APAR INDUSTRIES LTD.

Tomorrow's Progress Today

ANNUAL REPORT 2019-20

POWERING AHEAD

62 years of powerful performance

Inside This REPORT

Forward-looking statement

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

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Corporate Information

BOARD OF DIRECTORS

Mr. Kushal N. Desai	Chairman & Managing Director
Mrs. Nina Kapasi	Independent Director
Mr. F. B. Virani	Independent Director
Mr. C. N. Desai	Managing Director
Mr. Rajesh Sehgal	Independent Director
Mr. Rishabh K. Desai	Non Executive and Non Independent Director

BOARD COMMITTEES

Audit Committee	Corporate Social Responsibility Committee	Nomination and Compensation-cum-Remuneration Committee	Share Transfer & Shareholders Grievance-cum-Stakeholders Relationship Committee	Risk Management Committee
Mrs. Nina Kapasi - Chairperson	Mr. Kushal N. Desai – Chairman	Mr. Rajesh Sehgal – Chairman	Mr. F. B. Virani - Chairman	Mr. Kushal N. Desai – Chairman
Mr. F. B. Virani	Mr. F. B. Virani	Mr. F. B. Virani	Mr. Kushal N. Desai	Mr. Chaitanya N. Desai
Mr. Rajesh Sehgal	Mr. Chaitanya N. Desai	Mrs. Nina Kapasi	Mr. Chaitanya N. Desai	Mr. Rajesh Sehgal
Mr. Kushal N. Desai				Mrs. Nina Kapasi
				Other Committee Members from the Management.

STATUTORY AUDITORS

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

CHIEF FINANCIAL OFFICER

Mr. V. C. Diwadkar

COMPANY SECRETARY

Mr. Sanjaya Kunder

BANKERS

- Union Bank of India
- IDBI Bank Limited
- IDFC Bank Limited
- Credit Agricole – Corporate & Investment Bank
- Societe Generale
- Indusind Bank Ltd.
- Syndicate Bank
- ICICI Bank Ltd.
- Axis Bank Ltd.
- RBL Bank Ltd.
- Emirates NBD Bank
- Kotak Mahindra Bank Ltd.
- State Bank of India
- Bank of India
- YES Bank Limited
- DBS Bank Ltd.

Registered Office
301, Panorama Complex,
R. C. Dutt Road,
Vadodara – 390 007 (Gujarat), India
Tel : (+91) (0265) 2339906
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, (Maharashtra), India
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), India
Tel : (+91) (0265) 6136000, 6136001
Fax : (+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	2019-20*	2018-19*	2017-18*	2016-17*	2015-16*
PROFIT AND LOSS ACCOUNT DATA :					
Sales (Net of Excise)	7,462	7,964	5,819	4,832	5,078
% of Growth	(6)	37	20	(5)	(1)
Exports	2,523	2,443	2,023	1,359	1,651
Materials, Operating and other costs	6,817	7,351	5,288	4,321	4,625
Employee cost	169	148	126	107	91
Depreciation	87	67	56	45	38
Interest and Discounting charges	228	200	140	114	157
Profit before tax, exceptional & Extraordinary Items	169	216	223	273	178
% of Growth	(22)	(3)	(19)	54	144
Taxation	34	80	78	97	57
Profit after tax (PAT)	135	136	145	176	120
Exceptional items	-	-	-	-	-
Other Comprehensive Income	(83)	2	(27)	20	3
Joint Venture profit/(loss)	-	-	-	0	1
Minority Interest (Profit)/loss	-	-	-	-	-
Balance of Profit	52	138	118	196	125
% of Growth	(63)	17	(40)	57	152
BALANCE SHEET DATA:					
Share Capital	38	38	38	38	38
Reserves & Surplus	1,128	1,164	1,070	998	815
Net worth	1,166	1,202	1,108	1,036	854
Minority interest	-	-	(0)	-	-
Loan Funds	317	253	273	254	361
Defferred Tax (Net)	1	40	35	46	31
Total Liabilities	**1,484**	**1,496**	**1,416**	**1,336**	**1,246**
Gross Block	1,153	893	769	640	★422
Net Block	939	810	663	594	444
Investments including Goodwill on Consolidation/amalgamation	-	2	5	7	13
Net Current assets	545	684	748	734	789
Total Assets	**1,484**	**1,496**	**1,416**	**1,336**	**1,246**
KEY RATIOS:-					
PAT to Sales (%)	1.81	1.71	2.49	3.65	2.37
Return on Net Worth (%)	11.41	11.78	13.50	18.65	15.37
Asset Turns (Revenue to total Assets)	1.54	1.72	1.51	1.51	1.71
Return on Capital Employed (%)	26.65	28.58	26.36	30.03	28.58
Debt to Equity Ratio	0.19	0.14	0.17	0.11	0.14
Earning per Equity Share (Basic) Rs.	35.32	35.55	37.82	45.88	32.48
Rate of dividend % p.a.	95%	95%	95%	100.00%	65.00%
Book value per Equity Share Rs.	304.80	314.19	289.59	270.75	221.82
Share Price as on 31st March (BSE)	287.75	674.05	728.00	748.85	461.80

* Numbers are as per Ind AS from FY 2015-16 onwards

★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 **31st (Thirty-First)** Annual General Meeting **(AGM)** of the Equity Shareholders of **APAR INDUSTRIES LIMITED** ('the Company') will be held on **Monday, 17th August, 2020 at 2:30 P.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business :

Ordinary Business :

1. To receive, consider and adopt:

a. the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and

b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.

2. To confirm the payment of Interim Dividend as Final Dividend on Equity Shares of the Company for the financial year 2019-20.

3. To appoint a Director in place of Mr. Chaitanya N. Desai (DIN – 00008091), 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 Sections 139, 142 & other applicable provisions, if any, of the Companies Act, 2013, read with the 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 and pursuant to the recommendations of the Audit Committee, M/s. C N K & Associates LLP, Chartered Accountants (Firm Registration No. 101961W/W-100036), be and are hereby appointed as the Statutory Auditors of the Company, in place of retiring Statutory Auditors M/s. Sharp & Tannan LLP, Chartered Accountants (Firm Registration No.127145W/W100218), for a period of 5 (Five) consecutive years, commencing from the conclusion of 31st Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable Goods and Service Tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

Special Business :

5. Payment of remuneration to the Cost Auditors of the Company for the FY 2020-21.

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 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), M/s. Rahul Ganesh Dugal and Co., a Proprietary Firm of Cost Accountant, the Cost Auditor having Firm Registration no. 103425 and Membership no. 36459, 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, 2021, be paid remuneration not exceeding Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand Only).

FURTHER RESOLVED THAT any of the Directors or the Company Secretary of the Company, be and are, hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

Registered Office :
301, Panorama Complex,
R. C. Dutt Road,
Vadodara - 390 007, Gujarat.
India
CIN: L91110GJ1989PLC012802
Website: www.apar.com
E-mail: com_sec@apar.com
Tel.: (+91) (0265) 2339906
Fax : (+91) (0265) 2330309

By Order of the Board
For Apar Industries Limited

Sanjaya Kunder
Company Secretary

Place : Mumbai
Date : June 25, 2020.

NOTES :

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and MCA Circulars, the AGM of the Company will be held through VC / OAVM.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') with respect to the Ordinary / Special Business to be transacted at the meeting set out in the Notice is annexed hereto. The brief details of the persons seeking appointment / re-appointment as Directors as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India as approved by the Central Government, is also annexed to this Notice.

3. Since this AGM is being held through VC / OAVM, pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company on its registered email address to com.sec@apar.com or upload on the VC portal / e-voting portal.

5. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").

6. The Company has fixed Monday, 10th August, 2020 as Cut-off-date (Record Date) for determining entitlement for remote e-voting as well as e-voting either shareholders holding shares in physical or dematerialized form.

7. 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.

8. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8th, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30th, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1st, 2019 unless the securities are held in the dematerialized form with the depositories. With the said change coming into effect from April 1st, 2019, Equity Shares of the Company shall be eligible for transfer only in Dematerialized form. Therefore, the Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

9. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.

10. 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. The Members desirous of inspection of documents may write to the Company through E-mail and the same shall be sent to them electronically.

11. **Unclaimed / Unpaid Dividend:** Pursuant to the provisions of Section 124 and 125 of the Act and other relevant provisions of the Act, the dividend which remains unpaid / unclaimed from the date of transfer to the unpaid/unclaimed dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. The unclaimed dividend for the financial year 2012-13 and all subsequent years must be claimed as early as possible failing which, it would be transferred to IEPF as per the (tentative) dates mentioned herein below.

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2012-13	08.08.2013	12.09.2020
2013-14	01.08.2014	05.09.2021
2014-15	07.08.2015	11.09.2022
2015-16	16.03.2016	21.04.2023
2016-17	09.08.2017	13.09.2024
2017-18	09.08.2018	13.09.2025
2018-19	08.08.2019	12.09.2026
2019-20	28.02.2020	04.04.2027

Members who have not yet encashed their dividend warrant(s) are requested to make their claims to the Company without further delay. Members are further requested to note that unpaid / unclaimed dividend for the year 2011-12 (Final Dividend) has been transferred to IEPF as on 14th January, 2020.

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 31st March, 2019, on the website of the Company (www.apar.com).

Further, pursuant to the provisions of Section 124(5) and Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, all shares, on which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred to the demat account of the IEPF authority.

The Company has accordingly, transferred –

(1) 47,962 Equity Shares of the shareholders whose dividend had remained outstanding for a period of 7 years from 2009-10 to 2015-16 on 28th December, 2017,

(2) 6,520 Equity Shares of the shareholders whose dividend had remained outstanding for a period of 7 years from 2010-11 to 2016-17 on 16th November, 2018,

(3) 28,787 Equity Shares of the shareholders whose dividend had remained outstanding for a period of 7 years from 2011-12 to 2017-18 on 14th January, 2020,

to IEPF. Details of shares transferred to IEPF Authority are available on the website of the Company which can be accessed through the link :

http://www.apar.com/pdf/financedata/IEPF/IEPF%20-%20List%20of%20Shareholders%202011-12%20(AIL%20&%20UCL).pdf

The Members / claimants whose shares, unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on iepf.gov.in as well as the link for the same as available on the website of the Company). The Member / Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules and amendments thereto.

It is in the interest of Members to claim any un-encashed dividends and for future, opt for National Electronic Clearance System (NECS) / National Automated Clearing House (NACH), so that dividends paid by the Company are credited to the investor's account on time.

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 / Registrar.

13. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH - 13 with Registrar. In respect of shares held in demat form, the nomination form may be filed with the respective DP.

14. **(a)** As stated in Para No. 7 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, 2020.

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

15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.apar.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.

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. Alternatively, the Members of the Company can update their e-mail address, Mobile No., PAN and Bank Details on the link given below:

https://www.linkintime.co.in/EmailReg/Email_Register.html

16. CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 20/2020 dated May 5, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.apar.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote

e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 (the MCA Circulars) and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dtd. May 12, 2020 (the SEBI Circular).

THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

(i) The voting period begins on 10:00 Hrs. of Thursday, 13th August, 2020 and ends on 17:00 Hrs. of Sunday, 16th August, 2020. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off- date (record date) of Monday, 10th August, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

(iv) Click on "Shareholders" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders 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 voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user, follow the steps given below:

For Shareholders 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) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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).

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

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

(xii) Click on the EVSN for the relevant Apar Industries Limited on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

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

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the 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.

(xix) 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. Monday, 10th August, 2020 should follow the same procedure as mentioned above for e-Voting.

Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE

DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. **For Physical shareholders -** Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. **For Demat shareholders -** Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/ RTA email id.
3. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number/folio number, mobile number to the company at com.sec@apar.com from Tuesday, 11th August, 2020 to Thursday, 13th August, 2020. The shareholders who do not wish to speak during the AGM but have queries may send their queries at least one week in advance prior to the date of AGM mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied by the company suitably by email.
6. The Statutory Registers in terms of the Companies Act, 2013, will be available electronically for inspection by the members. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. till Monday, 17th August, 2020. Members seeking to inspect such documents can send an email to com.sec@apar.com.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will also be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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 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.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; com.sec@apar.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Rakesh Dalvi (022-23058542) or Mr. Mehboob Lakhani (022-23058543).

- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058738 / 022-23058542/43.

17. Other Instructions:

(i) The remote e-voting facility will be available during the following voting period:

Commencement of e-voting	From 10:00 Hrs. of Thursday, 13th August, 2020
End of e-voting period	Upto 17:00 Hrs. of Sunday, 16th. August, 2020

E-voting shall not be allowed beyond 17.00 Hrs of Sunday, 16th August, 2020. 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 i.e. Monday, 10th August, 2020, may cast their votes electronically. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Monday, 10th August, 2020.

