other comprehensive income, consolidated cash flows and consolidated changes in the equity for the year ended.

Other Matters

We did not audit the financial statements of two subsidiaries and one jointly controlled entity incorporated outside India, whose financial statements reflect total assets of Rs. 230.70 crore as at 31st March, 2017, and total revenues of Rs. 69.99 crore and net loss amounting to Rs. 5.60 crore year ended on that date. These financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries, have been converted by the Company's management from accounting principles generally accepted in their respective countries to the Ind AS as per section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and jointly controlled entity operations located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated Ind AS 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 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 Ind AS financial statements;

   (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the Consolidated Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (e) on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture, none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'**; and

   (g) 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::

      i) the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 43 of the consolidated Ind AS financial statements);

      (ii) the Group have long-term contracts including derivative contracts for which there are no material foreseeable losses. (Refer Note 34-40 and 44 of the consolidated Ind AS financial statements);

      (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and

      (iv) the Company has provided requisite disclosure in its consolidated Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with books of accounts maintained by the Company. (Refer Note 45 to the consolidated Ind AS financial statements).

For SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W

VINAYAK M. PADWAL
Partner
Membership No.049639

Mumbai, 30 May, 2017

Annexure 'A' to the Independent Auditor's Report

Report on the Internal Financial Controls Under Clause (i) of Sub- Section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the Consolidation Ind AS Financial Statements of the Company as and for the year ended 31st March, 2017, We have audited the internal financial controls over financial reporting of Apar Industries Limited (the 'Holding Company') and its subsidiary company which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary Company which are incorporated in India , are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary Company which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W

VINAYAK M. PADWAL
Partner
Membership No.049639

Mumbai, 30 May, 2017

Consolidated Balance Sheet As at 31st March, 2017

(₹ in crore)

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	564.33	385.07	369.48
Capital work-in-progress-Tangible	2	26.73	56.11	10.24
Goodwill	3	7.42	10.08	-
Goodwill on consolidation		-	-	21.72
Other Intangible assets	3A	2.12	2.70	3.36
Capital work-in-progress-Intangible	3A	1.02	-	-
Invesments in Subsidiaries and Joint Ventures	4	0.00	3.21	2.27
Financial Assets				
Trade receivables	9A	1.90	-	-
Other non-current assets	5	7.29	4.25	4.52
Other non-current assets	6	28.47	72.20	21.47
Other Tax Assets		168.82	134.48	133.92
Total non current assets		**808.10**	**668.11**	**566.98**
Current Assets				
Inventories	7	993.54	769.76	967.60
Financial Assets				
Investments	8	118.57	109.24	5.59
Trade receivables	9	1,254.32	1,090.39	1,236.22
Cash and cash equivalents	10	109.80	118.97	89.53
Bank balances other than above	11	13.17	14.89	8.28
Short-term loans and advances	12	12.15	13.53	19.57
Derivatives	12A	37.26	0.01	0.28
Other current assets	13	170.75	133.67	137.37
Total current assets		**2,709.56**	**2,250.45**	**2,464.44**
TOTAL ASSETS		**3,517.66**	**2,918.56**	**3,031.42**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	38.27	38.50	36.86
(b) Other equity	14B, 14C			
Reserves & Surplus		936.96	774.52	637.05
Other reserves		60.89	40.92	37.72
Total equity		**1,036.12**	**853.94**	**711.63**
Non current liabilities				
Financial liabilities				
Borrowings	15	90.55	83.47	94.38
Other financial liabilities	16	2.51	2.94	2.72
Provisions	17	4.39	3.55	4.01
Deferred tax liabilities (net)	18	46.11	31.09	24.55
Total non current liabilities		**143.56**	**121.05**	**125.66**
Current liabilities				
Financial liabilities				
Borrowings	19	186.47	263.80	386.67
Trade and other payables	20	1,772.49	1,395.91	1,562.83
Other financial liabilities	21	50.86	68.21	25.64
Derivatives	21A	24.80	9.68	7.19
Other current liabilities	22	140.79	69.94	94.59
Short term provisions	23	0.91	0.85	0.86
Liabilities for current tax		161.66	135.18	116.36
Total current liabilities		**2,337.98**	**1,943.57**	**2,194.13**
Total liabilities		**2,481.54**	**2,064.63**	**2,319.79**
Total Equity and Liabilities		**3,517.66**	**2,918.56**	**3,031.42**
Significant accounting policies	1			
Contingent liabilities and commitments	43			

As per our report attached
SHARP & TANNAN
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Firm's Registration No. 109982W
by the hand of

For and on behalf of the Board of Directors

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai, 30th May, 2017

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2017

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of profit and loss for the year ended March 31, 2017

(₹ in crore)

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue			
I. Revenue from Operations (Gross of excise duty)	24	5,288.82	5,551.37
II. Other income	25	15.96	10.09
III. Total Revenue		**5,304.78**	**5,561.46**
IV. Expenses			
Cost of materials consumed	26	3,559.29	3,782.76
Purchases of Stock-in-Trade	27	79.10	68.18
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(65.55)	53.71
Excise Duty		456.84	472.88
Employee benefits expense	29	107.37	90.97
Finance costs	30	114.36	157.32
Depreciation and amortization expense	2,3,3A	44.97	37.76
Other expenses	31	748.07	720.82
Total Expenses		**5,044.45**	**5,384.40**
Less : Transfer to capital assets		13.07	0.48
Net total expenses		**5,031.38**	**5,383.92**
V. Profit Before Exceptional Items and Tax		**273.40**	**177.54**
VI. Exceptional Items		-	-
VII. Profit Before Tax		**273.40**	**177.54**
VIII. Tax expense:			
1. Current Tax		92.25	56.27
2. Deferred Tax		4.51	5.09
3. Taxes of earlier years		0.39	(4.10)
		97.15	**57.26**
IX. Profit before minority interest/Share in net profit (loss) of JV		**176.25**	**120.28**
X. Share in net profit (loss) of JV		0.32	**1.41**
XI. Net Profit for the year (IX+X)		**176.57**	**121.69**
XII.Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		(1.11)	(0.42)
Income tax relating to items that will not be reclassified to profit or loss		0.38	0.15
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		31.30	5.31
Income tax relating to items that will be reclassified to profit or loss		(10.83)	(1.84)
XIII. Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**196.31**	**124.88**
XIV. Earnings per equity share (Face value of ₹ 10 each)	32		
Basic		45.88	32.48
Diluted		45.88	32.48
Significant accounting policies	1		

As per our report attached
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Membership No. 049639
Mumbai, 30th May, 2017

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Mumbai, 30th May, 2017

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31st March, 2017

(₹ in crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from operating activities		
Profit before tax	273.40	177.54
Adjustments for		
Depreciation on non current assets	42.31	35.10
Amortisation of intangible assets	2.66	2.66
(Gain)/loss on sale of property, plant and equipment	0.63	0.06
Foreign currency translation reserve	0.63	4.68
Finance costs	77.93	83.11
Finance income	(7.47)	(6.87)
Dividend on investments and from subsidiaries	-	(0.57)
Unrealised exchange loss/(gain)	(6.12)	(6.28)
Profit on sale of investments	(8.49)	(2.64)
Movement in working capital		
(Increase)/ Decrease in trade and other receivables	(239.45)	146.37
(Increase)/ Decrease in inventories	(223.78)	197.83
Increase/ (Decrease) in trade and other payables	500.69	(185.52)
(Decrease)/ Increase in other liabilities		
Tax paid	(100.50)	(33.71)
Net cash generated by / (used in) operating activities	**312.44**	**411.76**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(169.43)	(123.21)
Acquisition of intangibles	(1.53)	(0.36)
Proceeds from sale of property, plant and equipment	2.77	0.72
Purchase of investments (net)	(0.84)	(100.99)
Dividend on investments and from subsidiaries	2.71	0.57
Net cash generated by / (used in) investing activities	**(166.31)**	**(223.27)**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings	(71.64)	(119.69)
Proceeds/(repayments) of long-term borrowings	(2.48)	13.54
Sale of Shares	0.68	71.03
Interest received/(paid) - net	(68.46)	(73.04)
Dividend Payment	(0.49)	(38.20)
Buyback of shares	(15.06)	-
Tax on dividends	-	(6.48)
Net cash (used in) / generated by financing activities	**(157.45)**	**(152.84)**
Net increase / (decrease) in cash and cash equivalents	(11.32)	35.65
Effect of exchanges rate changes on cash and cash equivalents	0.43	0.41
Cash and cash equivalents at the beginning of the year	133.86	97.81
Cash and cash equivalents at the end of the year	**122.97**	**133.86**

Notes :

1) Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.
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 ₹ 6.03 crore; (Previous year ₹ 7.67 crore), fixed deposit under lien ₹ 4.58 crore (Previous year ₹ 4.58 crore).

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

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai, 30th May, 2017

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Mumbai, 30th May, 2017

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Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of changes in equity

(a) Equity share capital	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Balance at the beginning of the reporting period Balance	38,496,769	38.50	36,861,116	36.86	36,835,044	36.83
Changes in equity share capital during the year	(228,150)	(0.23)	1,635,653	1.64	26,072	0.03
Balance at the end of the reporting period	38,268,619	38.27	38,496,769	38.50	36,861,116	36.86

(b) Other equity	Reserves & Surplus					Items of OCI			
For the year ended	Retained earnings - Surplus	General reserve	Securities premium reserve	Capital reserve	Capital Redemption Reserve	Currency Fluctuation Reserve	Cash flow hedging reserve	Other items of OCI	Total
Balance at April 1, 2015	**310.44**	**176.00**	**150.61**	**23.77**	**14.75**	**-**	**(0.80)**	**-**	**674.77**
Total comprehensive income for the year									
Profit for the year	121.69								121.69
Other comprehensive income for the year						3.06	0.41	(0.27)	3.19
Total comprehensive income for the year	121.69	-	-	-	-	3.06	0.41	(0.27)	124.88
Transactions with the owners of the Company Contributions and distributions									
Dividends (including tax on dividend)	(44.98)								(44.98)
Transfer / Receipt	(22.64)	14.00							(8.64)
Sale of treasury shares			69.40						69.40
Balance at March 31, 2016	**364.51**	**190.00**	**220.01**	**23.77**	**14.75**	**3.06**	**(0.39)**	**(0.27)**	**815.44**
Total comprehensive income for the year									
Profit for the year	176.57								176.57
Other comprehensive income for the year						0.41	20.05	(0.73)	19.74
Total comprehensive income for the year	176.57	-	-	-	-	0.41	20.05	(0.73)	196.31
Transactions with the owners of the Company Contributions and distributions									
Refund of dividend tax	0.93								0.93
Transfer / Receipt	(20.00)	20.00							-
Buy back of shares	(0.23)		(14.83)		0.23				(14.83)
Balance at March 31, 2017	**521.78**	**210.00**	**205.18**	**23.77**	**14.98**	**3.47**	**19.66**	**(1.00)**	**997.85**

Note

i) The nature and purpose of each of the Reserves have been explained under Note 14B Other Equity and 14C Items of OCI

ii) During the year, the Company has bought back 228,150 Equity Shares of Rs. 10/- at a price of Rs. 660/- per share for an aggregate amount of Rs. 15.06 Crores.

The Issued, Subscribed and Paid-up Share Capital of the Company has thus reduced to Rs. 382,686,190/- divided into 38,268,619 Equity Shares of Rs. 10/- each. The entire process of Buyback of the above shares was completed on 10th March, 2017.

iii) All the subsidaries of the group are fully owned, thus there is no non-controlling interest.

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

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai, 30th May, 2017

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Company Secretary

Share-based payment arrangements:

A. Description of share-based payment arrangements

Share option programmes (equity-settled)

The Company implemented "Apar Industries Limited Stock Option Plan 2007" (ESOP 2007), in the year 2007, as approved by the Shareholders of the Company and the Compensation Committee of the Board of Directors.

The purpose of this Plan is to promote the success of the Company by rewarding and motivating key employees for high levels of individual performance, and to retain such employees. This purpose may be achieved through the grant of options to key employees to purchase equity shares of the Company.

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. The Exercise Price of Rs. 259.75 per option was cancelled due to substantial fall in the secondory market and fresh market linked price of Rs. 207.05 was fixed at the 19th Annual General Meeting held on August 29, 2008.

Apar Industries Limited Stock Option Plan 2007

Grant Date	9-Aug-07
No. of Options	175,150
Exercise Price (INR)	207.05
Vesting Period	3 years

B. Measurement of fair values

The exercise price shall be the Market Price, "Market Price" means the latest available closing price of the shares of the Company on the date of grant.