(ii) Mr. Hemang M. Mehta, Proprietor of M/s. H. M. Mehta & Associates, Practicing Company Secretaries, Vadodara, Gujarat (Membership No. FCS - 4965 & Certificate of Practice No. 2554) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM in a fair and transparent manner.

(iii) The Scrutinizer shall after the conclusion of e-voting at the AGM, will first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting 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 favour 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 e-voting forthwith.

(iv) The results declared of e-votings 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), India
Tel.: 0265 – 2339906
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), India
Tel.: 0265 – 6136000, 6136001
Tele Fax: 0265 – 2356791
E-mail: vadodara@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:

The Members of the Company at the 26th Annual General Meeting ('AGM') held on 7th August, 2015 approved the appointment of M/s. Sharp & Tannan, Chartered Accountants (Reg. No. 109982W), as the Auditors of the Company for a period of five years from the conclusion of the said AGM. With effect from the Financial Year 2017-18, the Firm of said Auditor was converted to M/s. Sharp & Tannan LLP having Firm Registration No. 127145W/W100218. M/s. Sharp & Tannan LLP will complete their present i.e. 2nd term of appointment on conclusion of 31st AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The present remuneration of Auditors for conducting the audit for the financial year 2019-20, is Rs. 44 Lacs plus reimbursement of out-of-pocket expenses and goods and services tax as applicable.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of M/s. C N K & Associates LLP, Chartered Accountants (Firm Registration No. 101961W/W-100036), as the Auditors of the Company for a period of 5 (five) years, commencing from the conclusion of 31st AGM until the conclusion of the 36th AGM, in place of retiring auditors M/s. Sharp & Tannan LLP, Chartered Accountants (Firm Registration No.127145W/W100218).

On the recommendation of the Committee of the Directors of the Company, the Board also recommends the approval of the Members w.r.t. remuneration of Rs. 44 Lacs (plus reimbursement of out-of-pocket expenses and goods and services tax as applicable) to be payable to M/s. C N K & Associates LLP, to examine and conduct the audit of the accounts of the Company for the financial year 2020-21.

Also to give the powers to the Board of Directors of the Company to alter and vary the terms and conditions of appointment, revision including upward revision in the remuneration for remaining tenure of 4 (Four) years, in such manner and to such extent as may be mutually agreed with the Auditors. There is no material change in the remuneration payable to M/s. C N K & Associates LLP from that paid to the outgoing Statutory Auditor.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s. C N K & Associates LLP to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

M/s. C N K & ASSOCIATES LLP (CNK or The Firm), is a Chartered Accountant Firm registered with The Institute of Chartered Accountants of India ("ICAI") with Firm Registration No. 101961W/W-100036. The firm has presence in 4 major cities in India. The Firm has been associated as Statutory Auditor of many listed and other large companies, Banks, including PSUs (including a Fortune 500 company) for more than 5 decades, and is closely working with regulatory bodies in various capacities. The firm has been subjected to peer review process by The Institute of Chartered Accountants of India and has received a Certificate of Peer Review which is valid till 29.07.2021. The Firm has significant experience in audit of large manufacturing entities.

M/s. C N K & Associates LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139 & 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board accordingly recommends the resolution at Item No. 4 of this Notice for the approval of the Members.

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

ITEM NO. 5:

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. Rahul Ganesh Dugal and Co., a Proprietary Firm, who are in Whole Time Practice as Cost Accountant, having Firm Registration no. 103425 and Membership no. 36459 as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 (2020-21).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time), the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration not exceeding amount of Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand only) payable to the Cost Auditor for conducting audit of the cost records of Oil, Conductors and Cable divisions of the Company for the financial year ending 31st March, 2021 (2020-21).

The Board accordingly recommends the resolution at Item No. 5 of this Notice for the approval of the Members.

None of Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

By Order of the Board
For Apar Industries Limited

Registered Office :
301, Panorama Complex,
R. C. Dutt Road,
Vadodara - 390 007, Gujarat.
India
CIN : L91110GJ1989PLC012802
Website : www.apar.com
E-mail: com.sec@apar.com
Tel : (+91) (0265) 2339906
Fax : (+91) (0265) 2330309

Sanjaya Kunder
Company Secretary

Place : Mumbai
Date : June 25, 2020.

Profile of the directors being re-appointed at the ensuing AGM

(As required under Regulation 36 (3) of the Listing Regulations and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings

Name of Director	Mr. Chaitanya N. Desai
DIN	00008091
Date of Birth	15.07.1971
Date of Appointment	29.05.1993
Qualifications	B.Sc. (Hons.), (Chem. Engg.), USA B.S. in (Econ.) (Hons.), Wharton, USA.
Expertise in specific functional areas	Chemical Engineering
Experience	26 years
Directorship held in other Listed Companies as on 31st March, 2020.	None
Chairmanship / Membership of Committee held in other Listed Companies as on 31st March, 2020.	None
Number of Equity Shares held in the Company as on 31st March, 2020.	89,64,946 (23.426%)
Relationship with other directors and Key Managerial Personnel	Related to – Mr. Kushal N. Desai, (Brother) and Mr. Rishabh K. Desai (Nephew)
Number of Board Meetings attended during the Financial Year 2019 -20	5
Terms and Conditions of Appointment	5 years (Liable to Retire by rotation)
Details of remuneration sought to be paid	Remuneration approved at the 29th AGM by Members. Refer Annex. III to the Directors' Report (Disclosures as per Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
Remuneration last drawn by the Director	Refer as above
List of Directorship held in other Companies as on 31.03.2020	1. Apar Corporation Private Limited
	2. Apar Distribution & Logistics Private Limited
	3. Catalis World Private Limited
	4. Maithili Trusteeship Services Private Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take immense pleasure in presenting the 31st Annual Report of the Company together with the Audited Annual Financial Statements (Standalone and Consolidated) showing the financial position of the Company for the year ended 31st March, 2020.

1. FINANCIAL PERFORMANCE

The financial performance of your Company for the year ended 31st March, 2020 is highlighted below:

(₹ in crore)

Particulars	Company			Consolidated		
	2019-20	2018-19	% of Increase	2019-20	2018-19	% of Increase
Sales Turnover	7,060.09	7,586.27	(6.94%)	7,461.74	7,963.85	(6.30%)
Other income	8.29	14.82	(44.06%)	8.41	15.05	(44.12%)
Profit for the year before finance cost, depreciation and tax expenses.	469.90	480.16	(2.14%)	484.18	482.76	0.29%
Deducting therefrom:						
- Depreciation / amortisation	79.15	60.13	31.63%	87.12	66.67	30.67%
Finance Costs	219.08	192.28	13.94%	227.65	199.87	13.90%
PROFIT BEFORE TAXATION FOR THE YEAR	**171.67**	**227.75**	**(24.63%)**	**169.41**	**216.22**	**(21.65%)**
Deducting therefrom:						
- Tax expenses	32.69	80.66	(59.47%)	34.26	80.16	(57.26%)
NET PROFIT FOR THE YEAR AFTER TAXATION AND BEFORE MINORITY INTEREST	**138.98**	**147.09**	**(5.51%)**	**135.15**	**136.06**	**(0.67%)**
Adjustment of :						
Share in Profit (Loss) of JV	-	-	-	-	-	-
NET PROFIT AFTER TAXATION AND ABOVE ADJUSTMENTS	138.98	147.09	(5.51%)	135.15	136.06	(0.67%)
Add: Profit brought forward from previous year	608.44	520.18	16.97%	682.69	605.45	12.76%
Amount available for appropriations :						
- Reserves	(14.00)	(15.00)	(6.67%)	(14.00)	(15.00)	(6.67%)
- Dividend (including tax)	(87.64)	(43.83)	99.95%	(87.64)	(43.83)	99.95%
Leaving balance of profit carried to balance sheet	645.78	608.44	6.14%	716.20	682.69	4.91%
Earnings per equity share (EPS)						
- Basic & Diluted before & after extraordinary items	36.32	38.44	(5.51%)	35.32	35.55	(0.67%)

2. NOTE ON COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity, has had impact on the business of the Company. Due to the lock down, the dispatches have impacted for later part of the March'20 and the profitability to that extent for the year 2019-20.

In the initial period of Lock-down, the essential services based manufacturing facilities were under operation observing safety measures with limited manpower. Gradually, the other manufacturing facilities were operated based on the state based permissions to operate with restricted manpower.

The lock down of COVID-19 is continuing in FY 2020-21 and the Company is continuing its operations in all the business units with current lower demand. Management is expecting that demand for products will improve on stabilization of COVID-19, post removal of lock down. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on financial position etc. though there may be lower revenues in the near term.

3. INDIAN ACCOUNTING STANDARDS

The Financial Statements for the year ended on 31st March, 2020 have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015, prescribed under Section 133 of the Companies Act, 2013 ('the Act') and other recognized accounting practices and policies to the extent applicable.

4. DIVIDEND

Pursuant to the Requirements of Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company has formulated its Dividend Distribution Policy, the details of which are available on the Company's website at www.apar.com and the copy of the same is annexed as **"Annexure – XI".**

Your Company has paid an interim dividend @ ₹ 9.50 (95.00 %) per Equity Share for the financial year 2019-2020 on 38,268,619 Equity Shares of the face value of ₹ 10/- each, amounting to ₹ 36.35 Crores for the financial year 2019-2020 during the month of March, 2020.

No final Dividend has been recommended by the Board and accordingly, the Interim Dividend declared and paid by the Company in the month of March, 2020 is to be considered as Interim-cum-Final Dividend for the financial year 2019-20.

The members are requested to confirm the above interim-cum-final dividend at the ensuing Annual General Meeting (AGM) of the Company.

5. TRANSFER TO RESERVES

The Company proposes to transfer an amount of Rs. 14.00 crore to the General reserves. An amount of Rs. 33.51 crore is proposed to be retained in the Consolidated Statement of Profit and Loss for FY 2019-20.

6. MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

Apar Industries posted a steady performance in FY20, a challenging year that started slow due to general elections and ended with the upheaval caused by the COVID-19 pandemic. Consolidated revenue in FY20 was at ₹ 7,462 crore compared to ₹ 7,964 crore in FY19. Your Company posted ₹ 484 crore of consolidated EBITDA and ₹ 135 crore of consolidated PAT in FY20, similar to that in FY19. Provision for doubtful debts increased at ₹ 29 crore versus ₹ 5 crore in FY19. EBITDA margin improved to 6.5% in FY20 from 6.1% with increasing share of higher-value products.

Your Company is a leading global manufacturer of conductors, speciality oils and cables, serving power and other industries. The three businesses delivered sturdy performance in the year, as shown below.

Conductors, ₹ 3,624 crore revenue, 48% share

- Higher-value products share @ 38% of segment revenues, up from 25% in FY19.
- New products launches – CTC for transformer industry, OPGW.
- ₹ 2,004 crore order book as on March 31, 2020.
- Order inflow of ₹ 2,617 crore in the year.
- 1,58,104 MT sold in the year.

Specialty Oils, ₹ 2,323 crore revenue, 31% share

- 4,03,626 KL sold in FY20 versus 4,29,989 KL in FY19.
- Export revenue share 37%, up by 4% YoY.
- Hamriyah capacity utilisation up at 68% in FY20 from 62% in FY19.
- Auto lubes & industrial oils contributed 23% to revenues.

Cables, ₹ 1,601 crore revenue, 21% share

- Export revenues up 59% YoY, 17% revenue share.
- Power cables' revenue up 4% YoY.
- New product launch – Medium Voltage Covered Conductor (MVCC)

FY20 - A year of pause: The year started on a slow note due to the applicable 'Code of Conduct' related to the general elections in May 2019. The re-elected government announced several policy initiatives, such as ₹ 102 lakh crore of Infra projects for the next five years. Eleven Letters of Intent (LoIs) were issued in FY20 for TBCB transmission projects. 11,664 ckms of AC transmission lines was added in FY20 (22,437 ckms in FY19). 68,230 MVA of substation transformation capacity was added against targeted 81,716 MVA in the previous year.

However, progress on continuation of power sector reforms like UDAY 2.0 was slow, coupled with persistent and severe credit challenges in the domestic market. ICRA estimates the discom losses in FY20 to be ~ ₹ 30,000 crore, up from ₹ 27,000 crore in FY19. The automotive sector also had one of its worst years with domestic sales declining 18% YoY. The year ended on a worse note with the unprecedented disruption of both global and domestic markets due to the COVID-19 pandemic. The government imposed a lockdown in March to combat COVID-19, resulting in manufacturing shutdowns. India's economic growth slipped to 3.1% in Q4FY20, and overall 4.2% in FY20 (6.1% in FY19).

Strong medium-term opportunities ahead but FY21 to be challenging: The ongoing COVID-19 pandemic has severely impacted FY21. ICRA estimates 5% contraction in Indian GDP in FY21. However, Power T&D, especially from renewables all over the world and Railways electrification, are strong growth drivers for your Company over the medium term. The Indian government is committed to "24*7" power for all. India aims to generate 450 GW of renewable energy by 2030 as part of a stronger climate action plan that will create significant evacuation demand. To tide over the current COVID-19 crisis, the government has announced a ₹ 90,000-crore financial package for stressed discoms. As per the 13th Five Year Plan, addition of 41,185 ckms of AC transmission lines, 37,244 MVA of AC sub-station transformation capacity and 16,000 MW of inter-regional transmission capacity is expected. Indian Railways plans to electrify all of its Broad Gauge routes by 2024.

Apar is 'Change-ready': Your Company has quickly adapted to the 'new normal' working conditions with employee safety, remote working, digital communication tools and other preventive measures.

Your Company has a well-diversified and among the most comprehensive portfolio of products catering to power and other industries. Since FY13, we have consciously invested in higher-margin products to broaden our market segments and maximize profitable opportunities. We will keep strong focus on per order profitability, giving preference to higher-value products across segments. Apar has always pursued financial conservativeness, maintaining low leverage, prudent order-booking and healthy cash levels. Your Company has closed FY20 with ₹ 164 crore of cash and cash equivalents, providing some buffer in the current uncertain times. We are increasing our focus on collections and have adopted cautious order-booking. We had low capex plans to begin with, and while we will undertake work-in-capex in FY21-22, new capex plans will be reviewed in H2FY21. We believe our inherent strengths and strong management focus provide us strong resilience to face these unprecedented times.

The opportunities and outlook for your Company are as follows:

Global Scenario

Global GDP growth is forecasted at -4.6% in 2020 impacted by the COVID-19 pandemic and 5.1% in 2021. At the start of 2020, global energy investment was on track for growth of ~2%, but following the COVID-19 crisis, global investment is now expected to drop by 20% compared with 2019, according to IEA's World Energy Investment 2020 report. Global electricity demand is set to fall by 5% in 2020. Power sector spending is to decrease by 10% in 2020. Global investment in electricity networks is expected to decline to $248 bn in 2020 from $273 bn in 2019. Renewable power investments are expected to decline to $281 bn in 2020 from $311 bn in 2019. Final investment decisions in Q1 2020 for new utility-scale wind and solar projects fell back to the levels of three years ago. However, IEA estimates that the majority of these delayed projects are expected to be online in 2021, resulting in a rebound in capacity additions.

The Green Deal proposed by the European Commission provides a roadmap and targets to countries for achieving environmental sustainability via renewable energy generation, and electric mobility, among others. Global renewable capacity has been growing by an average of 8.6% per year since 2015. The International Renewable Energy Agency (IRENA) believes renewable electricity should supply 57% of global power by the end of the decade, up from 26% currently, to hit climate targets. In 2019 there were 105 Nationally Determined Contributions (NDCs) or pledges with set targets for renewables. At least 1.5 TW of additional renewable power installed capacity would come online globally through 2030 as a result of NDC implementation. Of this 249 GW is estimated in Europe which is a 50% growth from, current capacity. Asia is estimated to add 1,007 GW, up 154% from current capacity. 2019 was a watershed year for clean energy commitments from USA' states and utilities too. 15 states (and Washington, D.C. and Puerto Rico) now have official targets to get at least 50% of their electricity from clean sources in the coming decades. New T&D markets like Australia saw renewable capacity increase by 2.2 GW across 34 projects while at the end of 2019, 11.1 GW of new generation was under construction or financially committed.

This transformation in the power generation landscape augurs well for our company, as new transmission networks need to be built to evacuate power from the sites into the grid and to customers.

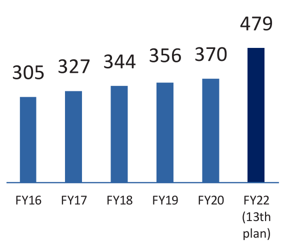
Indian scenario

India is the world's 3rd largest power consumer and producer with 1,253 BU generated in FY20. Electricity demand for FY20 increased 1.3% despite the COVID-19 lockdown beginning March-end. The 13th National Electricity Plan targets 479 GW of generation capacity, including 243 GW of thermal and 175 GW of renewable capacity.

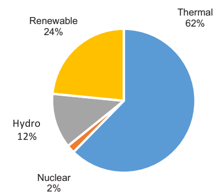
Regulatory initiatives: The government has undertaken programs to provide 24*7 power to all. As per Year End Review 2019 by the government:

- **Rural Electricity Infrastructure achievements in April-Nov 2019** (including additional infrastructure created for household electrification under DDUGJY & Saubhagya schemes)

India's generation capacity (GW)



Generation Capacity Mix (FY20)



- 1,475 nos. new sub-stations commissioned
- 1,658 nos. sub-stations augmented
- 4,92,181 nos. distribution transformers installed

- 3,71,985 kms of LT lines and 1,77,676 kms of HT lines (11 KV and 33 KV) erected

- **Integrated Power Development Scheme (April – Dec 26, 2019):** 200 new sub-stations added and 280 substations received enhancements/ additional transformers. 5,143 ckms of HT and 1,464 ckms of LT overhead lines were installed. 19,050 ckms of Ariel Bunch/ Underground cables were installed. 10,079 distribution transformers were added.

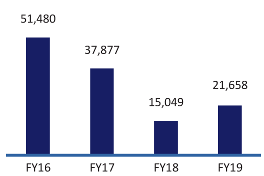
- **Ujjwal DISCOM Assurance Yojana (UDAY):** ICRA estimates DISCOM losses in FY20 to be around ₹ 30,000 crore. Lower power demand and logistical constraints in revenue collections due to the COVID-19 lockdown may result in losses of up to ₹ 50,000 crore in FY21, up 66% y-o-y.

(₹ in crore)

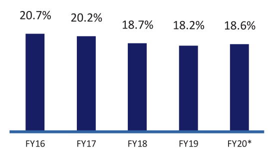
*FY20 AT&C loss is for 26 states – 18 states have submitted for Q4FY20, rest are for Q3FY20.

- **Budget 2020-2021 allocated ₹ 15,875 crore to Power Ministry, same as in FY20 Revised Estimate (R.E.)**
  - IPDS at ₹ 5,300 crore, down 6%
  - DDUGJY at ₹ 4,500 crore, up 11%

UDAY DISCOMS' BOOK LOSSES



AT&C LOSSES (%) LOSSES



- **₹ 5,753 crore outlay to Ministry of New and Renewable Energy, up 48% compared to FY20 R.E.:**
  - Green energy corridors at ₹ 300 crore versus ₹ 53 crore in FY20 R.E.
  - Wind Power (grid interactive + off-grid) at ₹ 1,302 crore, up 27%
  - Solar power (total) at ₹ 2,516 crore, up 10%

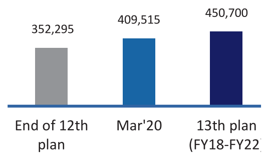
- **₹ 90,000 crore bailout package for discoms:** Government of India, on May 13, 2020, decided to make an infusion of liquidity of ₹ 90,000 crore through Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) as part of the Atmanirbhar Bharat Abhiyan to tide over the ongoing COVID-19 pandemic. CRISIL estimates that with weak power demand and cash losses due to the pandemic, Discoms would end up owing lenders a staggering ₹ 4.5 lakh crore by the end of FY21, up 30% YoY. Discom cash losses may double to ₹ 58,000 crore in FY21.

- **Power Ministry has issued a draft proposal for amendment of Electricity Act 2003:** This move is aimed at ushering in distribution sector, reforms, financial discipline, and a focus on renewable energy push.

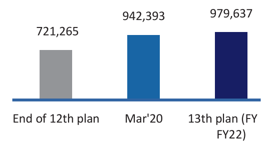
  In FY20, India added 11,664 ckms of AC transmission lines, down 48% YoY. 65,230 MVA of AC substations transformation capacity (down 10% YoY) and 3,000 MW of inter-regional transmission capacity were added in FY20 (down 76% YoY).

  Green Energy to drive T&D demand: GoI has an ambitious

Progress in T&D in FY20
AC transmission lines (ckms)



AC Substation transformation capacity (MVA)



plan to establish a total of 100 GW Solar and 60 GW Wind generation capacity by 2022. Power transmission projects, structured on the tariff-based competitive bidding (TBCB) mechanism and associated with large-scale evacuation of renewable energy, gained traction in FY20. Eleven Letters of Intent (LoIs) were awarded in the year, and 22 projects were under development under TBCB process as on March 2020. Furthermore, renewable projects are smaller and more spread out compared to thermal projects and hence have higher requirement for T&D products.

Railway Electrification: Progressed with 16,889 Route Kilometers (rkms) electrified in FY16-FY20, which is 345% increase against the previous five years (FY11 to FY15). Indian Railways has electrified 39,866 rkms, which account for about 63% of total rkms of the Railways. It is planned to electrify all broad gauge routes by 2024. In FY20, 2,606 rkms have been electrified by the Central Organisation for Railway Electrification (CORE). In addition, sections of 560 rkms were ready but could not be commissioned due to COVID-19 restrictions.

Domestic automobile sales stood at 2,15,46,390 units in FY20, contracting 18% YoY, with decline across all segments. Budget FY21 allocated ₹ 693 crore (up 39% compared to FY20 R.E.) to Faster Adoption and Manufacturing of Electric Vehicles (FAME India) to provide clean mobility solutions. There is a target of 30% share of new vehicles from electric vehicles by 2030. 2,636 charging stations have been sanctioned in 62 cities under the FAME India program.

Government is readying the next phase of **BharatNet** — the project that aims to provide rural broadband connectivity. Budget FY21 has allocated ₹ 8,000 crore (up 167% vs. FY20 R.E.) to BharatNet.

Overall Business Performance

In ₹ Cr	FY16	FY17	FY18	FY19	FY20
Revenue* (net of excise)	5,078	4,832	5,819	7,964	7,462
EBITDA	373	433	419	483	484
PAT	122	177	145	136	135
Cash Profit	160	222	201	203	222
ROE	15%	19%	13%	12%	11%
D/E	0.1	0.1	0.2	0.1	0.2

*Numbers are as per Ind AS from FY 2015-16 onwards.

Your Company posted strong and sustained financial performance in FY20 with a well-diversified revenue base and focus on new and higher-value products in a challenging market. Consolidated revenues grew at 10% FY16-FY20 CAGR and EBITDA grew at 7% FY16-FY20 CAGR. Your Company delivered average ROE of 14% over FY16-FY20 and low D/E of 0.19 as on March 2020. The provisions and write-offs for doubtful debts were increased significantly to ₹ 29 crore in FY20 from ₹ 5 crore in FY19 seeing the credit situation in the market during the ongoing pandemic. Consolidated EBITDA margin was 6.5% versus 6.1% in FY19.

BUSINESS SEGMENTS

CONDUCTORS: ADJ. EBITDA/MT UP 20% YOY

In ₹ Crore	FY20	FY19	Growth (%)
Order Book	2,004	3,020	-34%
Turnover (Net of Excise)	3,624	3,915	-7%
Segment Profit/(Loss)	158	151	5%
Volume (MT)	1,58,104	1,82,977	-14%

Higher-value products revenue share up to 38%: In FY20, revenue from the segment declined 34% to reach Rs. 3,624 crore with slowdown and credit tightness in domestic markets throughout the year and COVID-19 shutdown impacting March volumes.

- Higher Value products (HEC + Copper Conductors) contribution up to 38% from 25% in FY19.
- HEC revenue up 96% YoY with good execution, contribution to revenues at 18% compared to 9% in FY19.
- Copper conductor for Railways revenue up 26% YoY, contributed 20% to revenues versus 16% in FY19.
- New products - CTC for Transformers industry and Optical Ground Wire (OPGW) launched.
- Exports contributed 40% to revenues versus 39% in FY19.

EBITDA grows strongly: EBITDA per MT post forex adjustment was Rs. 10,790, up 20% YoY with improved product/order-mix. Your Company is targeting an EBITDA of ₹ 12,000 per MT in the next 2-3 years.

Strategic investments yield benefits: Your Company has invested Rs. 367 crore since FY14 leading to new profitability levers:

- New product capacities achieved good utilization.
- Jharsuguda plant (80,000MT) brings logistics and cost benefits.
- Long-term agreement with Hindalco to source molten metal results in savings.