C. Reconciliation of outstanding share options

		31 March 2017	31 March 2016
Outstanding at the beginning of the year	:	Nil	9,671
Vested during the year	:	Nil	Nil
Forfeited during the year	:	Nil	(9,405)
Exercised during the year	:	Nil	(266)
Outstanding at the end of the year		Nil	Nil

During the year 2015-16, Company has alloted 266 equity shares of ₹ 10/- each to employees of the Company under Employee stock option plan 2007 at an exercise price of ₹ 207.05 per share.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 1 Significant Accounting Policies

1. **General information**

Apar Industries Limited, founded by Late Shri.Dharmsinh D. Desai in the year 1958 is one among the best established companies in India, operating in the diverse fields of electrical and metallurgical engineering. Over the ensuing years it has been offering value added products and services in Power Transmission Conductors, Petroleum Specialities and Power & Telecom Cables.

2. **Basis of accounting**

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act/ Companies Act 1956 ("the 1956 Act"), as applicable. For all periods up to and for the year ended 31 March 2016, the Group's has prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These consolidated financial statements are the Group's first Ind AS consolidated financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Group's equity and its net profit is provided in Note 46.

3. **Functional and presentation currency**

These consolidated financial statements are presented in Indian rupees (INR), which is the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated.

4. **Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- certain financial assets and liabilities (including mutual fund investments and derivatives) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value;
- share-based payments;

5. **Key estimates and assumptions**

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets**

  Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Evaluation of control**

  The Group makes assumptions, when assessing whether it exercises control, joint control or significant influence over companies in which it holds less than 100 percent of the voting rights. These assumptions are made based on the contractual rights with the other shareholders, relevant facts and circumstances which indicate that the Group has power over the potential subsidiary or that joint control exists. Changes to contractual arrangements or facts and circumstances are monitored and are evaluated to determine whether they have a potential impact on the assessment as to whether the Group is exercising control over its investment

- **Recognition and measurement of other provisions**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note	1	Significant Accounting Policies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Discounting of long-term financial assets/liabilities**

  All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method.

- **Fair value of financial instruments**

  Derivatives and investments in mutual funds are carried at fair value. Derivatives includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and Commodity future contracts are determined using the fair value reports provided by merchant bankers and LME brokers respectively. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

- **Sales incentives and Customer Loyalty Programmes**

  Rebates are generally provided to distributors or dealers as an incentive to sell the Group's products. Rebates are based on purchases made during the period by distributor / customer. The Group determines the estimates of benefit accruing to the distributors/ dealers based on the schemes introduced by the Group.

  The amount allocated to the loyalty programme/ incentive is deferred, and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

  The cash incentives offered under various schemes are in the nature of sales promotion and provision for such incentives are provided for.

6. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Grouprecognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. Standards issued but not yet effective

Ind AS 115 Revenue from Contract with Customers: In February 2015, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group's is in the process of making an assessment of the impact of Ind AS 115 upon initial application. As at the date of this report, the Group's management does not expect that the impact on the Group's results of operations and financial position will be material upon adoption of Ind AS 115.

8. Significant accounting policiesfollowed by the company

A. Basis of consolidation

i. Business combinations

Note	1	Significant Accounting Policies

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in equity under the head Capital reserve'. Transaction costs are expensed as incurred, except if related to the issue of equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated.

v. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

B. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

C. Revenue

i. Sale of goods and Services

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks, rewards and controls of ownership in the goods are transferred to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

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

ii. Lease income:

The Group has determined that the payments by the lessee are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Accordingly rental income arising from operating leases is accounted for on an accrual basisas per the terms of the lease contract

iii. Dividend income is recognised when the right to receive the payment is established.

D. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group's has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- **Provident Fund Scheme**

The Group 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.

- **Superannuation Scheme**

The Group makes specified contributions to the superannuation fund administered by the Group and the return on investments is adequate to cover the commitments under the scheme. The Group'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.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- Gratuity Fund

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Note	1	Significant Accounting Policies

Re-measurement of the net defined benefit/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group'srecognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Long-term Compensated Absences and Long Wages Schemes are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss .

E. Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

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

F. Grants/ Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the statement of profit and loss in the same period as the related cost, which they are intended to compensate are accounted for.

G. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group's is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are

Note	1	Significant Accounting Policies

reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

H. Inventories

Inventories are measured at the lower of standard cost and net realizable value. Inventory of scrap is valued at estimated realizable value.The cost of inventories is determined using the weighted average method. Inventories of finished goods include excise duty as applicable.

I. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The cost of the property, plant and equipment's at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group's.

iii. Depreciation

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight Line or the Written DownValue based on the method consistently followed by the respective entities in the Group.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital expenditure in respect of which ownership does not vest with the Group is amortized over a period of five years. Leasehold land is amortised over the period of lease.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note	1	Significant Accounting Policies

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

J. Intangible Assets

Intangible assets which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

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.

The cost of the intangible assets at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

K. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

L. Share-based payments:

a. Employees of the Group's receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

b. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

c. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

d. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss

e. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

M. Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve.

N. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, commodity future contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Financial assets

Classification

The Group shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group's commits to purchase or sell the asset.

Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through profit and loss (FVTPL)

- Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.
- In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').
- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments and Mutual Funds

- All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group's decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- The Group has elected to apply the exemption available in respect of the carrying value of the investments held in subsidiaries, joint ventures and associates in accordance with Ind AS 27.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group'sbalance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

Note	1	Significant Accounting Policies

ii. **Financial liabilities**

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iii. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under the "effective portion of cash flow hedges". The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on the present value basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit and loss in the same period or periods during which the hedged expected future cash flows affect profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial items cost of initial recognition or for other cash flow hedges, it is reclassified to profit and loss in the same period as the hedged future cash flows affect the profit and loss.

If the hedged cash flows are no longer expected to occur, then the amounts that have been accumulated in the other equity

Note	1	Significant Accounting Policies

are immediately reclassified to profit and loss.

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Grouprecognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

O. Leases

i. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

i. Lease assets

Assets held by the Group under leases that transfer to the Group's substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

P. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Groupcash management.

R. Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the consolidated financial statements.

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

S. Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Note 2 Property, plant and equipment

	Gross Carrying Amount						Depreciation				Net Block	
	Cost As at 31-03-2016	Transfer on amalgamation **	Additions	Deductions	Effect of Movement in exchange rates	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions/ Adjustments	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
(i) Tangible assets												
Land- Freehold	25.95	-	-	-	-	25.95	-	-	-	-	25.95	25.95
Land-Leasehold	10.60	-	-	-	-	10.60	0.14	0.14	-	0.28	10.32	10.46
Building (Refer Note below)	113.10	-	55.31	-	-	168.41	4.84	5.39	-	10.23	158.18	108.26
Plant and machinery (Refer Note below)	251.62	-	160.94	(6.63)	(0.31)	409.53	25.07	31.16	(2.26)	53.97	351.66	226.55
Furniture and fixtures	3.85	-	1.02	(0.27)	-	4.60	0.65	0.64	()0.24	1.06	3.54	3.19
Equipments	6.93	-	6.65	(0.47)	-	13.10	1.36	2.12	(0.42)	3.06	10.04	5.56
Motor vehicles	6.38	-	1.38	(0.47)	-	7.29	1.28	1.75	(0.38)	2.65	4.64	5.10
Sub total (i)	**418.43**	**-**	**225.30**	**(7.84)**	**(0.31)**	**635.58**	**33.36**	**41.20**	**(3.30)**	**71.25**	**564.33**	**385.07**
(ii) Capital work-in-progress Tangible assets												
Buildings						-				-	6.58	22.24
Plant and machinery						-				-	20.15	33.87
Sub total (ii)						**-**	**-**	**-**	**-**	**-**	**26.73**	**56.11**
Grand Total											**591.06**	**441.18**

	Gross Carrying Amount						Depreciation				Net Block	
	Cost As at 31-03-2016	Transfer on amalgamation **	Additions	Deductions	Effect of Movement in exchange rates	As at 31-03-2016	Upto 31-03-2015	For the year	Deductions/ Adjustments	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
(i) Tangible assets												
Land- Freehold	25.87	-	0.08	-	-	25.95	-	-	-	-	25.95	25.87
Land-Leasehold	10.60	-	-	-	-	10.60	-	0.14	-	0.14	10.46	10.60
Building (Refer Note below)	106.99	-	6.11	-	-	113.10	-	4.84	-	4.84	108.26	106.99
Plant and machinery (Refer Note below)	212.87	-	36.50	(0.87)	3.13	251.62	-	24.97	0.11	25.07	226.55	212.87
Furniture and fixtures	3.55	0.02	0.36	(0.08)	-	3.85	-	0.64	0.01	0.65	3.19	3.55
Equipments	5.68	0.23	1.70	(0.68)	-	6.93	-	1.99	(0.63)	1.36	5.56	5.68
Motor vehicles	3.92	0.09	2.89	(0.52)	-	6.38	-	1.46	(0.18)	1.28	5.10	3.92
Sub total (i)	**369.48**	**0.34**	**47.64**	**(2.15)**	**3.13**	**418.43**	**-**	**34.04**	**(0.68)**	**33.36**	**385.07**	**369.48**
(ii) Capital work-in-progress Tangible assets												
Buildings						-				-	22.24	3.71
Plant and machinery	-	-	-	-	-	-				-	33.87	6.53
Sub total (ii)						**-**	**-**	**-**	**-**	**-**	**56.11**	**10.24**
Grand Total											**441.18**	**379.72**

The Company has availed the deemed cost exemption in relation to the tangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortisation on April 1, 2015 under the previous GAAP

Deemed cost as on 1 April 2015

Particulars	Land- Freehold	Land-Leasehold	Building	Plant and machinery	Furniture and fixtures	Equipments	Motor vehicles	Total
Gross Block as on 1 April 2015	25.87	12.14	130.95	388.03	10.18	18.91	8.23	594.32
Accumulated Depreciation till 1 April 2015	-	1.54	23.96	175.16	6.63	13.23	4.31	224.84
Net Block treated as Deemed cost upon transition	25.87	10.60	106.99	212.87	3.55	5.68	3.92	369.48

Note 3 Goodwill

Deemed Cost As at 01-04-2015	Amortisation for the year	Net Block as at 31-03-16
12.74	2.66	10.08
Cost As at 01-04-2016	Amortisation for the year	Net Block as at 31-03-17
10.08	2.66	7.42

Note 3A Intangible assets

	Gross Block						Depreciation				Net Block	
	Cost As at 31-03-2016	Transfer on amalgamation **	Additions	Deductions	Other Adjustment	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions/ Adjustments	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Specialised software	3.31		0.54			3.85	0.96	1.06		2.02	1.83	2.36
Non compete fee	0.41					0.41	0.07	0.05		0.12	0.29	0.34
	3.73	-	0.54	-	-	4.26	1.03	1.11	-	2.14	2.12	2.70
Capital work-in-progress intangible assets											1.02	-
TOTAL	3.73	-	0.54	-	-	**4.26**	**1.03**	**1.11**	**-**	**2.14**	**3.14**	**2.70**

	Gross Block						Depreciation				Net Block	
	Deemed Cost As at 01-04-2015	Transfer on amalgamation **	Additions	Deductions	Other Adjustment	As at 31-03-2016	Upto 31-03-2015	For the year	Deductions/ Adjustments	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
Specialised software	2.95	0.03	0.36	(0.04)		3.31	-	0.99	(0.04)	0.96	2.36	2.95
Non compete fee	0.41			-		0.41	-	0.07	-	0.07	0.34	0.41
TOTAL	3.36	0.03	0.36	(0.04)	-	3.73	-	1.06	(0.04)	1.03	2.70	3.36

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortisation on April 1, 2015 under the previous GAAP

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in crore)

Deemed cost as on 1 April 2015			
Particulars	**Specialised software**	**Non compete fee**	**Total**
Gross Block as on 1 April 2015	7.79	0.54	8.33
Accumulated Depreciation till 1 April 2015	4.84	0.13	4.97
Net Block treated as Deemed cost upon transition	2.95	0.41	3.36

*** Previous year figures have been disclosed in the table above.**

**** Refer Note 14 (i) on Equity Share Capital**

Note

a. Includes expenditure on Research and development ₹ 1.16 crore , (Previous year ₹ 0.73 crore) for Plant and machinery and ₹ nil, (Previous year ₹ nil) for Building (Refer Note 47)

b. Addition to Fixed Assets includes, ₹ (0.31) crore for the year ended 31 March 2017 (Previous year ₹ 3.13 crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. The unamortised amount of such exchange differences, as on 31st March, 2017 is ₹ 10.30 crore (Previous year ₹ 12.08 crore)

c. As on 31 March 2017, the Company had contractual commitments of ₹ 17.71 crore for the year ended 31 March 2017 (Previous year ₹ 37.10 crore) for purchase of property, plant and equipment.

d. Refer Note 15 (a) on Long term Borrowing for amounts of restrictions on the title and PPE pledged as securities.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 4 Equity accounted investees

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Interest in joint venture	0.00	3.21	2.27
	0.00	**3.21**	**2.27**
Aggregate book value of unquoted investments	0.00	3.21	2.27

Apar, through its wholly owned subsidiary Petroleum Specialties Pte Ltd (PSPL) holds 65% of the share capital of Quantum Apar Specialty Oils PTY Ltd (Quantum Apar). The balance 35% is held by Quantum Specialty Oils Pty Ltd.