Outlook

- In FY21 the focus would be on collections, cautious order booking with eye on customer's credit worthiness and per order profitability. Expect slower order inflow H1 FY21 due to postponement of tenders in lockdown and lower execution at customers.
- Strong T&D demand expected from the renewable projects under construction/ bidding and government's commitment to higher share of clean energy. Similarly, Railways electrification, electric vehicle charging infrastructure to see increased demand as economy recovers post COVID-19.
- Focus on higher-value products such as HEC, Copper Conductors, Copper Transpose Conductors and OPGW to help profitability.

Risks and Concerns: Additional shutdowns due to higher COVID-19 spread in India and other major markets may impact operations and demand. Profitability may be impacted in the larger TBCB projects where your Company is a vendor due to the fixed-price contracts at the pre-bidding stage and lag between actual ordering. Increasing competition in the domestic market with fixed price contracts may put pressure on the profitability of the Company. Delays in orders from state discoms may impact performance. The cyclical nature of the power business has an obvious impact on our performance. Project delays from the customers' side may impact. Regional political instability and changes in the external environment in certain export markets may affect execution.

SPECIALITY OILS – EXPORTS UP 4% YOY

In ₹ Crore	FY20	FY19	Growth (%)
Turnover (Net of Excise)	2,323	2,630	-12%
Segment Profit/(Loss)	121	119	2%
Volume (KL)	4,03,626	4,29,989	6%

Multi-country presence with base in UAE helps during COVID-19 crisis: In FY20, speciality oils declined 12% to reach ₹ 2,323 crore, impacted by subdued domestic demand and loss of year-end sales due to COVID-19 shutdowns, especially in transformer oils and automobile retail sales.

- Exports of transformer oils and white oils to over 95 countries. Successful manufacturing and distribution tie-ups in South Africa, Australia and Turkey. Base in Hamriyah helped shifting of customer orders during shutdown in India.
- Hamriyah plant operated at 68% utilization in FY20, up from 62% in FY19.
- Exports contribution up to 37% vs. 33% in FY19.
- Automotive oils and industrial oils contributed 23% to revenues compared to 21% in FY19.

Profitability sustained despite increased provisions: EBITDA per KL after forex adjustment in FY20 was at ₹ 2,990 versus ₹ 2,998 in FY19. There was an ₹ 18-crore provision for bad debts/ written off debts in the year. In FY20 itself, your Company has prudently provided for estimated loss of collections from clients who have visible financial stress. Your Company does not foresee significant write-offs in FY21.

Recovery expected in H2 FY21

- Q1 FY21 sales to be ~50% of the usual. Pricing pressures and higher-priced inventory to impact margins. Your Company expects economic recovery, and hence, demand recovery by H2 FY21.
- The state-of-the-art speciality oils blending unit in Hamriyah (Sharjah) has 100,000KL capacity and targets key export markets. Your Company has achieved key approvals in the year to target local demand. Your Company targets increased utilization of over 70% in next 2-3 years from this plant.
- The key automotive segment of tractors that your Company's products cater to are expected to benefit from regular monsoon, higher rural income and the Government's crisis packages in FY21.
- The domestic T&D equipment market is expected to continue to benefit from various regulatory initiatives, leading to both new and replacement demand for transformer oils.

Risks and Concerns: Your Company is exposed to volatility in the prices of raw materials and foreign exchange rates. Competition in both the transformer oils and auto lubricants sub-segments may impact performance. However, in order to mitigate risks, your Company continues to exercise prudence in inventory control and hedging strategies. Also, additional global refining capacities have resulted in a mismatch in demand and supply, which has had 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. Your Company had to implement strict credit controls to limit exposure to customers facing cash-flow issues. Rapid commoditization taking place at the lower end, especially at technical grade white oils, may have an impact on margins. Geopolitical uncertainties may impact global oil supply, causing volatility in base oil prices and may impact your Company's performance.

CABLES SEGMENT – EXPORTS REVENUES UP 59% YOY

In ₹ Crore	FY20	FY19	Growth (%)
Turnover (Net of Excise)	1,601	1,684	-5%
Segment Profit/(Loss)	155	173	-11%
Segment Profit margin	9.7%	10.3%	

Focus on exports during low domestic demand: Cables segment revenues declined 5% YoY to reach ₹ 1,601 crore with low demand from telecom and renewables sectors:

- Export revenues up 59% YoY, contribution at 17% versus 10% in FY19.
- Power cables revenue up 4% YoY in a highly competitive market led by exports. Good demand from Railways, EPC & Utilities.
- Elastomeric & E-beam cables revenue down 2% YoY mainly due to lower sales of solar cables. Higher demand from Railways and Defence businesses.
- Telecom cables/OFC revenue declines by 52% due to no orders from two major customers – BSNL & Reliance Jio.
- **New products:** Medium Voltage Covered Conductor (MVCC) launched. Execution started for Railway harness business.

EBITDA margin sustained: EBITDA margin post forex adjustments at 11.1% versus 11.3% in FY19, mainly with increased traction in Copper Cables and Exports.

Outlook looks encouraging with demand growing for all our product lines

- Expect lower sales in FY21 but will focus on export markets.
- Stronger demand expected for OFC with 'new normal' remote working conditions and BharatNet II execution reviving demand.
- Targeting new opportunities in auto, additional Railway products, MVCC, signalling cables, etc.

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 low or zero ordering by major telecom companies may impact performance. The cyclical nature of their tendering, too, has a bearing on the order situation in the industry. Any volatility in fibre prices may impact performance.

General risks and concerns

Continued pandemic and additional shutdowns may impact performance. Our performance may be impacted by fluctuating commodity prices, technological changes, exchange rate fluctuations, and due to any impact in the general macro-economic outlook. Any geopolitical or economic upheavals at the local, regional or global levels may adversely impact demand or create input cost volatility that may impact performance. Your Company is exposed to risk of volatility in LIBOR rates that may increase our interest costs and impact performance. Debtors' collection period can increase on account of stressed financial condition of customers.

Key Financial Ratios with details of significant changes

The company has identified the following as key financial ratios:

Consolidated ratios	FY20	FY19	% Change
EBITDA Margin	6.5%	6.1%	7.0%
PAT Margin	1.8%	1.7%	6.0%
ROE	11.4%	11.8%	-3.1%
Debtor Days	99	89	11.8%
Inventory Days	74	65	13.9%
Debt/ Equity	0.19	0.14	39.0%
Interest Coverage	1.7	2.1	-16.2%
Net Fixed Asset Turnover	8.5	10.8	-20.8%

Among the key financial ratios, there was a significant change (over 25% versus FY19) in the Debt/Equity ratio. The Company has borrowed External Commercial Borrowing (ECB) during the year to finance its capex which is incurred in increasing/up-gradation of its facilities. The reserve has reduced on account of mark-to-market (MTM) of commodity and forex derivative taken to hedge the variation in commodity and foreign exchange rates, this MTM is notional in nature. Further the Company has paid interim dividend during the year.

Operations of Subsidiaries

(i) **Petroleum Specialities Pte. Ltd, Singapore (PSPL), a Wholly-Owned Subsidiary (WOS):** In FY20, total income of PSPL stood at US$ 0.05 million against US$ 0.18 million in the previous year and net loss at US$ 0.05 million against profit after tax US$ 0.06 million in the previous year.

(ii) **Petroleum Specialties FZE, Hamriyah, Sharjah, UAE (PSF) – 100% subsidiary of PSPL:** In FY20, net sales of PSF stood at US$ 57.66 million against US$ 55.38 million in the previous year and net loss at US$ 0.91 million against US$ 2.24 million in the previous year.

(iii) **Apar Transmission & Distribution Projects Private Limited (ATDPPL):** In FY20, net sales of ATDPPL stood at Rs. 47.63 crore versus Rs. 10.07 crore in FY19. Profit after Tax of Rs. 3.96 crore versus net Loss of Rs. 1.60 crore in FY19.

(iv) **Apar Distribution & Logistics Private Limited:** Wholly Owned Subsidiary of the Company, incorporated on 2nd March, 2020. Net Loss for the period is Rs. (0.15) lacs.

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.

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.

7. SUBSIDIARY AND JOINT VENTURE COMPANIES

Your Company has the following subsidiaries as at 31st March, 2020:

1. Petroleum Specialities Pte. Ltd. Singapore (PSPL) – Wholly Owned Subsidiary of the Company,
2. Petroleum Specialities FZE, Sharjah (PSF) - Wholly Owned Subsidiary of PSPL,
3. Apar Transmission & Distribution Projects Private Limited (ATDPPL) – Wholly Owned Subsidiary of the Company and
4. Apar Distribution & Logistics Private Limited – Wholly Owned Subsidiary of the Company, incorporated on 2nd March, 2020.

The Company has not attached the Balance Sheet, Statement of 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, 2020 in **Form AOC – 1** is included in the annual report and shall form part of this report as **"Annexure IX".** 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, including Consolidated Financial Statements of the Company along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

8. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed during the year by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

9. CORPORATE GOVERNANCE

Your 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. As required under the Listing Regulations, a detailed report on Corporate Governance along with the Auditors' Certificate thereon forms part of this report as **"Annexure – VI"**.

10. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report as stipulated under Regulation 34 of the Listing Regulations is annexed herewith as **"Annexure – VII"** forms a part of this Annual Report.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Re-appointments

At the 31st Annual General Meeting (AGM), Mr. Chaitanya N. Desai, Director shall retire by rotation and being eligible, offers himself, for re- appointment.

The Board of Directors, on recommendation of the Nomination and Compensation-cum-Remuneration Committee has recommended re-appointment of Mr. Chaitanya N. Desai..

Key Managerial Personnel:

Mr. Kushal N. Desai, Managing Director and Chief Executive Officer, Mr. Chaitanya N. Desai, Managing Director, Mr. V. C. Diwadkar, Chief Financial Officer and Mr. Sanjaya Kunder, Company Secretary are the Key Managerial Personnel of the Company as on 31st March, 2020.

12. MEETINGS

During the year, five Board Meetings and four Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Act. The details of these Meetings with regard to their dates and attendance of each of the Directors thereat have been set out in the Report on Corporate Governance.

13. DECLARATION BY INDEPENDENT DIRECTORS

Mr. F. B. Virani, Mr. Rajesh Sehgal and Mrs. Nina Kapasi were the Independent Directors of the Company as on 31st March, 2020.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

14. BOARD EVALUATION

Pursuant to the provisions of the Act and the Listing 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, Risk Management 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.

15. 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 Act:

i. that in the preparation of the annual Financial Statements for the financial year ended March 31, 2020, 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, 2020 and of the profit of the Company for the period 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 Act, 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 devised and in place and were adequate and operating effectively.

16. 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.

Particulars of Information as per Section 197 of the Act read with Rule 5(2) 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 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 is provided as **"Annexure – III"** forming part of this Report.

17. RISK ASSESSMENT & MINIMISATION PROCEDURES

The Board of Directors has constituted a Risk Management Committee. Your Company has implemented a mechanism for risk management and formulated a Risk Management Policy. The policy provides for identification of risks and formulating mitigation plans. The Risk Management and Audit Committee and the Board of Directors review the risk assessment and minimization procedures on regular basis.

18. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return in Form **MGT-9** as required under Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 forms part of this Report as **"Annexure – V"**.

In compliance with Section 134(3)(a) of the Act, Annual Return is uploaded on Companies website and can be accessed at http://www.apar.com.

19. 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** relating to Disclosure of Particulars of Contracts/ arrangements entered into by the Company with related parties is annexed as **"Annexure – X"** and forming part of Directors' Report.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. 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.

There were no materially significant Related Party transactions.

20. AUDIT COMMITTEE

The Company has an Audit Committee pursuant to the requirements of the Act read with the rules framed thereunder and Listing Regulations. The details relating to the same are given in the report on Corporate Governance forming part of this Report.

During the year under review, the Board has accepted all recommendations of Audit Committee and accordingly, no disclosure is required to be made in respect of non- acceptance of any recommendation of the Audit Committee by the Board.

21. REPORTING OF FRAUDS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and rules framed thereunder either to the Company or to the Central Government.

22. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THE REPORT

Please refer para 2 on COVID 19 and Para 6 on MDA.

23. DEPOSITS

The Company has not accepted deposits within the meaning of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the year and hence there were no outstanding deposits and no amount remaining unclaimed with the Company as on 31st March, 2020.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

25. STATUTORY AUDITORS

The observations made by the auditors in their report read with the relevant notes as given in the notes to the financial statement for the year ended on 31st March, 2020 are self-explanatory and are devoid of any reservation, qualification or adverse remarks.

The present Auditors, M/s. Sharp & Tannan LLP were appointed at the 26th Annual General Meeting of the Company held on 7th August, 2015 for a second consecutive term of 5 years so as to hold office upto the 31st Annual General Meeting of the Company to be held in the current year 2020.