Currently under Indian GAAP, Quantum Apar is consolidated as subsidiary based on ownership of 65%. Quantum Specialty Oils Pty Ltd, holding 35% in Quantum Apar, is having participative rights in managing the operations of the company

The following table summarises the financial information of Quantum Apar and the carrying amount of the Group's interest in Quantum Specialty Oils Pty Ltd

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Percentage ownership interest	**65%**	**65%**	**65%**
Non Current assets	-	-	-
Current assets	0.13	17.42	21.04
Non-current liabilities	-	-	
Current liabilities	0.13	12.49	17.56
Net Assets	**0.00**	**4.93**	**3.48**
Group's share of net assets (65%)	0.00	3.21	**2.27**
Carrying amount of interest in joint venture			

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Percentage ownership interest	**65%**	**65%**	**65%**
Revenue	9.16	40.32	48.41
COGS	7.79	35.12	45.33
Depreciation and amortisation	0.02	0.01	0.02
Interest expenses	-	-	-
Other expenses	0.71	2.17	3.22
Income tax expenses	0.14	0.85	0.22
Profit	0.50	2.17	(0.38)
Total comprehensive income	0.50	2.17	(0.38)
Group's share of Profit (65%)	0.32	1.41	(0.25)
Group's share of OCI (65%)	-	-	-
Group's share of total comprehensive income (65%)			

Note 5 Other Non-current Financial Assets

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Unsecured, considered good			
Security deposits	7.29	4.25	4.52
	7.29	**4.25**	**4.52**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 6 Other Non-current Assets

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Capital advances	9.53	43.91	2.39
Others loans and advances	18.94	28.29	19.08
	28.47	**72.20**	**21.47**

Note 7 Inventories

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
(Valued at lower of cost and net realizable value)			
Raw materials and components	377.49	291.04	387.64
Raw materials-in transit	238.00	169.30	218.30
Work-in-progress	127.12	88.66	86.55
Finished goods	210.84	184.60	243.23
Stock-in-trade	14.27	13.47	10.18
Stock-in-trade - in transit	0.62	0.59	1.07
Stores and spares	25.20	22.11	20.64
	993.54	**769.76**	**967.60**

Note : Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of cenvat.

Note 8 Current investments

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
a. Investment in mutual funds			
Union KBC Liquid Fund Growth-Direct Plan No. of units 543,352.70 (31 March 2016: 528,941.31, 01 April 2015: 940.53)	88.31	80.19	0.13
Union KBC Dynamic Bond fund -Growth No. of units Nil (31 March 2016: 2,280,081.35, 01 April 2015: Nil)	-	3.07	-
Union KBC Small and Midcap Fund Regular Plan-Growth No. of units Nil (31 March 2016: Nil, 01 April 2015: 539,700)	-	-	0.66
Union KBC Ultra Short Term Debt Fund-Growth-Direct Plan No. of units Nil (31 March 2016: Nil, 01 April 2015: 384.26)	-	-	4.80
IDBI Liquid Fund Growth- Direct Plan No. of units Nil (31 March 2016: 799,27.02, 01 April 2015: Nil)	-	12.98	-
IDBI Ultra Short Term Fund Growth - Direct plan No. of units Nil (31 March 2016: 802,40.68, 01 April 2015: Nil)	-	13.00	-
Axis Treasury Advantage fund - Direct Growth No. of units 163,866.64 (31 March 2016: Nil, 01 April 2015: Nil)	30.26	-	-
	118.57	**109.24**	**5.59**
b. Market Value of Quoted Investments			
Book value	118.57	109.24	5.59
Market value	118.57	109.24	5.59
Impairment Loss	-	-	-

All the above securities have been classified and measured at FVTPL. Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 36 & Note 38

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 9 Trade receivables (Current)

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Trade receivables			
Secured, considered good	0.52	0.52	0.52
Unsecured, considered good	1,253.80	1,089.87	1,235.70
Unsecured, considered doubtful	27.02	18.48	14.57
	1,281.34	**1,108.87**	**1,250.79**
Less: Allowances for doubtful debts	27.02	18.48	14.57
	1,254.32	**1,090.39**	**1,236.22**

The company's exposure to credit and currency risk related to trade receivables are disclosed in note 38 and note 36 respectively.

Note 9A Trade receivables (Non-Current)

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Trade receivables			
Secured, considered good	-	-	-
Unsecured, considered good	1.90	-	-
Unsecured, considered doubtful	-	-	-
	1.90	-	-
Less: Allowances for doubtful debts	-	-	-
	1.90	**-**	**-**

Note 10 Cash and cash equivalents

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
On current accounts	107.18	113.99	87.65
On deposits with original maturity of less than three months	0.02	0.00	-
On unclaimed dividend account (Refer Note below)	0.54	1.03	0.73
Cash on hand	0.16	0.11	0.13
Cheques on hand	1.11	1.07	1.02
Funds in transit	0.79	2.77	-
	109.80	**118.97**	**89.53**

Note:

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2017.

Bank balances include Rs. 3.61 Crore as at March, 31 2017 (Rs. 4.08 Crore as at March 31, 2016) held in a foreign country which are not freely remissible because of exchange restrictions.

Note 11 Bank balances other than (Note 10) above

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Deposits with original maturity for more than 3 months but less than 12 months (Refer Note i below)	7.14	7.21	2.37
Margin money deposit (Refer Note ii below)	6.03	7.68	5.91
	13.17	**14.89**	**8.28**

Note:

i Includes deposit of ₹ 4.58 crore under lien.

ii Against letters of credit for Company's import of raw materials and working capital loans.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 12 Short-term loans and advances

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Unsecured, Considered Good, Unless Otherwise Stated			
Loans and advances to related parties	0.00	0.00	0.00
Others			
Advances recoverable in cash or in kind or for value to be received	6.27	7.81	8.38
Interest accrued but not due on fixed deposits	0.37	0.32	0.35
Interest accrued but not due on security deposits	0.12	0.02	0.05
Other receivable	5.39	5.38	10.79
	12.15	**13.53**	**19.57**

Note 12A Derivatives-Asset

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Forward exchange contract used for hedging	37.13	-	0.28
Interest rate swap used for hedging	0.13	0.01	-
	37.26	**0.01**	**0.28**

Note 13 Other current assets

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Balances with statutory/government authorities	128.83	90.95	99.56
Prepayments and others	41.92	42.69	37.79
Others	-	0.02	0.02
	170.75	**133.67**	**137.37**

Note 14 Equity Share Capital

(₹ in crore)

		31 March 2017	31 March 2016	April 1, 2015
a	**Authorised :**			
	FY 16-17: 101,998,750 (Previous year 101,998,750) Equity shares of ₹ 10 each FY 15-16: 101,998,750 (Previous year 91,998,750) Equity shares of ₹ 10 each	102.00	102.00	92.00
	TOTAL	102.00	102.00	92.00
b	**Issued :**			
	FY 16-17: 38,268,619 (Previous year 38,496,769) Equity shares of ₹ 10 each FY 15-16: 38,496,769 (Previous year 36,861,116) Equity shares of ₹ 10 each	38.27	38.50	36.86
	TOTAL	38.27	38.50	36.86
c	**Subscribed and Paid up :**			
	FY 16-17: 38,268,619 (Previous year 38,496,769) Equity shares of ₹ 10 each FY 15-16: 38,496,769 (Previous year 36,861,116) Equity shares of ₹ 10 each	38.27	38.50	36.86
		38.27	38.50	36.86
		31 March 2017	**31 March 2016**	**April 1, 2015**
d	**Reconciliation of number of shares outstanding at the beginning and end of the year :**			
	Outstanding at the beginning of the year	38,496,769	36,861,116	36,835,044
	Issued (Buy Back) during the year	(228,150)	266	26,072

	Treasury Shares sold during the year	-	1,635,387	-
	Outstanding at the end of the year	38,268,619	38,496,769	36,861,116
e	**Terms/rights attached to equity shares**			
	i) 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. ii) During the year ended 31 March 2017, recommended dividend for the financial year 2016 -17 @ Rs 10/- per share aggregating to Rs 46.06 crore (including dividend tax Rs 7.79 crore) on 38,268,619 Equity shares of Rs 10 each fully paid. iii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
f	**Reconciliation of number of shares outstanding at the beginning and end of the year under Employee Stock Option Plan:**	**31 March 2017**	**31 March 2016**	**1 April 2015**
	Outstanding at the beginning of the year	-	9,671	99,294
	Forfeited during the year	-	9,405	63,551
	Issued during the year	-	266	26,072
	Outstanding at the end of the year	-	-	9,671

g	**Shareholders holding more than 5% shares in the company is set out below:**	**31 March 2017**		**31 March 2016**		**01 April 2015**	
		No of shares	**%**	**No of shares**	**%**	**No of shares**	**%**
	Dr. N. D. Desai	7,271,761	19.00%	7271,761	18.89%	72,71,761	18.89%
	Kushal N. Desai	64,15,899	16.76%	73,78,428	19.17%	73,78,428	19.17%
	Chaitanya N. Desai	64,03,970	16.73%	73,67,260	19.14%	7,367,260	19.14%
	Templeton Strategic Emerging Markets Fund III, L.D.C.	-	-	36,36,363	9.45%	36,36,363	9.45%
	HDFC Trustee Company Limited - HDFC Prudence fund	30,83,150	8.06%	21,94,750	5.70%	16,94,750	4.40%

h Shares Reserved for issue under options

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

i Scheme of Amalgamation of Apar Lubricants Limited (ALL)

At the hearing held on 23rd October, 2015, the Honorable High Court of Gujarat at Judicature at Ahmedabad have sanctioned the Scheme of Amalgamation of Apar Lubricants Limited (ALL) (wholly-owned subsidiary of the Company) with Apar Industries Limited (AIL) w.e.f. 1st January, 2015 (being the appointed date). The effective date of the Scheme is 10th November, 2015, being the date on which Certified Copy of the High Court Order and the Scheme filed with Registrar of Companies, Gujarat.

Pursuant to the Scheme :

(i) The Authorised Share Capital of AIL enhanced by Rs 10 crore and now stands at Rs. 1,019,987,500 divided into 101,998,750 Equity Shares of Rs. 10 each;

(ii) The ALL stand dissolved without winding-up; and

(iii) The Scheme has accordingly been given effect to in the financial statements with effect from the Appointed date. All the assets and liabilities excluding fixed assets of ALL have been transferred to the Company at the book value as recorded in books of Transferor Company. Fixed assets have been recorded at its estimated market value. The Company has followed 'Purchase Method' of accounting as per the Accounting Standard (AS) 14 'Accounting for Amalgamations'.

(iv) The scheme of amalgamation is followed as per the court order hence goodwill is not tested for impairment, instead amortisation of goodwill is carried out as laid down in court scheme

(v) The net loss ₹ 0.00 crore of the Transferor Company from the appointed date i.e. 1st January, 2015 till 31st March, 2015 has been transferred to the surplus in Statement of profit and loss in the books of the company, thereby adjusting opening reserves. This loss has been arrived at after charging amortisation of Goodwill of ₹ 0.44 crore (net of tax) for the relevant period.