The Board of Directors of the Company, on the recommendation of the Audit Committee has appointed M/s. C N K & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company at its Meeting held on 25th June, 2020, subject to the approval of the members of the company at ensuing AGM.

Suitable Resolution is being incorporated in the Notice convening the 31st Annual General Meeting at Item No. 4 seeking the appointment of M/s. C N K & Associates LLP, Chartered Accountants, (Firm Registration No. 101961W/W100036), Mumbai as Statutory Auditors of the Company for a period of five years from the conclusion of this Annual General Meeting until the conclusion of 36th Annual General Meeting of the Company. The Board recommends the appointment of M/s. C N K & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company.

26. COST AUDITORS

Pursuant to Section 148 of the Act, 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 qualified Cost Accountant.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed M/s. Rahul Ganesh Dugal and Co., a Proprietary Firm, who are in Whole Time Practice as Cost Accountant, having Firm Registration no. 103425 and Membership no. 36459 as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 (2020-21) on a remuneration not exceeding Rs. 120,000/- p.a.

A Resolution seeking members' ratification of remuneration payable to M/s. Rahul Ganesh Dugal and Co., Cost Auditor is included at Item No. 5 of the Notice convening the AGM and Board recommends the said Resolution.

27. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Hemang M. Mehta, Proprietor of M/s. H. M. Mehta & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report is annexed herewith as **"Annexure - I".** The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

28. VIGIL MECHANISM

As per the provisions of Section 177 (9) of the Act read with Regulation 22(1) of the Listing Regulations, the Company is required to establish an effective vigil mechanism for directors and employees to report genuine concerns. The Company has introduced Whistle Blower Policy (Apar's OMBUDSMEN Policy) effective from 1st March, 2014 by setting a vigil mechanism in place, the details of the whistleblower policy are provided in the report on corporate governance forming part of this report.

29. INTERNAL CONTROL SYSTEMS (ICS) AND THEIR ADEQUACY

The Company has 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 has been operating successfully. The Company has appointed M/s. Deloitte Touche Tohmatsu India LLP as its Internal Auditors. 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.

30. 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 since 2010-11. As permitted, delivery of notices / documents and annual reports etc. are being sent to the shareholders by electronic mode.

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 Act 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 Act.

With the strong belief in the principle of Trusteeship, Apar Group continues to serve the community through a focus on healthcare and upliftment of weaker sections of society, Education and Medical, Environmental sustainability and Rural Development, Mid-day Meal program, Welfare of under privilege and destitute children and Health and Welfare of Senior Citizens.

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 1,616,802 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 - VIII"** forming part of this Report.

d. Particulars relating to conservation of energy, technology absorption, research & development and foreign exchange earnings and outgo in accordance with Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is annexed hereto as **"Annexure – IV"** forms a part of this Annual Report.

31. GENERAL

The Company has complied with all the applicable provisions of Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

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) 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. There were no complaints during the year under review.

32. 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 : June 25, 2020.

Annexure - I to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2020

[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-390007,
Gujarat, India

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, 2020, 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, 2020 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) The 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **- Not Applicable during the audit period**
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **- Not Applicable during the audit period**
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **- Not Applicable during the audit period**
- g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **- Not Applicable during the audit period**
- h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) 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;
- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 / 2018;

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

(ii) Secretarial Standards under the provisions of the Companies Act, 2013, 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 (NSEIL) and BSE Limited (BSE), respectively.

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

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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 undertaken following events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, acts, rules, regulations, circulars, notifications, directions, guidelines, standards, etc. referred to above:

On 08th August, 2019, the members at the Annual General Meeting (AGM), inter-alia approved:

(a) Re-appointment of Mr. F. B. Virani (DIN 00062278) as Non-Executive Independent Director of the Company for his second term of five years with effect from the conclusion of 30th Annual General Meeting of the Company and to continue to hold such directorship on and after attaining the age of seventy five years.

(b) Re-appointment of Mrs. Nina Kapasi (DIN 02856816) as Non-Executive Independent Director of the Company for her second term of five years with effect from the conclusion of 30th Annual General Meeting of the Company.

We further report that during the audit period, the Company has incorporated its Wholly Owned Subsidiary namely Apar Distribution & Logistics Private Limited in the State of Maharashtra.

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
Sd/-
Hemang M. Mehta- Proprietor
FCS No.: 4965
C. P. No.: 2554
UDIN : F004965B000437639

Place: Vadodara
Date: 25th June, 2020

To,
The Members,
Apar Industries Limited,
301, Panorama Complex,
R. C. Dutt Road,
Vadodara-390007,
Gujarat, India

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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 the random 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report 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.

For H. M. Mehta & Associates
Company Secretaries
Sd/-
Hemang M. Mehta- Proprietor
FCS No.: 4965
C. P. No.: 2554
UDIN : F004965B000437639

Place: Vadodara
Date: 25th June, 2020

Annexure – II to the Directors' Report
Annual Report on Corporate Social Responsibility (CSR) Activities 2019-20

1. **A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMMES.**

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

   The CSR activities of the Company mainly aims at Principle of Trusteeship, by serving the community through programmes and projects having focus on -

   1. Healthcare and upliftment of weaker sections of society
   2. Education and Medical
   3. Environmental sustainability and Rural Development
   4. Welfare of under privilege and destitute children, including girl children
   5. Empowerment of physically / mentally challenged and underprivileged children, adults and providing free education.
   6. Restoration and re-building efforts post Cyclone
   7. Mid-Day Meal.

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

   Weblink of the CSR Policy of the Company:
   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**
Mr. Kushal N. Desai, Chairman	Chairman and Managing Director
Mr. Chaitanya N. Desai, Member	Managing Director
Mr. F. B. Virani, Member	Independent Director

3. **Average Net Profit of the Company for last 3 financial years :**
   ₹ 241.43 Crores

4. **Prescribed CSR Expenditure (2% of this amount as in item 3 above) :**
   ₹ 4.82 Crores

5. **Details of CSR spent during the financial year:**
   a. **Total amount spent for the financial year:** ₹ 4.82 Crore
   b. **Amount unspent, if any:** --
   c. **Manner in which the amount spent during the financial year is detailed below :**

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) Project or Programs wise ₹ in Crore	Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs 2. Overheads: ₹ in Crore	Cumulative Expenditure upto the reporting period. ₹ in Crore	Amount spent: Direct or through implementing agency ₹ in Crore
1.	Rehabilitation of abandoned, unclaimed, parentless and destitute children and activities relating to education & capacity building of slum children	Setting up school for only for slum children and promoting Education	Rajkot, Gujarat	---	0.045	0.045	**Implementing agency-** Vishwanidam Public Charitable Trust, Gujarat

2.	Restoration and rebuilding efforts of the State Government of Odisha post cyclone Fani effect.	Restoration and Rebuilding efforts due to damages caused by the Cyclone Fani	Odisha	---	0.03	0.03	**Implementing agency-** The Industries Department Gov. of Odisha, Secretariat, Bhubaneshwar, Odisha
3.	Deepening / excavation of two ponds located at Nargol Village under "Sujalam-Sufalam Yojna" of Gujarat Government (GG) *(GG has refunded Rs. 0.0114 Crores as per their approved Scheme)	Rural Development Project	Nargol Village Dist. Valsad, Gujarat	---	0.0172*	0.0172*	**Implementing agency –** District Collector, Valsad, Gujarat
4.	Rural development programmes for Aanganwadi Education and Renovation Project and Science on Wheels	Rural Development Project and Promoting Education	Wada, Dist. Thane - Maharashtra	---	0.44	0.44	**Implementing agency-** Sri Chaitanya Seva Trust, Thane, Mumbai
5.	School on Wheels Program-Supporting and Providing Scholarship for Girls Education, Teachers Training, Reading workshop, Environmental awareness & Protection education.	Promoting Education	Rajkot, Gujarat	---	0.05	0.05	**Implementing agency-** Sister Nivedita Foundation, Rajkot
6.	Rehabilitation of abandoned, unclaimed, parentless and destitute children, especially girl children, in need of care and protection.	Setting up homes and hostels for women and orphans and promoting Education	Gadakhana, PO : Mancheswar (RS), Bhubaneswar, Orissa.	---	0.075	0.075	**Implementing agency-** Rawa Academy, Orissa (Adruta Children Home)
7.	Midday Meal Programme called Annamrita - Mid-day Meals to the children in Municipal, Government aided and non-aided schools for the benefit of underprivileged children across India – Annamrita, a Scheme providing meals to Government school children.	Food and Mid-Day Meal for Children	Across India	---	0.25	0.25	**Implementing agency-** Annamrita Foundation, Mumbai
8.	Grant of donation for noble activities viz. promoting education and supporting scholarship for Girls Education & Environmental awareness. *(Amount spent but not utilized by DDU.)	Promoting Education	Mumbai	---	0.0732*	0.0732*	**Implementing agency-** Dharmsinh Desai University
9.	Empowerment of physically / mentally challenged & under-privileged children/ adults & providing them free education.	Empowerment of Under-privileged Children and Promoting Education	North Bengal and Assam, India	---	0.02	0.02	**Implementing agency-** Niswarth, Siliguri

10.	Providing support to the Project of Late Dr. Narendra Desai for starting of Faculty of Medical Science and Research, a 750 Bed Hospital and Institute of Medical Science along with students Hostel at Nadiad	Promoting Education and Healthcare - Medical College	Nadiad, Gujarat	---	3.51	3.51	**Implementing agency-** Dharmsinh Desai Foundation, Gujarat
11.	Donation for the project of installation of KWP Solar Power Plant in one of the five vernacular medium schools in Ambarnath for the benefit of poor & needy people.	Environmental Sustainability	Ambarnath – Maharashtra	---	0.02	0.02	**Implementing agency-** Rotary Club of Ambarnath, Maharashtra
12.	Rural development, solar project, cow protection etc. at Govardhan Eco Village (Wada)	Rural Development and Environmental Sustainability	Wada, Dist. Thane - Maharashtra	---	0.30	0.30	**Implementing agency-** ISKCON, Chowpatty
				TOTAL	**4.8286**	**4.8286**	

6. **Reasons for spending less :**

---

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

25th June, 2020

Annexure III to the Directors' Report

Statement of Disclosure of Remuneration

DISCLOSURES AS PER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019 -20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019 -20.

Sr. No.	Name of Director/KMP and Designation	% increase/decrease in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Kushal N. Desai, Chairman & Managing Director	- 10%	51.26: 1
2.	Mr. Chaitanya N. Desai, Managing Director	- 10%	51.85: 1
3.	Mr. F. B. Virani Independent Director	55%	00.71 : 1
4.	Mr. Rajesh Sehgal Independent Director	27%	00.48 : 1
5.	Mrs. Nina Kapasi Independent Director	63%	00.59: 1
6.	Mr. Rishabh K. Desai * Non Executive –Non Independent Director	NA	00.28 : 1
7.	Mr. V. C. Diwadkar, Chief Financial Officer	9%	
8.	Mr. Sanjaya R. Kunder, Company Secretary	8%	

*Appointed w.e.f. 07.05.2019.

Notes :

1. Independent directors are paid only sitting fees.
2. The percentage increase in the median remuneration of employees for the financial year 2019-20 was around 6.00 %.
3. There were 1,588 permanent employees on the rolls of Company as on March 31, 2020.
4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 15% whereas the percentage increase in the managerial remuneration for the same financial year was -10%.
5. Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

DISCLOSURES AS PER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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, 2020.

Names	Age (Years)	Designation / Nature of Duty	Qualifications	Experience (Years)	Remuneration (₹)	Date of Commencement of Employment	Last Employment and Designation
Mr. Kushal N. Desai	53	Chairman & Managing Director	B.Sc. (Hons.), (Ele. Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	31	32,628,630	24.03.1999	GE Lighting (India) Ltd. - President
Mr. Chaitanya N. Desai	48	Managing Director	B.Sc. (Hons.), (Chem.Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	26	33,003,691	29.05.1993	-

Notes :

1. The Remuneration includes salary, allowances, commission paid to Directors, reimbursement of leave travel and medical expenses / benefits, company's contribution to provident fund, leave encashment and other perquisites in respect of motor car, accommodation and telephone etc.
2. Above directors are related to each other. None of the employees of the Company is related to any of the Directors.
3. All appointments are contractual and terminable by notice on either side.
4. Information regarding remuneration and particulars of other employees of the Company will be available for inspection by the members at the Registered 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

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, 2020.