Note 14B Other Equity

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Retained earnings - Surplus	521.78	364.51	310.44
General reserve	210.00	190.00	176.00
Securities premium reserve	205.18	220.01	150.61
Capital reserve	23.77	23.77	23.77
Capital Redemption Reserve	14.98	14.75	14.75
	975.71	**813.04**	**675.57**
Retained earnings - Surplus			
Opening balance	364.51	310.44	
Increase/(Decrease) during the year	157.27	54.07	
Closing Balance	**521.78**	**364.51**	
General reserve			
Opening balance	190.00	176.00	
Increase/(Decrease) during the year	20.00	14.00	
Closing Balance	**210.00**	**190.00**	
Securities premium reserve			
Opening balance	220.01	150.61	
Increase/(Decrease) during the year	(14.83)	69.40	
Closing Balance	**205.18**	**220.01**	
Capital reserve			
Opening balance	23.77	23.77	
Increase/(Decrease) during the year	-	-	
Closing Balance	**23.77**	**23.77**	
Capital Redemption Reserve			
Opening balance	14.75	14.75	
Increase/(Decrease) during the year	0.23	-	
Closing Balance	**14.98**	**14.75**	

Note 14C Items of OCI

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Currency Fluctuation Reserve	3.47	3.06	-
Cash flow hedging reserve	19.66	(0.39)	(0.80)
OCI	(1.00)	(0.27)	-
	22.14	**2.40**	**(0.80)**
Currency Fluctuation Reserve			
Opening balance	3.06	-	
Increase/(Decrease) during the year	0.41	3.06	
Closing Balance	3.47	3.06	
Cash flow hedging reserve			
Opening balance	(0.39)	(0.80)	
Increase/(Decrease) during the year	20.05	0.41	
Closing Balance	19.66	(0.39)	
OCI			
Opening balance	(0.27)	-	
Increase/(Decrease) during the year	(0.73)	(0.27)	
Closing Balance	(1.00)	(0.27)	

Nature and purpose of reserves

i. **Cash flow hedging reserve**

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

ii. **Securities premium reserve**

The Securities Premium used to record the premium received on the issue of shares. It is utilised in accordance with the provisions of the

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Companies Act 2013. The reserve also comprises the profit on treasury shares sold 16,35,387.

iii. **Capital reserve**

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

iv. **Capital redemption reserve**

Capital redemption reserve represents amounts set aside by the Company for future redemption of capital.

v. **General reserve**

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Note 15 Long term borrowings

(₹ in crore)

	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
	Non current			Current		
Term loans (Secured)						
Rupee term loans from banks	19.89	33.18	46.47	13.33	13.33	3.33
Foreign currency term loans from banks	70.66	50.29	47.91	14.27	23.83	9.37
	90.55	**83.47**	**94.38**	**27.60**	**37.16**	**12.70**

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Note 37, 38 and 39 respectively

Details of security:

a **Rupee term loans and foreign currency loan from banks are secured as under:**

i 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.

ii 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 Khatalwad properties and hypothecation of movable plant and machinery at Khatalwad excluding movable machinery hypothecated to ECB Lenders.

iii The foreign currency term loan from Arab Banking Corporation (ABC) Bank, kingdom of Bahrain is secured by :

a) Mortgage over specified assets situated at Plot No. 1C-02D1, Hamriyah Free Zone,Sharjah - UAE.
b) Joint and several guarantees of Petroleum specialities PTE Ltd - Singapore and Apar Industries Limited - India.

b **Terms of repayment of term loan :**

i In respect of Rupee Term Loan from Bank in 10 quarterly installments till September, 2019, 9 installments of ₹ 3.33 crore each and last of ₹ 3.34 crore

ii In respect of Foreign Currency Term Loans from Union Bank of India,Hongkong; in May ,2017 ₹ 11.67 crore; in May, 2018 ₹ 14.88 crore.

iii In respect of foreign currency term loan from ABC Bank, Kingdom of Bahrain; it has a moratorium period of 24 months and the loan will be repaid in 14 quarterly installments; the repayment of which will start from 29 March 2018 onwards, first 2 installments of ₹ 2.59 crore each, next 4 installments of ₹ 3.40 crore, next 4 installments of ₹ 4.21 crore, next 3 installments of ₹ 5.67 crore and last installment of ₹ 5.74 crore.

The Group does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

Note 16 Other non-current financial liabilities

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Deposits from dealers	2.51	2.94	2.72
	2.51	**2.94**	**2.72**

Note: Measured at amortised cost

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Note 37, 38 and 39 respectively.

Note 17 Long term provisions

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Provision for gratuity- In respect of directors	0.85	0.74	0.62
Provision for leave benefits (Refer Note 34)	3.49	2.81	3.39
Provision for gratuity- In respect of other employees	0.05	-	-
	4.39	**3.55**	**4.01**

Note 18 DEFERRED TAX LIABILITIES (NET)

(a) Movement in deferred tax balances

(₹ in crore)

					31 March 2017	
	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(39.76)	(5.64)		(45.39)	-	(45.39)
Derivatives	(0.04)	(0.04)	(10.61)	(10.69)	-	(10.69)
Loans and borrowings	1.69	(1.74)		(0.05)	-	(0.05)
Employee benefits	2.03	(0.49)	0.38	1.92	1.92	-
Deferred income	0.16	0.50		0.66	0.66	-
Provisions	6.45	2.90		9.35	9.35	-
Investments	(0.13)	(0.00)		(0.13)	-	(0.13)
Security Deposits	0.00	(0.00)		0.00	0.00	-
Other items	(1.48)	-	(0.29)	(1.77)	-	(1.77)
Tax assets (Liabilities)	**(31.09)**	**(4.51)**	**(10.52)**	**(46.11)**	**11.93**	**(58.04)**
Set off tax						**11.93**
Net tax Assets (Liabilities)	**(31.09)**	**(4.51)**	**(10.52)**	**(46.11)**	**11.93**	**(46.11)**

b) Movement in deferred tax balances

(₹ in crore)

					31 March 2016	
	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(35.06)	(4.70)	-	(39.76)	-	(39.76)
Derivatives	0.28	(0.11)	(0.22)	(0.04)	-	(0.04)
Loans and borrowings	1.90	(0.22)		1.69	1.69	-
Employee benefits	2.58	(0.70)	0.15	2.03	2.03	-
Deferred income	0.74	(0.58)		0.16	0.16	-
Provisions	5.04	1.41		6.45	6.45	-
Investments	(0.11)	(0.02)		(0.13)	-	(0.13)
Security Deposits	0.00	0.00		0.00	0.00	-
Other items	0.08	0.06	(1.62)	(1.48)	-	(1.48)
Tax assets (Liabilities)	**(24.55)**	**(4.86)**	**(1.69)**	**(31.09)**	**10.32**	**(41.42)**
Set off tax						**10.32**
Net tax Assets (Liabilities)	**(24.55)**	**(4.86)**	**(1.69)**	**(31.09)**	**10.32**	**(31.09)**

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note 19 Short term borrowings

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Secured Loans			
Working capital loans from banks (Refer Notes below)			
Rupee loans	-	-	0.00
Packing credit loan in foreign currency from banks	73.05	148.90	162.32
	73.05	**148.90**	**162.32**
Unsecured Loans			
Packing credit loan in foreign currency from banks	62.64	91.62	91.58
Buyer's Credit in foreign currency	50.78	23.28	132.77
	186.47	**263.80**	**386.67**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note :
Working capital loans from banks Rs. 73.05 crore (secured) 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.

The Company does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

Note 20 Trade and other payables

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Due to Micro, Small and Medium Enterprises	7.77	9.28	5.08
Due to other than micro and small and medium enterprises	1,764.72	1,386.63	1,557.75
Total	**1,772.49**	**1,395.91**	**1,562.83**

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

Note 21 Other financial liabilities

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Current maturities of long-term borrowings			
Current portion of long-term foreign currency loan (Refer Note 15 (b))	14.27	23.83	9.37
Current portion of long-term Rupee loan (Refer Note 15 (b))	13.33	13.33	3.33
Interest accrued but not due on borrowings	13.02	10.98	7.84
Creditors for capital expenditure	9.70	19.04	4.36
Unclaimed dividend	0.54	1.03	0.73
	50.86	**68.21**	**25.64**

Note:-
There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2017.

Note 21A Derivatives-Liability

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Forward exchange contract used for hedging	24.80	9.68	7.15
Interest rate swap used for hedging			0.04
	24.80	**9.68**	**7.19**

Forward exchange contract used for hedging
Interest rate swap used for hedging

Note 22 Other current liabilities

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Statutory dues towards Government	10.81	7.33	6.69
Other payables (Refer Note below)	129.98	62.61	87.90
	140.79	**69.94**	**94.59**

Note:-
Other payables includes security deposit and advance from customers.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 23 Short term provisions

(₹ in crore)

	31 March 2017	31 March 2016	April 1, 2015
Provision for employee benefits		-	0.04
Liability to the Employee Gratuity Fund	0.91	0.85	0.82
Provision for leave benefits (Refer Note 34)	**0.91**	**0.85**	**0.86**

Note 24 Revenue from operations (Gross)

(₹ in crore)

	2016-17	2015-16
Sale of products (Gross)		
Finished goods	5,111.75	5,409.91
Raw materials	4.48	14.35
Traded goods	91.12	82.74
Total	**5,207.36**	**5,507.00**
Sale of services	40.65	11.09
Other operating revenue		
Others	40.81	33.28
Total	**40.81**	**33.28**
Revenue from operations (gross)	**5,288.82**	**5,551.37**

Note 25 Other Income

(₹ in crore)

	2016-17	2015-16
Interest income	7.47	6.87
Dividend income	-	0.57
Financial assets at FVTPL-net change in fair value	0.21	(0.15)
Net gain on sale of current investments	8.28	2.80
	15.96	**10.09**

Note 26 Cost of materials consumed

(₹ in crore)

	2016-17	2015-16
Inventory at the beginning of the year	460.37	605.94
Add : Purchases	3,714.41	3,637.16
	4,174.78	4,243.10
Less: Closing Inventory	615.49	460.34
	3,559.29	**3,782.76**

Note 27 Purchases of Stock-in-Trade

(₹ in crore)

	2016-17	2015-16
Thermoplastic Elastomers	30.10	25.04
Lubricants	21.31	15.73
Aluminium,HTLS Hardware & GSW Steel Wire, etc.	17.81	25.96
Others	9.88	1.45
	79.10	**68.18**

Note 28 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2016-17	2015-16
Inventories at the beginning of the year		
Finished goods	184.60	243.23
Work-in-progress	88.66	86.55

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in crore)

	2016-17	2015-16
Traded goods	14.05	11.24
	287.31	**341.02**
Inventories at the end of the year		
Finished goods	210.86	184.60
Work-in-progress	127.12	88.66
Traded goods	14.88	14.05
	352.86	**287.31**
	(65.55)	**53.71**

Note 29 Employee benefits expense

(₹ in crore)

	2016-17	2015-16
Salaries, wages and bonus	94.75	80.20
Contribution to provident and other funds	7.11	5.62
Gratuity expense	(1.11)	(0.42)
Staff welfare expenses	6.62	5.57
	107.37	**90.97**

Note 30 Finance costs

(₹ in crore)

	2016-17	2015-16
Interest expenses	77.93	83.11
Bank charges for borrowing	7.34	6.73
Applicable net loss on foreign currency transactions and translation	29.09	67.48
	114.36	**157.32**

Note 31 Other expenses

(₹ in crore)

	2016-17	2015-16
Consumption of stores and spares	25.25	23.72
Packing materials	199.07	187.23
Excise duty adjustment of finished goods stock	6.07	(8.79)
Storage charges	13.22	9.62
Power, electricity and fuel	61.18	56.42
Processing charges, fabrication and labour charges	94.83	90.11
Freight and forwarding charges	167.46	186.86
Rent	1.97	1.86
Rates and taxes	6.18	3.53
Insurance	5.98	5.68
Repairs and maintenance		
Plant and machinery	4.20	3.07
Buildings	3.02	2.34
Others	5.01	4.47
Advertising and sales promotion	2.40	1.73
Sales commission	29.87	37.91
Travelling and conveyance	18.01	16.69
Printing and stationery	1.94	1.79
Legal and professional fees	11.27	10.34
Directors' sitting fees	0.11	0.12
Commission to Chairman,Managing Director and Joint Managing Director	7.27	5.35
Discount and rebates	0.06	0.00
Lease rental	2.33	2.08
CSR Activities - Donations *	4.07	1.73
Other donations	0.02	0.13
Royalty	5.34	8.64

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in crore)

	2016-17	2015-16
Bank charges and commission	16.16	17.82
Bad debts and advances written-off	5.33	8.60
Less: Allowances for doubtful debts utilised	(0.92)	(2.29)
Allowances for doubtful debts and advances	10.84	7.10
Loss on sale of fixed assets (net)	0.63	0.06
Miscellaneous expenses (Refer note below)	39.90	36.92
	748.07	**720.82**

Note : Miscellaneous Expenses (includes Auditors' Remuneration)

(₹ in crore)

Auditor remuneration	**2016-17**	**2015-16**
Audit fees	0.27	0.24
Cost auditor's remuneration	0.01	0.01
Other services	0.12	0.13
Reimbursement of expenses	0.01	0.00
	0.41	**0.39**

*** Gross amount required to be spent by the Company during the year on CSR Activities : ₹ 2.35 crore.**

(₹ in crore)

Details of corporate social responsibility expenditure	**2016-17**	**2015-16**
Amount required to be spent by the Group during the year	2.35	2.14
Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.07	1.73
Yet to be paid in cash (including earlier years)	0.10	1.81

Note 32 Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

(₹ in crore)

	March 31, 2017	March 31, 2016
Profit (loss) for the year, attributable to the owners of the Company	176.57	121.69
Profit (loss) for the year, attributable to ordinary shareholders	176.57	121.69

ii. Weighted average number of ordinary shares (basic)

(₹ in crore)

	Note	March 31, 2017	March 31, 2016
Issued ordinary shares at April 1		38,496,769	36,861,116
Effect of buy back		(13,752)	-
Effect of treasury shares sold		-	603,217
Effect of share options exercised		-	234
Weighted average number of shares at March 31		**38,483,017**	**37,464,567**

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2017 and as at 31/03/2016, hence diluted earnings per share is same as basic earnings per share.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 32A **Additional information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries**
Statement of net assets & profit or loss attributable to owners & minority interest