I. CONSERVATION OF ENERGY:

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

Conductor Division:

i. CCR rod coiler conversion from DC drive & motor into AC VFD control.

ii. Replacement of 24 numbers of SHPSV & HPMV 250/400 watts by LED lights at Drum assembly area.

iii. 55 numbers transparent sheets on the shed of conductor plant roof top.

iv. In-house modifications in WD-5 shall increase productivity.

v. Tubular 1 tube modification with take-up VFD 7.5 KW AC for increase in productivity.

vi. Flipper 1 & 2 Coil dimensions modified for increasing container loadability.

vii. Reduced power consumption of Cooling Tower circulation pump by giving through Temperature Controller.

viii. Made common connection of Air line of Dispatch & Drum assembly area through single Air Compressor instead of earlier running 2 number compressors.

ix. Up-gradation of PLC (Programmable Logic Controller) - HMI (Human Machine Interface) system with full automation in continuous casting and rolling division.

x. Installed APFC (Automatic Power Factor Control) Panel with Harmonic reactors.

xi. Installed drive on various machines' coolant pumps.

xii. Installed Servo Drives System in place of PMDC system on S & P machine.

xiii. Replaced capacitors with Harmonics filter and Auto operated capacitor bank.

xiv. Provided VFD system on two compressors & CT motor for energy saving.

Oil Division:

i. 325000 KWH Solar power generated through existing 395KWp Roof top PV Solar power plant and reduced the carbon emissions by 228 Mt.

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

iii. Maintained power factor above 0.995 throughout the year.

iv. Steam condensate recovery system is working efficiently.

v. Rain water collected through water harvesting & using the same in the process and also increasing the ground water level through recharge pit.

vi. Compressed air leakages monitored regularly & maintained the leakages below 6%.

Cable Division:

i. Company's Cable Division has generated (saved) 1210023 units of electricity for in-house energy consumption through their 936 KWp Roof Top Solar Plant. This has reduced 1127 Mt. of CO2 emission in the atmosphere and was equivalent to planting 51736 matured trees.

ii. The company has saved 37432 KWH units by replacing MH lights and tube lights by LED lights and 25480 KWH units by replacing some old DC motors into AC.

iii. Continuous efforts made to maintain good power factor throughout the year at all locations.

iv. Saving in energy by installing high speed wire drawing machine.

v. Optimum use of MSD machine run with full speed hence motor losses reduced.

vi. Effective utilization of night rebate, hence major focus is given to run the machine at full efficiency in night instead of day.

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

i. Installation of Solar power plant 225 KW to use natural resources of energy.

ii. Replacement of old Capacitors with Detuned Capacitors for harmonics control & energy saving.

iii. Replacement of capacitor with Harmonics filter and Auto Operated capacitor bank, modification and reduced Harmonics effect from system.

iv. VFD to be provided at Air compressor reciprocating compressor & cooling Tower pump motor.

v. CCR Screw air compressor 75kw Star-delta starter (2 numbers.) to be converted in AC drive.

vi. Installing VFD at CT pump motor at BB 1, 2 (Total 3 numbers).

vii. 576 KWp rooftop solar plant is under investment proposal.

viii. Replacement of inefficient light fitting with the efficient/energy conservation light fitting in the plant.

ix. Additional 295KWp proposal for roof top solar power plant.

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

i. Conversion to VFD drive to result into saving of ~ 10%.
ii. Conversion of DC drive into VFD drive will result into saving of 38 KW/day from air compressors.
iii. Installation of solar power plant with save fuel to the tune of ~15%.
iv. Installation of panel with Harmonics to reduce energy cost.
v. Reduction of Co2 in atmosphere.

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

(A) Power and Fuel Consumption:

(i) Electricity:

		2019-20	2018-19
(a)	Purchased units	93,060,304	84,626,840
	Total Amount (₹ in crore)	63.72	52.38
	Rate/Unit (₹)	6.85	6.19
(b)	Own Generation Through Diesel Generator (Units)	1,267,145	5,623,519
	Average Units generated per liter of diesel oil	2.74	2.77
	Average Cost of Unit (₹)	24.98	19.45

(ii) Furnace Oil:

Quantity (Kl.)	5,351	8,854
Total Amount (₹ in crore)	18.15	36.62
Average Rate/Kl. (₹)	33,918	41,359

(iii) Natural Gas:

Quantity (M3)	1,237,005	1,050,908
Total Amount (₹ in crore)	4.24	4.20
Average Rate/M3. (₹)	34.26	39.95

(iv) LPG:

Quantity (Kl.)	33,173	29,973
Total Amount (₹ in crore)	0.14	0.14
Average Rate/Kl. (₹)	41.62	46.89

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

		2019-20				2018-19			
		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	8.62	0.28	1.81	-	8.66	0.39	1.57	-
(ii)	**Conductors Division :** Per MT output of Aluminium/Alloy Conductors	340	32	-	0.55	270	47	0.47	0.28
(iii)	**Cable Division:** Per Km. of cable	166	-	60	-	146	-	58	-

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 of 4000/5000 series Alloys for various specialized application.

b) Development of Extra High Conductivity Alloys for superior grade conductor.

c) Development of Mega-strength Galvanized core wire for Gap type and ACSS conductor for superior design and competitiveness.

d) Analysis and development of Grease for Bare conductor meeting international standards and reliable performance at field.

e) Special Type test and life cycle assessment facilities (High temperature-tension cycle/ High temperature endurance and creep/ Aeolian vibration and fatigue behavior) test validation and international accreditation.

f) Development of Emissivity measurement of surface treated conductor.

g) Development of Rubber Hoses, Corrugated Tube, Auto cable harness, Battery cables, Earthing Kits (For Railways) and HT Aluminium Corrugated Cable.

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

i) Spray oils field trials for efficacy and phyto toxicity studies on Cotton at AAU (Anand) &PAU (Punjab) for two seasons completed. First field trails on Apple crop at YS Paramar University, H.P have been completed and second season trials are in progress. Toxicology studies of the product will be completed in the current year. Application filed for registration.

j) PTFE Grease-Lithium complex grease launched.

k) High flash transformer oils for fire safety and Biodegradable transformer oils of natural ester type (high Flash) commercially launched.

l) Research project with DDU (DDU along with BHEL) on Computational Fluid Dynamics(CFD) to simulate the thermal behavior of Transformer has been initiated.

m) Petroleum jelly for ophthalmic applications and REACH complaint products launched.

n) Collaborative research work with Dharmsinh Desai University, Nadiad on hydrogenation of base oils (laboratory scale evaluation in continuous column).

o) Adblue (VDA, Germany license) for Diesel exhaust emissions (NOx) reduction has been successfully introduced in the market.

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

a) Business development and market development of 5000 alloy wires.

b) Market competitiveness and higher value added products (HTLS and High conductivity and Low Loss conductor, Low CO2 emission).

c) Business volume expansion/ market expansion in MVCC and sub transmission / distribution conductors.

d) Improvement of process/ quality and productivity.

e) Improvement in environment and safety, lowering greenhouse gas emission (CO2).

f) In-house test facility and R&D is helping innovation, development activities, simulation and assessment at lower cost and without dependency on foreign laboratory and experts.

g) In-house type test facility as per the Global standards satisfying overseas customers for additional business expansion and customer delight.

h) Enhancement of competency, skill and motivating towards make in India.

i) Cost Reduction of various compounds (Specifically in

Solar Insulation compound)

j) Papers presented at NLGI conference on PTFE greases and also as coauthors with Sunway University/ Taylors University on Nano fluids.

k) White oils for thermoplastic applications - trials completed and product commercialized.

l) Cleaning product formulations with improved sanitization properties for hand wash/floor cleaning have been developed and being test marketed.

m) ADBLUE for SCR applications is commercially launched in the market which complies Bharat VI.

n) Optimized formulations in Quenching oils, Rust preventive oils which are superior in quality introduced.

o) Cost Reduction of various compounds (Specifically in Solar Insulation compound)

(iii) Future plan of action:

a) Type testing and commercial production of AERO-Z conductors

b) Development of Extra High Conductivity Alloy.

c) Development of 4000/5000 series Alloy products.

d) Development of Emissivity test set-up for coated conductor.

e) Test facility addition for OPGW Cable.

f) 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.

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

h) Field Trials/condition monitoring of Natural Easter based Transformer oils for distribution transformers in progress. Factory/field trials of High flash Long Life (HFLL) insulating fluids for OLTC applications will be taken up.

i) Commissioned testing equipment for DGA/Stray gas analysis, simulated distillation/ECT.

j) Increase the strength of R&D team to focus on new projects such as hydrogenation. Commercial viability studies will be taken on the hydrogenation process.

k) representing company in CIGRE/Asian Lubricants Manufacturers Union(ALMU), Singapore /NLGI India.

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

m) Industrial and heavy duty cleaners for metal working segment customers (auto component/quenching industry).

n) Venturing into food grade lubricants, Bio lubricants.

o) Continue the research in Dielectric fluids for special applications, Thermic fluids.

p) Introducing biodegradabale fuels additives for increasing fuel efficiency across all divisions for forklifts and to minimize the carbon dioxide generation.

(iv) Expenditure on R&D:

a) Capital = Rs. 1.64 crore

b) Revenue = Rs. 7.69 crore

c) Total = Rs. 9.33 crore

d) Total R&D Expenditure as a percentage of total turnover = 0.13%.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Technology imported (in last five years)	Year of Import	Has technology been fully absorbed
License to 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	2007 Renewed in 2018	Yes
License to manufacture high performance conductor (ACCC)	2013	Yes

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities related to exports

Efforts are continuing to increase exports of all products.

2. Total Foreign Exchange used and earned

(i) Total foreign exchange used:

(₹ in crore)

		2019-20	2018-19
(a)	Raw Materials (CIF)	2,923.20	3,621.91
(b)	Stores & Spares	5.09	2.74
(c)	Capital Goods	16.59	52.26
(d)	Others	102.74	72.28
		3,047.62	**3,749.19**

(ii) Total foreign exchange earned:

(₹ in crore)

		2019-20	2018-19
(a)	Physical Exports (FOB)	1,936.88	1,894.54
(b)	Deemed Exports (eligible for export incentives)	56.10	73.93
(c)	Others	70.40	57.96
		2,063.38	**2,026.43**

Annexure V to the Directors' Report

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

[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), India. Phone No. : (0265) 2339906 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, Shangrilla Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390020 (Gujarat), India Phone : 0265 – 6136000, 6136001 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	31.1%
2.	AAC/AAAC/ACSR Conductors	7614	47.4%
3.	Power / Telecom Cable	8544	21.1%
4.	Others	--	0.4%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1.	Petroleum Specialties Pte. Ltd., Singapore (PSPL), Wholly –owned subsidiary (WOS) of the Company Address: 4 Shenton Way, # 08-03, SGX Centre 2, Singapore - 068807.	Foreign Company 200403112K	Subsidiary	100%	2 (87)(ii)
2.	Petroleum Specialities FZE, Sharjah, Wholly Owned Subsidiary of PSPL Address : Plot No. 1C-02 D1, Hamriyah Free Zone, Sharjah, United Arab Emirates	Foreign Company 13975	Subsidiary of PSPL	100%	2 (87)(ii)
3.	Apar Transmission & Distribution Projects Private Limited, Wholly Owned Subsidiary of the Company Address: 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390007 (Gujarat), India	U74999GJ2016PT C093485	Subsidiary	100%	2 (87)(ii)
4.	Apar Distribution & Logistics Private Limited, Wholly Owned Subsidiary of the Company (w.e.f. 2nd March, 2020) Address: Apar House, Building No. 5, Corporate Park, Sion-Trombay Road, Chembur, Mumbai – 400071 (Maharashtra), India	U6023MH2020PT C338425	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 – 01.04.2019				No. of Shares held at the end of the year – 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	18,717,241	--	18,717,241	48.910	18,193,241	--	18,193,241	47.540	-1.37
b) Central Govt.	--	--	--	--	--	--	--	--	0
c) State govt. (s)	--	--	--	--	--	--	--	--	0
d) Bodies Corporate	110,153	--	110,153	0.288	110,153	--	110,153	0.288	0
e) Banks / FI	--	--	--	--	--	--	--	--	0
f) Any Other....									
Maithili N. Desai Family Pvt. Trust	98,983	--	98,983	0.258	98,983	--	98,983	0.258	0
Maithili N. Desai Family Pvt. Trust No. 2	3,480,000	--	3,480,000	9.094	4,360,000	--	4,360,000	11.393	2.30

Kushal N. Desai Family Pvt. Trust	--	--	--	--	40,000	--	40,000	0.105	0.105
Chaitanya N. Desai Family Pvt. Trust	--	--	--	--	40,000	--	40,000	0.105	0.105
Sub-total (A) (1):-	**22,406,377**	**--**	**22,406,377**	**58.550**	**22,842,377**	**--**	**22,842,377**	**59.690**	**1.14**
(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)	**22,406,377**	**--**	**22,406,377**	**58.550**	**22,842,377**	**--**	**22,842,377**	**59.690**	**1.14**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	9,170,448	224	9,170,672	23.964	8,427,000	188	8,427,188	22.021	-1.943
b) Banks / FI	6,743	84	6,827	0.018	18,681	84	18,765	0.049	0.031
c) Central Govt. (IEPFA – MCA)	54,402	--	54,402	0.142	83,141	--	83,141	0.217	0.075
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	100,000	--	100,000	0.261	0.261
g) FIIs / FPIs	22,47,196	--	22,47,196	5.872	22,23,579	--	22,23,579	5.810	-0.062
h)Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1) :	**11,478,789**	**308**	**11,479,097**	**29.997**	**10,852,401**	**272**	**10,852,673**	**28.359**	**-1.638**
2. Non-Institutions									
a) Bodies Corp. i) Indian	710,670	5,842	716,512	1.872	521,425	5,802	527,227	1.378	-0.494
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	2,038,430	139,612	2,178,042	5.691	2,173,901	121,001	2,294,642	5.996	0.305
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	853,856	--	853,856	2.231	995,166	--	995,166	2.600	0.369
c) Others (Specify)									
Foreign Individual	149,827	4,216	154,043	0.403	161,381	2,336	163,717	0.428	0.025

HUF	151,677	--	151,677	0.396	153,271	--	153,271	0.401	0.005
Clearing Members	59,004	--	59,004	0.154	21,343	--	21,343	0.056	-0.098
Alternate Investment Funds	269,681	--	269,681	0.705	417,943	--	417,943	1.092	0.387
NBFC registered with RBI	330	--	330	0.001	--	--	--	--	-0.001
Sub-total (B)(2):-	**4,233,475**	**149,670**	**4,383,145**	**11.453**	**4,444,430**	**129,139**	**4,573,569**	**11.951**	**0.498**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**15,712,264**	**149,978**	**15,862,242**	**41.450**	**15,296,831**	**129,411**	**15,426,242**	**40.310**	**-1.14**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**38,118,641**	**149,978**	**38,268,619**	**100**	**38,139,208**	**129,411**	**38,268,619**	**100**	**0**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year – 01.04.2019			Shareholding at the end of the year – 31.03.2020			% 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.	Kushal N. Desai	9,310,503	24.329	--	9,048,503	23.645	--	-0.684
2.	Chaitanya N. Desai	9,226,946	24.111	--	8,964,946	23.426	--	-0.685
3.	Maithili N. Desai	0	0.00	--	0	0.00	--	0
4.	Rishabh K. Desai	42,398	0.111	--	42,398	0.111	--	0
5.	Gaurangi K. Desai	3,200	0.008	--	3,200	0.008	--	0
6.	Noopur K. Desai	2,139	0.006	--	2,139	0.006	--	0
7.	Jinisha C. Desai	500	0.001	--	500	0.001	--	0
8.	Devharsh C. Desai	131,555	0.344	--	131,555	0.344	--	0
9.	Apar Corporation Pvt. Ltd. (ACPL)	109,529	0.286	--	109,853	0.287	--	0.001
10.	Scope Pvt. Ltd.*	324	0.001	--	0	0.00	0	-0.001
11.	Maithili Trusteeship Services Pvt. Ltd.	300	0.001	--	300	0.001	--	0
12.	Maithili N. Desai Family Pvt. Trust Trustee K. N. Desai & C. N. Desai	98,983	0.259	--	98,983	0.259	--	0
13.	Maithili N. Desai Family Pvt. Trust No. 2 – Trustee Maithili Trusteeship Services Pvt. Ltd.	3,480,000	9.094	--	43,60,000	11.393	--	2.299
14.	Kushal N. Desai Family Private Trust - Trustee K. N. Desai, C. N. Desai & N. K. Desai	0	0.00	--	40,000	0.105	--	0.105

15.	Chaitanya N. Desai Family Private Trust - Trustee C. N. Desai, K. N. Desai & J. C. Desai	0	0.00	--	40,000	0.105	--	0.105
	TOTAL	**22,406,377**	**58.550**	**--**	**22,842,377**	**59.690**	**--**	**1.141**

*** Scope Private Limited (Transferor Company) has been merged with Apar Corporation Private Limited (Transferee Company) in pursuance of the Scheme of Merger by absorption sanctioned by Hon'ble National Company Law Tribunal, (NCLT) Mumbai Bench during the Financial Year 2019-20.**

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	No. of shares	% of total shares of the company
1.	**Mr. K. N. Desai**	9,310,503	24.329	01.04.2019	-	-	-	-
				24.06.2019	Decrease (Off Market – Inter se transfer of shares to Maithili N. Desai Family Private Trust No. 2 by way of Gift)	(3,80,000)	8,930,503	23.336
				13.12.2019	Increase (Purchase of shares from Open Market)	3,000	8,933,503	23.344
				24.12.2019	Increase (Purchase of shares from Open Market)	90,000	9,023,503	23.579
				16.03.2020	Increase (Purchase of shares from Open Market)	5,144	9,028,647	23.593
				17.03.2020	Increase (Purchase of shares from Open Market)	19,856	9,048,503	23.645
	At the end of the year	**-**	**-**	**31.03.2020**	**-**	**-**	**9,048,503**	**23.645**
2.	**Mr. C. N. Desai**	**9,226,946**	**24.111**	**01.04.2019**	**-**	**-**	**-**	**-**
				24.06.2019	Decrease (Off Market – Inter se transfer of shares to Maithili N. Desai Family Private Trust No. 2 by way of Gift)	(3,80,000)	8,846,946	23.118

				13.12.2019	Increase (Purchase of shares from Open Market)	3,000	8,849,946	23.126
				24.12.2019	Increase (Purchase of shares from Open Market)	90,000	8,939,946	23.361
				16.03.2020	Increase (Purchase of shares from Open Market)	6,411	8,946,357	23.378
				17.03.2020	Increase (Purchase of shares from Open Market)	18,589	8,964,946	23.426
	At the end of the year	**-**	**-**	**31.03.2020**	**-**	**-**	**8,964,946**	**23.426**
3.	**Kushal N. Desai Family Private Trust - Trustee K. N. Desai, C. N. Desai & N. K. Desai**	**-**	**-**	**01.04.2019**	**-**	**-**	**-**	**-**
				24.12.2019	Increase (Purchase of shares from Open Market)	40,000	40,000	0.105
	At the end of the year	**-**	**-**	**31.03.2020**	**-**	**-**	**40,000**	**0.105**
4.	**Chaitanya N. Desai Family Private Trust - Trustee C. N. Desai, K. N. Desai & J. C. Desai**	**-**	**-**	**01.04.2019**	**-**	**-**	**-**	**-**
				24.12.2019	Increase (Purchase of shares from Open Market)	40,000	40,000	0.105
	At the end of the year	**-**	**-**	**31.03.2020**	**-**	**-**	**40,000**	**0.105**
5.	**Maithili N. Desai Family Pvt. Trust No. 2 – Trustee Maithili Trusteeship Services Pvt. Ltd.**	**34,80,000**	**9.094**	**01.04.2019**	**-**	**-**	**-**	**-**
				24.06.2019	Increase (Off Market – Inter se transfer of shares from Kushal N. Desai & C. N. Desai by way of Gift)	7,60,000	4,240,000	11.080

				20.08.2019	Increase (Purchase of shares from Open Market)	50,000	4,290,000	11.210
				17.03.2020	Increase (Purchase of shares from Open Market)	22,197	4,312,197	11.268
				18.03.2020	Increase (Purchase of shares from Open Market)	27,803	4,340,000	11.341
				19.03.2020	Increase (Purchase of shares from Open Market)	2,000	4,342,000	11.346
				20.03.2020	Increase (Purchase of shares from Open Market)	8,000	4,350,000	11.367
				23.03.2020	Increase (Purchase of shares from Open Market)	10,000	4,360,000	11.393
	At the end of the year	-	-	**31.03.2020**	-	-	**4,360,000**	**11.393**

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	No. of shares	% of total shares of the company
1.	HDFC Trustee Company Limited A/C HDFC Balanced Advantage Fund	2,294,750	5.996	01.04.2019	-	-	-	-
	At the end of the year	-	-	31.03.2020	-	-	2,294,750	5.996
2.	Reliance Capital Trustee Co. Ltd. - A/C Nippon India Small Cap Fund	1,313,341	3.432	01.04.2019	-	-	-	-
				27.09.2019	Decrease	300	1,313,041	3.431
	At the end of the year	-	-	31.03.2020	-	-	1,313,041	3.431
3.	L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund	1,090,948	2.851	01.04.2019	-	-	-	-

				07.06.2019	Increase	35,000	1,125,948	2.942
				05.07.2019	Increase	2,000	1,127,948	2.947
				12.07.2019	Increase	10,692	1,138,640	2.975
				19.07.2019	Increase	4,308	1,142,948	2.987
				16.08.2019	Increase	525	1,143,473	2.988
				23.08.2019	Increase	2,581	1,146,054	2.995
				30.08.2019	Increase	6,234	1,152,288	3.011
				06.09.2019	Increase	5,000	1,157,288	3.024
	At the end of the year	-	-	**31.03.2020**	-	-	**1,157,288**	**3.024**
4.	**Reliance Capital Trustee Co. Ltd. A/c. Reliance Power & Infra Fund**	**1,058,466**	**2.766**	**01.04.2019**	-	-	-	-
				05.04.2019	Decrease	(77,000)	981,466	2.565
				17.05.2019	Decrease	(2,086)	979,380	2.559
				31.05.2019	Decrease	(8,830)	970,550	2.536
				07.06.2019	Decrease	(20,250)	950,300	2.483
				21.06.2019	Increase	20,000	970,300	2.536
				29.06.2019	Increase	10,723	981,023	2.564
				05.07.2019	Increase	3,323	984,346	2.572
				12.07.2019	Increase	17,226	1,001,572	2.617
				19.07.2019	Increase	5,792	1,007,364	2.632
				26.07.2019	Increase	6,528	1,013,892	2.649
				02.08.2019	Increase	4,338	1,018,230	2.661
				30.08.2019	Decrease	(59,300)	958,930	2.506
				20.09.2019	Decrease	(1,911)	957,019	2.501
				27.09.2019	Decrease	(2,720)	954,299	2.494
				08.11.2019	Decrease	(8,702)	945,597	2.471
				15.11.2019	Decrease	(1,501)	944,096	2.467
				17.01.2020	Decrease	(994)	943,102	2.464
				06.03.2020	Increase	31,898	975,000	2.548
				13.03.2020	Increase	17,500	992,500	2.594
				20.03.2020	Increase	35,675	1,028,175	2.687
				27.03.2020	Increase	18,006	1,046,181	2.734
	At the end of the year	-	-	**31.03.2020**	-	-	**1,046,181**	**2.734**
5.	**Goldman Sachs India Fund Limited**	**1,008,885**	**2.636**	**01.04.2019**	-	-	-	-
	-			13.12.2019	Decrease	(6,242)	1,002,643	2.620
				28.02.2020	Decrease	(12,061)	990,582	2.589
				06.03.2020	Decrease	(30,868)	959,714	2.508

				13.03.2020	Decrease	(8,007)	951,707	2.487
				20.03.2020	Decrease	(54,171)	897,536	2.345
	At the end of the year	-	-	**31.03.2020**	-	-	**897,536**	**2.345**
6.	HDFC Small Cap Fund	**716,000**	**1.871**	**01.04.2019**	-	-	-	-
				16.08.2020	Increase	98,000	814,000	2.127
	At the end of the year	-	-	**31.03.2020**	-	-	**814,000**	**2.127**
7.	Raiffeisen – Eurasien – Aktien	580,000	**1.515**	**01.04.2019**	-	-	-	-
				30.08.2019	Increase	40,000	620,000	1.620
				29.11.2019	Increase	30,000	650,000	1.699
				31.01.2020	Increase	35,000	685,000	1.790
	At the end of the year	-	-	**31.03.2020**	-	-	**685,000**	**1.790**
8.	L &T Mutual Fund Trustee Ltd. – L and T Hybrid Equity Fund	**560,198**	**1.464**	**01.04.2019**	-	-	-	-
				14.02.2020	Decrease	(124,996)	435,202	1.137
	At the end of the year	-	-	**31.03.2020**	-	-	**435,202**	**1.137**
9.	HDFC Trustee Company Ltd. A/c HDFC Hybrid Debt Fund	**332,400**	**0.869**	**01.04.2019**	-	-	-	-
	At the end of the year	-	-	**31.03.2020**	-	-	**332,400**	**0.869**
10.	L & T Mutual Fund Trustee Ltd. L & T India Value Fund	**273,066**	**0.714**	**01.04.2019**	-	-	-	-
	At the end of the year	-	-	**31.03.2020**	-	-	**273,066**	**0.714**