Name of the entity	Net Assets i.e. Total assets minus Total liabilities		Share in profit/(loss)		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount Rs. in crore	As % of consolidated profit or loss	Amount Rs. in crore	As % of consolidated profit or loss	Amount Rs. in crore	As % of consolidated profit or loss	Amount Rs. in crore
Parent								
Apar Industries Limited	91.18	909.78	103.36	182.30	97.90	19.32	102.81	201.63
Subsidiaries								
Indian								
Apar Transmission & Distribution Projects Pvt Ltd	(0.00)	(0.01)	-	-	-	-		
Foreign								
Petroleum Specialities Pte Limited	9.75	97.33	1.52	2.69	7.27	1.44	2.10	4.13
Petroleum Specialities FZE	1.54	15.40	(4.88)	(8.61)	(5.17)	(1.02)	(4.91)	(9.63)
Minority Interests in all subsidiaries	-	-	-	-	-	-		
Adjustments / Eliminations	(2.48)	(24.72)	-	-	-	-		
Total	**100.00**	**997.78**	**100.00**	**176.38**	**11.19**	**19.74**	**100.00**	**196.12**
Joint Ventures								
Quantum Apar Speciality oils Pty Limited		0.07		0.19		-		0.19

Note 33 Tax expense

(a) Amounts recognised in profit and loss

(₹ in crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current income tax	92.64	52.17
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	4.51	4.86
On amalgamation of ALL	-	0.23
Deferred tax expense	4.51	5.09
Tax expense for the year	**97.15**	**57.26**

(b) Amounts recognised in other comprehensive income

(₹ in crore)

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(1.11)	0.38	(0.73)	(0.42)	0.15	(0.27)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	31.30	(10.83)	20.46	5.31	(1.84)	3.47
	30.18	**(10.45)**	**19.74**	**4.89**	**(1.69)**	**3.19**

(c) Reconciliation of effective tax rate

(₹ in crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax	**273.40**	**177.54**
Enacted Income tax rate in India	34.608%	34.608%
Tax using the Company's domestic tax rate	94.62	61.44
Tax effect of:		
Non-deductible tax expenses	0.41	0.14
Incremental deduction allowed for research and development costs	(0.65)	(0.80)
Income exempt from tax	-	(0.20)
Others	-	1.91
Recognition of tax effect of previously unrecognised tax losses\(gain)	0.39	(4.10)
Subsidiary profit taxed at different rate	2.38	(1.14)
	97.15	**57.26**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note	34	Financial instruments – Fair value measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crore)

		Carrying amount					Fair value			
March 31, 2017	**Note No.**	**Fair value- hedging instruments**	**FVTPL**	**FVTOCI**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets										
Investments										
- Mutual Fund	8		118.57			118.57	118.57			118.57
Loans & advances										
- Non-current						-				-
- Current	12				12.15	12.15				-
Trade Receivables										-
- Non-current					1.90	1.90				-
- Current	9				1,254.32	1,254.32				-
Cash and Cash Equivalents	10				109.80	109.80				-
Other Bank Balances	11				13.17	13.17				-
Other financial assets						-				
- Non-current	5				7.29	7.29				-
- Current					-	-				-
Derivatives	12A	37.26				37.26		37.26		37.26
Total financial assets		37.26	118.57	-	1,398.64	1,554.47	118.57	37.26	-	155.83
Financial liabilities										
Borrowings	15				277.03	277.03				-
Other financial liabilities										
- Non-current	16				2.51	2.51				-
- Current	21				50.86	50.86				-
Derivatives	21A	6.77	18.03			24.80		24.80		24.80
Trade Payables	20				1,772.49	1,772.49				-
Total financial liabilities		6.77	18.03	-	2,102.88	2,127.68	-	24.80	-	24.80

(₹ in crore)

		Carrying amount					Fair value			
March 31, 2016	**Note No.**	**Fair value- hedging instruments**	**FVTPL**	**FVTOCI**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets										
Investments										
- Mutual Fund	8		109.24			109.24	109.24			109.24
Loans & advances										-
- Non-current						-				-
- Current	12				13.53	13.53				-
Trade Receivables	9				1,090.39	1,090.39				-
Cash and Cash Equivalents	10				118.97	118.97				-
Other Bank Balances	11				14.89	14.89				-
Other financial assets										-
- Non-current	5				4.25	4.25				-
- Current					-	-				-
Derivatives	12A	0.01				0.01		0.01		0.01

Total financial assets		0.01	109.24	-	1,242.03	1,351.28	109.24	0.01	-	109.25
Financial liabilities										
Borrowings	15				347.27	347.27				-
Other financial liabilities										-
- Non-current	16				2.94	2.94				-
- Current	21				68.21	68.21				-
Derivatives	21A	0.18	9.50			9.68		9.68		9.68
Trade Payables	20				1,395.91	1,395.91				-
Total financial liabilities		0.18	9.50	-	1,814.33	1,824.01	-	9.68	-	9.68

(₹ in crore)

		Carrying amount					**Fair value**			
April 1, 2015	**Note No.**	**Fair value-hedging instruments**	**FVTPL**	**FVTOCI**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets										
Investments										
- Mutual Fund	8		5.59			5.59	5.59			5.59
Loans & advances										
- Non-current						-				-
- Current	12				19.57	19.57				-
Trade Receivables	9				1,236.22	1,236.22				-
Cash and Cash Equivalents	10				89.53	89.53				
Other Bank Balances	11				8.28	8.28				-
Other financial assets										-
- Non-current	5				4.52	4.52				-
- Current					-	-				-
Derivatives	12A		0.28			0.28		0.28		0.28
Total financial assets		-	5.86	-	1,358.12	1,363.99	5.59	0.28	-	5.86
Financial liabilities										
Borrowings	15				481.05	481.05				-
Other financial liabilities										-
- Non-current	16				2.72	2.72				-
- Current	21				25.64	25.64				-
Derivatives	21A	0.80	6.39			7.19		7.19		7.19
Trade Payables	20				1,562.83	1,562.83				-
Total financial liabilities		0.80	6.39	-	2,072.23	2,079.42	-	7.19	-	7.19

Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to Rs. 199.22 Crore and Rs. 205.87 Crore as of March 31, 2017, March 31, 2016, respectively, are not included.

Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to Rs. 146.09 crores and Rs. 74.33 crores as of March 31, 2017 and March 31, 2016 respectively, are not included

Note: The fair value for financial instruments such as trade receivables, cash and cash equivalents, trade payables etc have not been disclosed because the carrrying values approximate the fair value.

B. Measurement of fair values

Valuation techniques and significant observable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant observable inputs used (if any).

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Financial instruments measured at fair value

Type	Valuation technique	Level
Mutual fund investments	Quoted NAV	1
Commodity futures	Basis the quotes given by the LME broker/dealer.	2
Derivative liability Forward contracts for foreign exchange	FEDAI rate adjusted for interpolated spreads based on residual maturity	2
Interest rate swap for variable foreign currency loans	Basis the quotes given by the Bank	1

Note 34A Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management.

The Company's risk management framework, are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Note 35 Financial instruments – Fair values and risk management Credit Risk

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. The companies export receivables are covered under ECGC credit insurance policy.

The carrying amount of following financial assets represents the maximum credit exposure:

At March 31, the maximum exposure to credit risk for trade and other receivables age wise was as follows.

(₹ in crore)

	March 31, 2017	March 31, 2016	April 1, 2015
Neither past due nor impaired	877.23	710.27	582.90
past due 1-90 days	266.16	265.16	428.18
past due 91 -180 days	59.37	42.98	144.03
past due 180 days	51.56	71.98	81.11
	1,254.33	**1,090.39**	**1,236.22**

Management believes that the unimpaired amounts which are past due are fully collectable.

Short term loans and advances

At March 31, the maximum exposure to credit risk for short term loans and advances age wise was as follows.

(₹ in crore)

	March 31, 2017	March 31, 2016	April 1, 2015
Neither past due nor impaired	12.15	13.53	19.57
past due 1-90 days	-	-	-
past due 91 -180 days	-	-	-
past due 180 days	-	-	-
	12.15	**13.53**	**19.57**

Management believes that the unimpaired amounts which are past due are fully collectable.

The movement in the allowance for impairment in respect of trade receivable and short loans and advances as as follows

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in crore)

	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2015	14.58	-
Amounts provided	8.27	-
Amount written back	(4.37)	-
Balance as on 31 March 2016	18.48	-
Amounts provided	10.99	-
Amount written back	(2.45)	-
Balance as on 31 March 2017	27.02	-

Other non-current financial assets

Other non-current financial assets includes earnest money deposit, security deposits to customers. This advances and deposits were made in continuation of business related activities and are made after review as per companies policy.

Cash and cash equivalents

The Company holds cash and cash equivalents of Rs. 122.97 Crore as on 31 March 2017 (Rs. 133.86 Crore as on 31 March 2016). The cash and cash equivalents are held with the bank and financial institutions, with good credit ratings.

Derivatives

Derivatives are entered with counterparties who have good credit ratings.

Note 36 Financial instruments – Fair values and risk management Liquidity Risk

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in crore)

		Contractual cash flows				
March 31, 2017	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	118.15	118.15	27.60	56.91	33.64	-
Short term loan from bank (Secured)	73.05	73.05	73.05	-	-	-
Short term loan from bank (Unsecured)	113.42	113.42	113.42	-	-	-
Trade and other payables	1,772.49	1,772.49	1,772.49	-	-	-
Other financial liabilities	25.77	25.77	25.77	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	24.80	24.80	24.80	-	-	-
Interest Rate Swap						
- Outflow	-	1.16	1.16	-	-	-
- Inflow	0.13	1.29	1.29	-	-	-

(₹ in crore)

		Contractual cash flows				
March 31, 2016	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	120.63	120.63	37.16	25.61	55.60	2.26
Short term loan from bank (Secured)	148.90	148.90	148.90	-	-	-
Short term loan from bank (Unsecured)	114.90	114.90	114.90	-	-	-
Trade and other payables	1,395.91	1,395.91	1,395.91	-	-	-
Other financial liabilities	33.99	33.99	33.99	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	9.68	9.68	9.68	-	-	-
Interest Rate Swap						
- Outflow	-	0.45	0.45	-	-	-
- Inflow	0.01	0.47	0.47	-	-	-

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in crore)

	Contractual cash flows					
April 1, 2015	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	107.08	107.08	12.70	35.82	58.56	-
Short term loan from bank (Secured)	162.32	162.32	162.32	-	-	-
Short term loan from bank (Unsecured)	224.35	224.35	224.35	-	-	-
Trade and other payables	1,562.83	1,562.83	1,562.83	-	-	-
Other financial liabilities	15.66	15.66	15.66	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	7.19	7.19	7.19	-	-	-
Interest Rate Swap						
- Outflow	0.04	0.74	0.74	-	-	-
- Inflow	-	0.78	0.78	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Note 37 Financial instruments – Fair values and risk management

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Commodity risk

The Company is affected by the price volatility of certain commodities viz. Aluminum, Copper and Oil. Its operating activities require the ongoing purchase and manufacture of the conductors, cables and Oil and thus requires continuous supply of these commodities. Due to the increase in volatility of the price of the commodities namely Aluminum and Copper, the Company has purchased forward contracts (for which there is an active market).

Currency risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Company do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2017:

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date.

Figures in crore

	March 31, 2017					
	USD	**EUR**	**GBP**	**JPY**	**ETB**	**NPR**
Trade receivables	4.59	0.12	-	-	-	-
Cash and cash equivalents	0.99	0.00	-	-	0.71	2.64
Long term Borrowings	(1.31)	-	-	-	-	-
Short term borrowings	(1.49)	(0.57)	-	-	-	-
Trade payables	(5.14)	(0.02)	-	-	-	-
Net Exposure	(2.35)	(0.46)	-	-	0.71	2.64

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Figures in crore

	March 31, 2016					
	USD	EUR	GBP	JPY	ETB	NPR
Trade receivables	4.34	0.05	-	0.09	-	-
Cash and cash equivalents	1.01	0.00	-	-	0.57	3.82
Long term Borrowings	(1.12)					
Short term borrowings	(3.63)	-	-	-	-	-
Trade payables	(1.67)	(0.01)	(0.00)	-	-	-
Net Exposure	(1.07)	0.04	(0.00)	0.09	0.57	3.82

Figures in crore

	April 01, 2015					
	USD	EUR	GBP	JPY	ETB	NPR
Trade receivables	5.22	-	-	-	-	-
Cash and cash equivalents	1.02	0.00	-	-	-	-
Long term Borrowings	(0.92)	-	-	-	-	-
Short term borrowings	(4.98)	-	-	-	-	-
Trade payables	(7.08)	(0.00)	-	-	-	-
Net Exposure	(6.74)	(0.00)	-	-	-	-

The following significant exchange rates have been applied during the year.

	Average Rate			Year end Spot Rate		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
USD	67.09	65.45	61.14	64.85	66.25	62.42
EUR	73.61	72.28	77.48	69.07	75.43	67.24
GBP	87.64	98.75	98.54	81.35	95.44	92.40
JPY	0.62	0.55	0.52	0.58	0.59	0.52
ETB	2.93	3.04	3.04	2.81	3.05	3.02
NPR	0.61	0.61	0.61	0.61	0.61	0.61

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in crore)

	Profit or loss	
Effect in INR Crore	Strengthening	Weakening
March 31, 2017		
USD (1% movement)	1.53	(1.53)
EUR (1% movement)	0.32	(0.32)
GBP (1% movement)	-	-
JPY (1% movement)	-	-
ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.02)	0.02
	1.81	**(1.81)**

	Profit or loss	
Effect in INR Crore	Strengthening	Weakening
March 31, 2016		
USD (1% movement)	0.71	(0.71)
EUR (1% movement)	(0.03)	0.03
GBP (1% movement)	0.00	(0.00)
JPY (1% movement)	(0.00)	0.00
ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.02)	0.02
	0.64	**(0.64)**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 38 Financial instruments – Fair values and risk management Interest rate risk

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

In order to manager the risk of changing interest rates, the Company has entered into Interest Rate Swaps, whereby it switches its existing floating USD interest rate to USD fixed interest rates. This structure helps it hedge the risk of fluctuations in USD 6 month LIBOR on its USD Loan.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in crore)

	Nominal amount		
	March 31, 2017	March 31, 2016	April 1, 2015
Variable-rate instruments	118.15	120.63	107.08
	118.15	**120.63**	**107.08**

Interest rate sensitivity for fixed rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase	100 bp decrease
March 31, 2017		
Variable-rate instruments	(1.18)	1.18
Interest rate swaps	0.27	(0.27)
Cash flow sensitivity (net)	(0.92)	0.92
March 31, 2016		
Variable-rate instruments	(1.21)	1.21
Interest rate swaps	(0.13)	0.13
Cash flow sensitivity (net)	(1.34)	1.34

Note 39 Financial instruments – Hedge accounting

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss.

Currency risk-

The Group's risk management policy is to hedge its estimated foreign currency exposure in respect of highly forecasted purchase transactions. The Group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges. Group's policy is to match the critical terms of the forward exchange contracts with that of the hedged item.

Commodity risk

The Group's risk management policy is mitigate the impact of fluctuations in the aluminium/copper prices on highly forecast purchase transactions. The Group uses futures contract to hedge its commodity risk. Such contracts are generally designated as cash flow hedges.

Interest rate

The Group's risk management policy is to mitigate its interest rate risk exposure on floating rate borrowings by entering into fixed-rate instruments like interest rate swaps to eliminate the variability of cash flows attributable to movements in interest rates. Such hedges are designated as cash flow hedges.

For derivative contracts designated as hedge, the Company documents at inception the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The hedging book consists of transactions to hedge Balance Sheet assets or liabilities. The tenor of hedging instrument may be less than or equal to the tenor of underlying hedged asset or liability.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method/Dollar offset method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Interest rate hedge	Floating rate financial asset or liability	Floating rate financial asset or liability is converted into a fixed rate financial asset or liability using a floating to fixed interest rate swap. This is usually denominated in the currency of the underlying (which in most cases is the functional currency). if not, it may be combined currency swap.	Interest rate swap	Interest rate swap is a derivative instrument whereby the Company recieves or pays (in case of asset or a liability respectively) at a floating rate in return for a fixed rate asset or liability.	Cash flow hedge
2	Future contract	Highly probable purchase transaction	Mitigate the impact of fluctuations in aluminium and copper prices, on projected purchase contracts for metal	Futures contract	Company enters into a forward derivative contract to purchase a commodity at a fixed price and at a future date. These are customized contracts transacted in the over–the–counter market. Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over–the–counter market.	Cash flow hedge
3	Forward contract	foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Company enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts These are customized contracts transacted in the over–the–counter market.	Cash flow hedge

The Company, inter alia, takes into account the following criteria for constructing a hedge structure as part of its hedging strategy. The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in crore)

As at 31 March 2017									
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	26.59	0.13	-	(0.12)	(0.12)	NA	NA	(0.02)	Finance Cost
Foreign exchange forward contracts	92.02	-	6.55	5.67	5.67	NA	NA	(20.70)	Finance Cost
Commodity contracts	349.97	37.13	0.23	(36.21)	(36.21)	NA	NA	65.12	COGS

(₹ in crore)

As at 31 March 2016									
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	13.25	0.01	-	(0.05)	(0.05)	NA	NA	(0.06)	Finance Cost
Foreign exchange forward contracts	93.17	-	0.88	0.88	0.88	NA	NA	0.35	Finance Cost
Commodity contracts	664.88	0.73	0.03	(1.46)	(1.46)	NA	NA	(52.40)	COGS

(₹ in crore)

As at 1 April 2015				
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year
Interest rate swaps	21.85	-	4.37	(0.00)
Foreign exchange forward contracts	-	-	-	-
Commodity contracts	229.49	0.41	1.17	0.53

The tables below provide details of the Company's hedged items under cash flow hedges:

(₹ in crore)

	As at 31 March 2017			As at 31 March 2016		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve		Change in the value of hedged item for the year	Balance in cash flow hedge reserve	
		Where hedge accounting is continued	Where hedge accounting is discontinued		Where hedge accounting is continued	Where hedge accounting is discontinued
Floating rate borrowing	(0.12)	(0.13)	NA	(0.05)	(0.01)	NA
Highly probable purchases	5.67	6.55	NA	0.88	0.88	NA
Highly probable highly probable forecast transactions	(36.21)	(36.91)	NA	(1.46)	(0.70)	NA

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

accounting:

(₹ in crore)

	Movement in Cash flow hedge reserve for the years ended	
	31-Mar-17	31-Mar-16
Opening balance	0.17	0.80
Effective portion of changes in fair value:		
a) Interest rate risk	(0.10)	0.01
b) Commodity price risk	(101.33)	50.95
c)Foreign currency risk	26.37	0.53
Net amount reclassified to profit or loss:		
a) Interest rate risk	(0.02)	(0.06)
b) Commodity price risk	65.12	(52.40)
c)Foreign currency risk	(20.70)	0.35
Tax on movements on reserves during the year		
Closing balance	(30.49)	0.17

Disclosure of effects of hedge accounting on financial performance

(₹ in crore)

31st March, 2017				
Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	(0.12)	NA	(0.02)	Finance Cost
Foreign exchange risk	5.67	NA	(20.70)	Finance Cost
Commodity price risk	(36.21)	NA	65.12	COGS

(₹ in crore)

31st March, 2016				
Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	(0.05)	NA	(0.06)	Finance Cost
Foreign exchange risk	0.88	NA	0.35	Finance Cost
Commodity price risk	(1.46)	NA	(52.40)	COGS

Note 40 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
Total liabilities (Comprising of Interest bearing borrowing)	304.62	384.43
Less : Cash and cash equivalent	122.97	133.86
Adjusted net debt	**181.65**	**250.57**
Total equity	1,036.12	853.94
Less : Hedging reserve	19.66	(0.39)
Adjusted equity	**1,016.46**	**854.32**
Adjusted net debt to adjusted equity ratio	0.18	0.29

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 41 Segment reporting

A. **General Information**

(a) **Factors used to identify the entity's reportable segments, including the basis of organisation -**

The operations of the Company are segmented into Primary Segment (Business Segment) & Secondary Segment (Geographical Segment).

(b) **Following are reportable segments**

Reportable segment
Conductor
Transformer & Speciality Oils
Power/Telecom Cables

(c) **Identification of segments:**

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Profit or Loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products / services.

(d) **Segment revenue and results:**

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(e) **Segment assets and liabilities::**

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

B. **Information about reportable segments**

(₹ in crore)

For the year ended March 31, 2017							
Particulars	**Conductor**	**Transformer & Speciality Oils**	**Power/ Telecom Cables**	**Total Reportable segments**	**Other segments**	**Elimination**	**Total**
External revenues (Gross)	2,447.54	1,877.09	923.77	5,248.40	40.42	-	5,288.82
Other income	0.09	2.27	2.58	4.94	11.02	-	15.96
Intersegment revenue	13.95	3.93	3.07	20.95	0.48	(21.43)	-
Segment revenue	**2,461.58**	**1,883.29**	**929.42**	**5,274.29**	**51.92**	**(21.43)**	**5,304.78**
Segment profit (loss) before tax & Finance Cost	179.01	168.88	61.39	409.28	2.23	-	411.51
Less :- Interest expense							114.36
Less:- Other unallocated expenditure net of unallocable income							23.75
Profit before tax							273.40
Tax expenses							97.15
Share in net profit (loss) of associates / JV accounted by Equity method	-	0.32	-	0.32	-	-	0.32
Profit after tax							176.57
Capital employed							
Segment assets	1,313.77	1,162.61	702.33	3,178.70	25.47		3,204.17
Unallocable corporate and other assets				-			313.49
Total Asset	1,313.77	1,162.61	702.33	3,178.70	25.47	-	3,517.66
Segment liabilities	1,069.14	773.16	355.49	2,197.79	2.31		2,200.10
Unallocable corporate and other libilities				-			281.44
Total Liabilities	1,069.14	773.16	355.49	2,197.79	2.31	-	2,481.55
Capital expenditure	54.48	61.84	49.78	166.10	0.15		166.25
Capital expenditure -Unallocable							4.71
Depreciation and Amortisation expense	14.90	10.84	15.99	41.74	0.09		41.83
Depreciation and Amortisation-Unallocable							3.14

(₹ in crore)

For the year ended March 31, 2016							
Particulars	**Conductor**	**Transformer & Speciality Oils**	**Power/ Telecom Cables**	**Total Reportable segments**	**Other segments**	**Elimination**	**Total**
External revenues (Gross)	2,774.83	2,005.13	742.55	5,522.51	28.86	-	5,551.37
Other income	0.95	2.69	1.56	5.20	4.89	-	10.09
Intersegment revenue	9.46	3.04	1.72	14.21	-	(14.21)	-
Segment revenue	**2,785.24**	**2,010.86**	**745.83**	**5,541.92**	**33.75**	**(14.21)**	**5,561.46**
Segment profit (loss) before tax & Finance Cost	130.98	196.78	29.35	357.11	2.27		359.38
Less :- Interest expense							157.32
Less:- Other unallocated expenditure net of unallocable income							24.52
Profit before tax							177.54
Tax expenses							57.26
Share in net profit (loss) of associates / JV accounted by Equity method	-	1.41	-	1.41	-	-	1.41
Profit after tax							121.69
Capital employed							
Segment assets	1,176.64	929.57	526.25	2,632.46	19.51	-	2,651.97
Unallocable corporate and other assets							266.59
Total Asset	1176.64	929.57	526.25	2,632.46	19.51	-	2,918.56
Segment liabilities	901.41	565.34	319.59	1,786.34	1.52		1,787.86
Unallocable corporate and other liabilities							276.77
Total Liabilities	901.41	565.34	319.59	1,786.34	1.52	-	2,064.63
Capital expenditure	45.51	57.59	16.32	119.42	0.88		120.30
Capital expenditure -Unallocable							3.26
Depreciation and Amortisation expense	11.06	9.33	14.25	34.64	0.07		34.71
Depreciation and Amortisation- Unallocable					-		2.99

C. Information about geographical areas

(₹ in crore)

(a) Revenue from external customers	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
- Within India*	3,930.25	3,900.41
- Outside India	1,358.57	1,650.96
	5,288.82	**5,551.37**

* Includes deemed exports ₹ 121.43 Crore (Provision Loan ₹ 114.90 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	**31/3/2017**	**31/3/2016**
USD (US Dollor)	1,292.92	1,585.71
EUR (EURO)	29.39	7.96
NPR (Nepalese Rupee)	-	2.07
CAD (Canadian Dollor)	0.51	-
JPY (Japanese Yen)	0.15	0.10
INR	35.60	55.12
Total	**1,358.57**	**1,650.96**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in crore)

(b) Segment Assets	For the year ended March 31, 2017	For the year ended March 31, 2016
- Within India	3,017.18	2,502.13
- Outside India	500.48	416.43
	3,517.66	**2,918.56**

(₹ in crore)

Segment assets outside India currency wise	31/3/2017	31/3/2016
USD (US Dollor)	488.21	408.45
EUR (EURO)	8.66	3.85
NPR (Nepalese Rupee)	1.62	2.34
JPY (Japanese Yen)	-	0.05
ETB (Ethiopian Birr)	1.99	1.74
Total	**500.48**	**416.43**

Note 42 Related party relationships, transactions and balances

A. List of Related Parties

a). Key Managerial Personnel:

Mr. K. N. Desai - Chairman and Managing Director (Chairman w.e.f. 08.11.2016)
Mr. C. N. Desai - Managing Director
Mr. Rishabh Kushal Desai - Director - Petroleum Specialities FZE
Mr. V. C. Diwadkar- Chief Financial Officer
Mr. Sanjaya Kunder- Company Secretary
Mr.G.Sudhakar - Director -Petroleum Specialities Pte. Ltd
Mr. Sani William Lee - Director - Quantum Apar Speciality Oils Pty Ltd.

b). Chairman having significant influence:

Dr. N. D. Desai - Non Executive Chairman - Upto 16.10.2016

c). Relatives of Key Managerial Personnel

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

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 Investment (Singapore) Pte. Ltd
b) Apar Investment Inc.
Apar Technologies Private Ltd
Apar Technologist Pte Ltd
Maithili Trusteeship Services Private Ltd
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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Gayatri Associates

Kushal N. Desai Family Private Trust

Narendra D. Desai Family Private Trust

Quantum Chemical Pty Ltd

B. Related Party Transactions

(i) Key Managerial Personnel :

(₹ in crore)

Sr No.	Transactions	2016-17	2015-16
1	Remuneration	9.69	6.42
2	Dividends paid (payment basis)	-	14.75
3	Buy back of shares	14.90	-

(ii) Chairman having significant influence Upto 16.10.2016 (₹ in crore)

Sr No.	Transactions	2016-17	2015-16
1	Director's commission	1.56	1.78
2	Legal and professional fees	-	0.55
3	Sitting fees	0.01	0.02
4	Dividends paid (payment basis)	-	7.27

(iii) Relatives of Key Managerial Personnel: (₹ in crore)

Sr No.	Transactions	2016-17	2015-16
1	Salary paid	-	0.01
2	Dividends paid (payment basis)	-	0.01
3	Buy back of shares	0.00	-

(iv) Entities over which key management personnel/individual having significant influence (₹ in crore)

Sr No.	Transactions	2016-17	2015-16
1	Rent paid	0.21	0.11
2	Dividends paid (payment basis)	-	0.95
3	Management Fees	0.23	1.42
4	Dividend received	-	0.57
5	Buy back of shares	0.14	-
6	Outstanding as on March 31		
	Loans and deposits payable	-	0.00
	Loans and advances receivable	3.37	2.73

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)

	2016-17	2015-16
(i) Dividends paid (payment basis)		
- Dr. N. D. Desai	-	7.27
- Kushal N. Desai	-	7.36
- Chaitanya N. Desai	-	7.36
(ii) Legal and professional fees		
- Dr. N. D. Desai	-	0.55
(iii) Rent paid		
- Apar Corporation Private Ltd.	0.09	-
- Apar Technologies Private Ltd	0.11	0.11
(iv) Director remuneration		
- Kushal N. Desai	4.02	2.70
- Chaitanya N. Desai	4.04	2.73
- Dr. N. D. Desai	1.56	1.78
(v) Sitting fees		
- Dr. N. D. Desai	0.01	0.02
(vi) Buyback of shares		

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in crore)

	2016-17	2015-16
- Kushal N. Desai	7.43	-
- Chaitanya N. Desai	7.48	-
(vii) Managment fees		
- Quantum Chemical Pty Ltd	0.23	1.42
(viii) Dividend received		
- AIL Benefit trust	-	0.57

Note 43 Contingent liabilities and commitments

A) Contingent liabilities and commitments (to the extent not provided for)

(₹ in crore)

		March 31, 2017	March 31, 2016	April 1, 2015
	Contingent liabilities			
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)	5.61	6.49	7.15
	Service tax	-	-	0.20
	Customs duty	7.18	4.81	4.81
	Sales tax	14.34	13.27	12.88
ii)	Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	10.52	9.90	9.28
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.	5.12	5.12	4.45
iv)	Labour matters	2.17	2.12	2.12
v)	Others	6.59	6.65	6.47
b)	Bills of exchange discounted	51.58	89.14	57.84
c)	Taxation:			
	Disputed demands of income tax	-	0.12	7.11

B) Capital commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	17.71	37.10	5.80

Note 44 Master Netting

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2017, March 31, 2016 and 1 April 2015.

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
31 March 2017			
Financial assets			
Derivative instruments			
Forward contract	37.13	0.23	36.91
Interest rate swap	0.13	-	0.13
Total	37.26	0.23	**37.04**
Financial liabilities			
Derivative instruments			
Forward contract	24.80	0.23	24.57
Interest rate swap	-	-	-
Total	**24.80**	**0.23**	**24.57**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
31 March 2016			
Financial assets			
Derivative instruments			
Forward contract	-	-	-
Interest rate swap	0.01	-	0.01
Total	0.01	-	**0.01**
Financial liabilities			
Derivative instruments			
Forward contract	9.68	-	9.68
Interest rate swap	-	-	-
Total	9.68	-	9.68

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
1 April 2015			
Financial assets			
Derivative instruments			
Forward contract	0.28	0.28	-
Interest rate swap	-	-	-
Total	0.28	0.28	**-**
Financial liabilities			
Derivative instruments			
Forward contract	7.15	0.28	6.88
Interest rate swap	0.04	-	0.04
Total	7.19	0.28	6.92

Company enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreement. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in same currency are aggregated into a single net amount that is payable by one party to other.

In certain circumstances e.g. when a credit event such as default occurs-all outstanding transactions under the agreement are terminated, the termination value is assessed and only a net amount is payable in the settlement of all transactions.

The ISDA master netting agreement do not meet the criteria for offsetting in the balance sheet. This is because the Company does not have ant currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on default.

Note 45 SBN

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

(₹)

	Rupees		
Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2,233,000	769,616	**3,002,616**
(+) Permitted receipts	-	4,278,553	**4,278,553**
(-) Permitted payments	-	(3,479,866)	**(3,479,866)**
(-) Amount deposited in Banks	(2,233,000)	(846)	**(2,233,846)**
Closing cash in hand as on 30.12.2016	-	**1,567,457**	**1,567,457**

Note 46 Explanation to transition to IND AS

A. Transition to Ind AS

These are Company's first consolidated financial statements prepared in accordance with Ind AS. The company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April 2016, with a transition date of 1st April 2015. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March 2017 for the company, be applied retrospectively and consistently for all financial

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as the transition date between the Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

B. Set out below are the Ind AS 101 mandatory exceptions applied in the transition from previous GAAP to Ind AS and optional exemptions availed as applicable.

B.1 Ind AS mandatory exceptions

B.1.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

1. Determination of whether significant risk and rewards are transferred to the customer

2. Fair valuation of financial instruments (including derivative instruments)

3. Impairment of financial instruments"

B.1.2 De-recognition of financial assets and liabilities

"Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS."

B.1.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B.2 Ind AS optional exemptions

B.2.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and Other Intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

B.2.2 Deemed cost for investments in subsidiaries, joint ventures and associates

Ind AS 101 permits a first time adopter to elect to continue with the carrying value of its investments in subsidiaries, joint ventures and associates as recognised in the financial statements as at the date of transition to Ind AS. Accordingly, the Company has elected to measure all its investments in subsidiaries, joint ventures and associats at their previous GAAP carrying value.

B.2.3 Share based payments

Ind AS 101 permits entities not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the group has elected to measure only the unvested stock options on the date of transition as per Ind AS 102.

B.2.4 Business Combinations

A first-time adopter may elect not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs). Accordingly, the company has not restated any of the past business combinations. for business combinaions prior to 1 April 2015, goodwill represents amount recognised under the previous GAAP subject to adjustments as prescribed under Ind AS 101

Note 46 Explanation to transition to IND AS (continued)

For the purposes of reporting as set out in Note 1, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the "transition date").

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Reconciliation of equity as at April 01, 2015

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	a	38.50	(1.64)	36.86
(b) Other equity				
Reserves & Surplus	a,b,c,d,e,f,h,i & j	652.25	(16.58)	637.05
Other reserves		39.06	-	37.72
Equity attributable to equity holders of the parent		**729.81**	**(18.21)**	**711.63**
Minority Interest		1.21	(1.21)	-
Total equity		**731.02**	**(19.42)**	**711.63**
Non current liabilities				
Financial liabilities				
Borrowings	c	94.79	(0.40)	94.38
Other financial liabilities		2.74	-	2.72
Provisions		4.01	-	4.01
Deferred tax liabilities(net)	d	27.44	(2.89)	24.55
Other non-current liabilities		-	-	-
Total non current liabilities		**128.98**	**(3.29)**	**125.66**
Current liabilities				
Financial liabilities				
Borrowings		386.67		386.67
Trade and other payables	e,f & g	1,572.73	(9.91)	1,562.83
Other financial liabilities	f & g	4.63	21.00	25.64
Derivatives	f	-	7.19	7.19
Other current liabilities	g	116.13	(21.53)	94.59
Short term provisions	b	15.76	(14.90)	0.86
Liabilities for current tax(net)		-	116.36	116.36
Total current liabilities		**2,095.92**	**98.21**	**2,194.13**
Total liabilities		**2,224.90**	**94.92**	**2,319.79**
Total Equity and Liabilities		**2,955.92**	**75.50**	**3,031.42**

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		369.48	-	369.48
Capital work-in-progress		10.24	-	10.24
Goodwill		-	-	-
Goodwill on consolidation		21.72	-	21.72
Other Intangible assets		3.36	-	3.36
Invesments in Subsidiaries and Joint Ventures		-	2.27	2.27
Financial Assets				
Other non-current assets	h	4.57	(0.05)	4.52
Other non-current assets		40.22	(18.74)	21.47
Other Tax Assets		-	133.92	133.92
Total non current assets		**449.59**	**117.39**	**566.98**
Current Assets				
Inventories	e	944.25	23.36	967.60
Financial Assets				
Current investments	i	5.26	0.33	5.59
Trade and other receivables	e	1,267.00	(30.78)	1,236.22
Cash and cash equivalents		92.19	(2.66)	89.53
Bank balances other than (iii) above		8.28		8.28
Short-term loans and advances	h & j	150.73	(131.16)	19.57
Derivatives		-	0.28	0.28
Other current assets	a	38.62	98.75	137.37
Total current assets		2,506.33	(41.89)	2,464.44
TOTAL ASSETS		**2,955.92**	**75.50**	**3,031.42**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Reconciliation of equity as at March 31, 2016

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		38.50	-	38.50
(b) Other equity				
Reserves & Surplus	a,b,c,d,e,f,h,i & j	776.41	1.89	774.52
Other reserves		44.37	3.45	40.92
Equity attributable to equity holders of the parent		**859.27**	**5.33**	**853.94**
Minority Interest		1.71	1.71	-
Total equity		**860.98**	**7.04**	**853.94**
Non current liabilities				
Financial liabilities				
Borrowings	c	83.70	0.23	83.47
Other financial liabilities		2.28	(0.67)	2.94
Provisions		3.54	-	3.55
Deferred tax liabilities(net)	d	31.27	0.17	31.09
Total non current liabilities		**120.79**	**(0.26)**	**121.05**
Current liabilities				
Financial liabilities				
Borrowings		263.80	-	263.80
Trade and other payables	e	1,405.51	9.60	1,395.91
Other financial liabilities	f & g	-	(68.21)	68.21
Derivatives	f	-	(9.68)	9.68
Other current liabilities	g	139.10	69.15	69.94
Short term provisions		2.39	1.55	0.85
Liabilities for current tax(net)		-	(135.18)	135.18
Total current liabilities		**1,810.81**	**(132.77)**	**1,943.57**
Total liabilities		**1,931.60**	**(133.03)**	**2,064.63**
Total Equity and Liabilities		**2,792.58**	**(125.98)**	**2,918.56**

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		385.09	-	385.07
Capital work-in-progress		56.11	-	56.11
Goodwill		10.08	-	10.08
Goodwill on consolidation			-	-
Other Intangible assets		2.69	-	2.70
Invesments in associates and Joint Ventures		-	(3.21)	3.21
Financial Assets			-	
Other non-current assets	h	76.55	72.30	4.25
Other non-current assets			(72.20)	72.20
Other Tax Assets			(134.48)	134.48
Total non current assets		**530.52**	**(137.60)**	**668.11**
Current Assets				
Inventories	e	774.89	5.13	769.76
Financial Assets			-	
Current investments	i	109.06	(0.18)	109.24
Trade and other receivables	e	1,088.84	(1.55)	1,090.39
Cash and cash equivalents		136.98	18.01	118.97
Bank balances other than (iii) above		-	(14.89)	14.89
Short-term loans and advances	h & j	147.17	133.64	13.53
Derivatives	f		(0.01)	0.01
Other current assets	a	5.12	(128.55)	133.67
Total current assets		**2,262.06**	**11.62**	**2,250.45**
TOTAL ASSETS		**2,792.58**	**(125.98)**	**2,918.56**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

Reconciliation of total comprehensive income for the year ended March 31, 2016

(₹ in crore)

	Notes	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind As
Revenue				
Revenue from Operations (Gross)	e	5,552.90	(1.53)	5,551.37
Less : Excise Duty		(472.87)	472.87	-
I. Revenue from Operations (Net)		5,080.03	471.34	5,551.37
II. Other income	i & l	3.37	6.73	10.09
III. Total Revenue		**5,083.39**	**478.07**	**5,561.46**
IV. Expenses				
Cost of materials consumed	e	3,792.92	10.17	3,782.76
Purchases of Stock-in-Trade		68.18	0.00	68.18
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	e	20.74	(32.97)	53.71
Excise Duty			(472.88)	472.88
Employee benefits expense	k	91.39	0.42	90.97
Finance costs	c,f & l	151.38	(5.94)	157.32
Depreciation and amortization expense		37.77	0.01	37.76
Other expenses	e	743.52	23.18	720.35
Total Expenses		**4,905.91**	**(478.02)**	**5,383.92**
V. Profit Before Exceptional Items and Tax		177.49	0.05	177.54
VI. Exceptional Items	a	43.15	(43.15)	-
VII. Profit Before Tax		220.63	(43.10)	177.54
VIII. Tax expense:				
1. Current Tax	k	57.13	0.84	56.27
2. Deferred Tax	d	4.07	(1.01)	5.09
3. Taxes of earlier years		(4.10)	-	(4.10)
		57.10	**(0.17)**	**57.26**
IX. Profit/(Loss) for the period		**163.55**	**(43.27)**	**120.28**
X. Share in net profit (loss) of associates / JV		-	1.41	1.41
XI. Other Comprehensive Income				
Items that will not be reclassified to profit or loss	k	-	(0.42)	(0.42)
Income tax relating to items that will not be reclassified to profit or loss	k	-	0.15	0.15
Items that will be reclassified to profit or loss		-	5.31	5.31
Income tax relating to items that will be reclassified to profit or loss		-	(1.84)	(1.84)
XII. Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**163.55**	**(38.67)**	**124.88**

Note 46 Explanation to transition to IND AS (continued)

For the purposes of reporting as set out in Note 1, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the "transition date").

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

Net worth reconciliation as at 1 April, 2015 and 31 March, 2016

(₹ in crore)

S.No.	Particulars		1 April, 2015	31 March, 2016
	Net worth as per IGAAP		**731.02**	**860.98**
	Adjustments:-			
Less	Treasury Shares	a	27.88	-
	Loan processing fees/ transaction costs	c	5.50	4.87
	Difference on account of revenue recognition net of related costs	e	2.13	0.46
	Fair valuation of derivatives	f	0.81	0.50
	Amortisation of prepaid lease rent due to discounting of deposits (net of related interest income)		0.00	0.00
	Minority Interest (Ind AS impact for Subsidiary to associate)		1.21	1.71

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in crore)

	Deferred tax impact on items to be reclassified to profit or loss		-	1.84
Add	Proposed dividend & Tax on dividend	b	14.90	-
	Income tax impact of above adjustments	d	2.89	1.96
	Fair valuation of financial assets		0.34	0.18
	Reserves (Ind AS impact for Subsidiary to associate)		-	0.19
	Total impact on net worth		(19.39)	(7.04)
	Net worth as per Ind AS		**711.63**	**853.94**

Reconciliation of Profit for the period ended 31 March, 2016

(₹ in crore)

S.No.	Particulars		
	Net Profit as per IGAAP as on 31 March, 2016		**163.55**
	Adjustments:-		
	Difference on account of revenue recognition net of related costs	e	1.66
	Amortisation of Loan Processing Fees	c	0.63
	Change in Fair value of Derivatives	f	0.31
	Income tax impact of above adjustments	d	(0.86)
	Change in fair value of Investments	i	(0.15)
	Sale of Treasury Shares	a	(43.15)
	Consolidation impact of subsidiary to associate due to GAAP difference		(0.56)
	Items of OCI that will be reclassified to profit or loss (net)		3.47
	Total impact on Net Profit		**(38.66)**
	Net Profit as per Ind AS as on 31 March, 2016		**124.88**

Notes :

a **Treasury Shares :-**

Under Indian GAAP, Treasury Shares were shown as receivable under other current asset. However as per para 33 of Ind AS 32, Financial Instruments: Presentation, If an entity reacquires its own equity instruments, those instruments ('treasury shares') shall be deducted from equity.

b **Proposed dividend :-**

Under Indian GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

c **Loan processing fees :**

Under Indian GAAP, all costs which are directly attributable and incremental to the origination of borrowing required to be charged to Profit and Loss account. Under Ind AS, this costs required to be reduced from the borrowing at inception and recognise as finance cost in Statement of profit and loss subsequent to the date of transition over the tenure of borrowing.

d **Income tax impact of above adjustments:**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

e **Revenue**

"Revenue from sale of goods has been recognised only when the risk, rewards and control in the goods passes to the buyer, hence, cost corresponding to the revenue has been deferred.

Excise Duty

Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2016. The total comprehensive income for the year ended and equity as at 31 March 2016 has remained unchanged.

Cash incentives - Under IGAAP, cash incentives provided to customers were recorded under Other expenses. Under Ind AS, all such cash incentives given to customers are recorded net off revenue. This has resulted in reduction in sales and other expenses and will have no impact on profit."

f **Fair Valuation of derivatives:**

Under Indian GAAP, the premium and discount on forward contracts were amortised over the contract period. However, under Ind AS all derivatives are measured at fair value at each reporting period and changes therein are recognised in profit and loss.

g **Financial Liabilities:**

As per Schedule III of companies act, financial liabilities are disclosed as other financial liabilities, which are earlier shown as other current liabilities.

h **Interest free deposit & Advance rent**

As per Ind AS 109, all financial assets and liabilities are to be measured at fair value on initial recognition. Accordingly, security deposits placed / collected in relation to arrangements which are non-cancellable for limited periods, are to be recognised at their respective fair values and the difference between fair value and transaction price is recognised in opening reserves at the transition date and changes thereafter have to be recognised in statement of profit and loss.

i **Fair valuation of investments:**

Under Indian GAAP, the Company accounted for long term investments at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTPL , which are measured at fair value. At the date of transition to Ind AS, difference between the instruments' fair value and Indian GAAP carrying amount has been recognised in the statement of profit and loss.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2017

j **Bill discounted without recourse**
Under Ind AS, the trade receivables without recourse have been derecognized and corresponding discounting charges have been expensed as finance cost.

k **Employee Benefit**
Both under IGAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Note 47 Research and Development Expenses :

(A) R & D Center-OIL Division (Rabale - DSIR Recognised)

(₹ in crore)

		2016-17	2015-16
(a)	Salary, wages and other benefits	1.64	2.22
	Consumables and Other expenses	0.23	0.08
	sub-Total	1.87	2.30
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	0.01
		-	0.01
	Total	**1.87**	**2.31**

(B) R & D Center-Conductor Division

(₹ in crore)

		2016-17	2015-16
(a)	Salary, wages and other benefits	-	-
(b)	Consumables and other expenses	3.70	0.35
	sub-Total	3.70	0.35
(c)	Capital expenditure		
	Building		-
	Plant and machinery	1.15	0.72
		-	-
		1.15	0.72
	Total	**4.85**	**1.07**

(C) R & D Center-Cable Division

(₹ in crore)

		2016-17	2015-16
(a)	Salary, wages and other benefits	0.11	0.16
	Consumables and other expenses	0.41	0.39
	sub-Total	0.51	0.56
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	0.01	-
		0.01	-
	Total	**0.52**	**0.56**
	Grand Total (A+B+C)	**7.24**	**3.94**

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

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai, 30th May, 2017

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2017

Nina P. Kapasi
Director
DIN : 02856816

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		Apar Transmission and Distribution Projects Private Limited	Quantum Apar Speciality Oils Pty. Limited, Australia (Note 2)	
		In USD	₹ in Crore	In USD	₹ in Crore	₹ in Crore	In AUD	₹ in Crore
(a)	Capital	59,101	0.26	3,405,995	22.69	0.01	-	-
(b)	Reserve	14,816,172	96.99	(1,025,156)	(7.29)	(0.01)	0.00	(0.00)
(c)	Total Assets	16,777,820	109.33	27,139,865	175.98	0.01	26,627	0.13
(d)	Total Liabilities	1,902,547	12.08	24,759,026	160.58	0.01	26,627	0.13
(e)	Details of investment (Except in case of investment in Subsidiaries)	-	-	-	-		-	-
(f)	Turnover	9,310,564	62.51	1,068,951	7.17	-	1,816,462	9.16
(g)	Profit before taxation	829,477	5.42	(1,010,385)	(8.61)	(0.01)	39,325	0.64
(h)	Provision for taxation	6,971	0.09	-	-	-	27,675	0.14
(i)	Profit after taxation	822,505	5.33	(1,010,385)	(8.61)	(0.01)	11,651	0.50
(j)	Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(k)	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	65.00%	65.00%

Notes :

1) As on 31.03.2017: 1 U.S. Dollar(USD) = ₹ 64.8600, 1 Australian Dollar(AUD) = ₹ 49.4890

2) Since the end of the financial year the shareholders and directors have resolved to cease the business, liquidate all assets , pay out all liabilities and return the net proceeds to the shareholders.

The Company has applied for Voluntary deregistration of the Company.

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	:	Not Applicable
(b)	Nature of contracts/arrangements/transactions	:	Not Applicable
(c)	Duration of the contracts / arrangements/transactions	:	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Not Applicable
(e)	Justification for entering into such contracts or arrangements or transactions	:	Not Applicable
(f)	Date(s) of approval by the Board	:	Not Applicable
(g)	Amount paid as advances, if any	:	Not Applicable
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	:	Not Applicable
(b)	Nature of contracts/arrangements/transactions	:	Not Applicable
(c)	Duration of the contracts / arrangements/transactions	:	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Not Applicable
(e)	Date(s) of approval by the Board, if any	:	Not Applicable
(f)	Amount paid as advances, if any	:	Not Applicable

Notes :

There are no material contract or arrangement or transaction entered in to by the Company with related party as envisaged u/s 188 of the Companies Act, 2013. Related party transactions as per IND AS are reported on Note No. 43 of Audited Financial Statements annexed hereto.

On behalf of the Board of Directors

(Kushal N. Desai)
Chairman & Managing Director

Mumbai, 30th May, 2017

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 EIGHTH ANNUAL GENERAL MEETING
Wednesday, 9th August, 2017

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 :

1. Name :
   Address :
   Email Id :
   Signature ________________________ or failing him / her;
2. Name :
   Address :
   Email Id :
   Signature ________________________ or failing him / her;
3. 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 28th Annual General Meeting of the Company to be held on Wednesday, August 9, 2017 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 on the Equity Shares of the Company.		
3.	Re-appointment of Mr. Kushal N. Desai as Director who retires by rotation and being eligible offers himself for re-appointment.		
4.	Appointment of Statutory Auditors.		
Special Business :			
5.	Appointment of Mr. Rajesh Sehgal as Independent Director of the Company.		
6.	Payment of remuneration to Cost Auditors.		
7.	Adoption of new set of Articles of Association of the Company.		

Signed this ______________________ day of _________________, 2017.
Signature of shareholder______________________________
Signature of Proxy holder(s) ____________________________

Affix Revenue Stamp

Notes :

1. 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.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Eighth Annual General Meeting.
3. * 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.
4. 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 EIGHTH ANNUAL GENERAL MEETING
Wednesday, 9th August, 2017

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 **28th Annual General Meeting** of the Company to be held on **Wednesday, 9th August, 2017** 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]

Name of the Company	:	Apar Industries Limited
Registered office	:	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, 2017 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. **(Ordinary Resolution)**			
2.	To declare dividend on the Equity Shares of the Company. **(Ordinary Resolution)**			
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. **(Ordinary Resolution)**			
4.	To appoint M/s Sharp & Tannan (Firm Registration No. 127145W), Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of AGM to be held in the year 2020 and authorise the Board of Directors to fix their remuneration. **(Ordinary Resolution)**			
SPECIAL BUSINESS:				
5.	To approve appointment of Mr. Rajesh Sehgal as Independent Director of the Company for a period of five years. **(Ordinary Resolution)**			
6.	To confirm appointment and ratify payment of remuneration not exceeding Rs. 1,20,000/- p.a. to Mr. T. M. Rathi, the Cost Auditors for the Financial Year ending 31st March, 2018 **(Ordinary Resolution)**			
7.	To adopt new set of Articles of Association of the Company. **(Special Resolution)**			

Place :Vadodara

Date : **(Signature of the shareholder)**

COURIER

www.apar.com

APAR INDUSTRIES LTD.

CIN : L91110GJ1989PLC012802

If undelivered please return to:

APAR INDUSTRIES LTD.
301, Panorama Complex, R. C. Dutt Road,
Vododara - 390007, Gujarat

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