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Date	Remarks	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.	Mr. Kushal N. Desai						
		01.04.2019	At the beginning of the year	9,310,503	24.329	-	-

		24.06.2019	**Less :** Off Market – Inter se transfer of shares to Maithili N. Desai Family Private Trust No. 2 by way of Gift	(3,80,000)	0.993	8,930,503	23.336
		13.12.2019	**Add:** Purchase of shares from Open Market	3,000	0.008	8,933,503	23.344
		24.12.2019	**Add:** Purchase of shares from Open Market	90,000	0.235	9,023,503	23.579
		16.03.2020	**Add:** Purchase of shares from Open Market	5,144	0.013	9,028,647	23.593
		17.03.2020	**Add:** Purchase of shares from Open Market	19,856	0.052	9,048,503	23.645
		31.03.2020	**At the end of the year**			**9,048,503**	**23.645**
2.	**Mr. Chaitanya N. Desai**						
		01.04.2019	**At the beginning of the year**	**9,226,946**	**24.111**	**-**	**-**
		24.06.2019	**Less :** Off Market – Inter se transfer of shares to Maithili N. Desai Family Private Trust No. 2 by way of Gift	(380,000)	0.993	8,846,946	23.118
		13.12.2019	**Add:** Purchase of shares from Open Market	3,000	0.008	8,849,946	23.126
		24.12.2019	**Add:** Purchase of shares from Open Market	90,000	0.235	8,939,946	23.361
		16.03.2020	**Add:** Purchase of shares from Open Market	6,411	0.017	8,946,357	23.378
		17.03.2020	**Add:** Purchase of shares from Open Market	18,589	0.049	8,964,946	23.426
		31.03.2020	**At the end of the year**			**8,964,946**	**23.426**

3.	Mr. F. B. Virani						
		01.04.2019	At the beginning of the year	5,000	0.013	-	-
		31.03.2020	At the end of the year			5,000	0.013
4.	Mr. Rajesh Sehgal						
		01.04.2019	At the beginning of the year	-	-	-	-
		18.11.2019	Add: Purchase of shares from Open Market	2,000	0.005	2,000	0.005
		16.03.2020	Add: Purchase of shares from Open Market	2,000	0.005	4,000	0.010
		31.03.2020	At the end of the year			4,000	0.010
5.	Mrs. Nina Kapasi						
		01.04.2019	At the beginning of the year	-	-	-	-
		31.03.2020	At the end of the year	-	-	-	-
6.	Mr. Rishabh K Desai						
		01.04.2019	At the beginning of the year	42,398	0.111	-	-
		31.03.2020	At the end of the year			42,398	0.111

Sr. No.	For Each of the Directors and KMP	Date	Remarks	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.	Mr. Vivek C. Diwadkar	01.04.2019	At the beginning of the year	1,952	0.005	-	-
		31.03.2020	At the end of the year			1,952	0.005
2.	Mr. Sanjaya R. Kunder	01.04.2019	At the beginning of the year	133	0.000	-	-
		31.03.2020	At the end of the year			133	0.000

V. INDEBTEDNESS

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

(₹ in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	193.80	-	-	193.80

ii) Interest due but not paid	--	-	-	--
iii) Interest accrued but not due	0.70	-	-	0.70
Total (i+ii+iii)	**194.50**	**-**	**-**	**194.50**
Change in Indebtedness during the financial year				
- Addition	257.94	48.90	**-**	**306.84**
- Reduction	(221.24)	(48.90)	-	(270.14)
- Exchange difference (Unrealised)	**6.55**	**-**	**-**	**6.55**
Net Change	**43.26**	0.00	**-**	**43.26**
Indebtedness at the end of the financial year				
i) Principal Amount	236.95	0.00	-	236.95
ii) Interest due but not paid	--	-	-	--
iii) Interest accrued but not due	0.81	-	-	0.81
Total (i+ii+iii)	**237.76**	**0.00**	**-**	**237.76**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

Sr. No.	Particular of Remuneration	Mr. Kushal N. Desai	Mr. C. N. Desai	Total Amount
	Gross Salary	CMD & CEO	MD	
1.	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.45	1.46	2.91
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.03	0.06	0.09
	(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	1.78	1.78	3.56
	- Others, Specify.....	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	3.26	3.30	6.56
	Ceiling as per the Act	Rs. 17.86 crore (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other Directors:

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount Rs.
1.	Independent Directors	Mr. F. B. Virani	Smt. Nina Kapasi	Mr. Rajesh Sehgal	
	- Fee for attending Board / Committee Meetings - Commission - Others, please specify...	0.045 -- --	0.037 -- --	0.030 -- --	0.112 -- --
2.	Total- B(1)	0.045	0.037	0.030	0.112
Other Non-Executive Director					
			Name of Directors		
Sr. No. **1**			**Mr. Rishabh K. Desai** **(Non-Independent & Non Executive)**		**Total**
	- Fee for attending Board / Committee Meetings - Commission - Others, please specify...		0.018 - -		0.018 - -
	Total (B) (2)		0.018		0.018
	Total (B)=B(1) + B(2)				0.13
	Total Managerial Remuneration**				6.69
	Overall Ceiling as per the Act for non-executive Directors	Rs. 1.78 crore (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

**Total remuneration to Managing Directors and other Directors (being the total of A and B).

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	1.40
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961- others	0.11
	(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 - Others, specify....	 0 0
5.	Others, please specify	0
	Total	1.51

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 VI TO THE DIRECTORS' REPORT

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Apar Industries Limited ("the Company") believes in conducting its affairs in fair, transparent and professional manner and maintaining good ethical standards 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 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 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 policies and actions of the Company are in line with the applicable guidelines on Corporate Governance with an endeavor 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) Composition and size of the Board

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 of the Company currently comprises of six Directors who are eminent individuals with excellent qualifications professional expertise and extensive experience and they have made outstanding contributions to the industry. The Board has an optimum combination of independent, woman director, executive as well as non-executive directors that is in conformity with the provisions of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Board of Directors has 50% Non- executive Directors throughout the year under review. As on date of this Report, the Board of Directors comprises of 6 Directors, including 3 Independent Directors. The Chairman of the Company is an Executive Chairman.

None of the Directors on the Board is a member of more than 10 Committees or a Chairman of more than 5 Committees as specified in Regulation 26 (1) of the Listing Regulations, across all the Indian Listed Entities in which he / she is a Director. The Company has appointed a Woman Director pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with Rule 3 of The Companies (Appointment and Qualification of Directors) Rules, 2014. The necessary disclosure regarding the committee position as has been made by the directors are given herein below:

Composition of the Board and Directorship held as on report date:

Name of Directors	Category	No. of Directorships in other public Companies. *	No. of other Board Committees **		Qualifications/ Expertise
			Member	Chairman	
Mr. Kushal N. Desai	Chairman and Managing Director (Executive)	--	--	--	**Qualification :** Bachelor of Science degree in Electrical Engineering from Moore School of Electrical Engineering, USA and Business degree from the Wharton School, USA both are part of University of Pennsylvania. **Expertise :** Business & Strategic Management and Engineering.
Mr. Chaitanya. N. Desai	Managing Director (Executive)	--	--	--	**Qualification :** Bachelor of Science (Hons.) in Chemical Engineering from University of Pennsylvania, USA and a Bachelor of Science in Economics (Hons.) from the Wharton Business School, USA. **Expertise:** Business & Strategic Management and Engineering.
Mr. F. B. Virani	Non-Executive & Independent Director	--	--	--	**Qualification :** B.E. (Chemical Engg.), M.S. (Chemical Engineering) USA, M.B.A. (USA) **Expertise :** Electrical Engineering & Business Management.
Mr. Rajesh Sehgal	Non-Executive & Independent Director	--	--	--	**Qualification :** Chartered Financial Analyst, Master of Business Administration in Business Management with specialisation in Finance and Marketing, XLRI (India) and Bachelor of Science with specialisation in Physics, Mumbai University, **Expertise :** Finance, Investment and Business Management
Mrs. Nina Kapasi	Non-Executive & Independent Director	--	--	--	**Qualification :** Chartered Accountant **Expertise :** Taxation, Audit and Managing Consultancy.
Mr. Rishabh K. Desai [1] (Appointed w.e.f. 7th May, 2019)	Non-Executive & Non-Independent Director	--	--	--	**Qualification :** Bachelor of Science in Business Management & Entrepreneurship from Babson College, USA **Expertise :** Business Management, Finance and Strategic Management

Notes:-

- 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 Act, read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014 except Mr. Kushal N. Desai and Mr. Chaitanya N. Desai who are brothers and Mr. Rishabh K. Desai who is the son of Mr. Kushal N. Desai and Nephew of Mr. Chaitanya N. Desai.

(1) During the financial year under review the Company has appointed Mr. Rishabh K. Desai as Non-Executive & Non-Independent Director w.e.f. 7th May, 2019.

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

** Includes only Audit Committee and Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee of public limited companies as on 31st March, 2020.

(b) List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business and sectors and as actually available with the Board:

1. **Qualification and Knowledge –** understand company's businesses, strategies, policies, values and culture including its risks, strength, opportunities and threats commensurate with the qualification they possess.
2. **Skills –** Technical and professional skills and expertise to frame strategies and to provide advice and guidance in implementation of Company's various ongoing projects, objectives and strategies.

(c) Board Meeting Procedure

The Board periodically reviews the items required to be placed before it as per Part A of Schedule II (Regulation 17 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the LODR / Listing Regulations) 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 that 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 behavior, ensures transparency in corporate dealings and compliance with laws and regulations.

The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibility effectively, are circulated in advance to the directors. The agenda for the Board Meeting covers items set out as guidelines in Regulation 17 of the Listing Regulations; 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.

(d) Number of Board meetings and the attendance of Directors during the Financial Year 2019-20.

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

During the financial year 2019-20, five Board Meetings were held on May 29, 2019, August 8, 2019, November 7, 2019, January 23, 2020 and February 28, 2020. The last Annual General Meeting (30th AGM) was held on August 8, 2019 at 2:15 P.M. at the Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007, Gujarat, India.

Attendance record of each of the Directors at the Board Meetings during the Financial Year 2019-20 and at the last Annual General Meeting are given below:

Name of Directors	No. of Shares held in the Company	No. of Board meetings held during the tenure of the Directors	No. of Board meetings attended	Attendance at last AGM
Mr. Kushal N. Desai (KND)	9,048,503	5	5	Yes
Mr. Chaitanya. N. Desai (CND)	8,964,946	5	5	Yes
Mr. Rishabh K. Desai (RKD)	42,398	5	4	Yes
Mr. F. B. Virani (FBV)	5,000	5	5	Yes
Mr. Rajesh Sehgal (RS)	4,000	5	4	Yes
Mrs. Nina Kapasi (NK)	Nil	5	5	Yes

(e) Profile of Directors seeking Re-appointment

- Mr. Chaitanya N. Desai retires at the ensuing AGM and being eligible offers himself for Re-appointment.
- The resolution for Re-appointment of Director along with his profile as required under Regulation 36 of the Listing Regulations has been appropriately included in the Notice of AGM forming part of this Annual Report.

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

Audit Committee (AC)			Nomination and Compensation-Cum-Remuneration (NRC) Committee			Share Transfer & Shareholders' Grievance-Cum-Stakeholders Relationship (STCM) 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
NK**	4	4	RS**	1	1	FBV**	4	4	KND **	4	4
FBV	4	4	FBV	1	1	KND	4	4	CND	4	4
RS	4	3	NK	1	1	CND	4	4	FBV	4	4
KND	4	4	-	-	-	-	-	-	-	-	-

Risk Management Committee (RMC)		
Members of the Committee	No. of meetings held during the tenure of the member	No. of Meetings attended
KND**	2	2
CND	2	2
NK	2	2
RS	2	2

**Chairperson of the Committee

(g) **Familiarization Programme of Independent Directors and Meeting of Independent Directors :**

The Company has familiarised the Independent Directors about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters by way of providing updates 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

In accordance with the provisions of Regulation 25 of the Listing Regulations, during the year under review, Independent Directors met on January 23, 2020, inter alia, to -

(a) review the performance of Non-Independent Directors and the Board as a whole;

(b) review the performance of the Chairman 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 Independent Directors attended the said Meeting.

The Board of Directors of your Company confirms that the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

3. AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Board of Directors of the Company have approved new terms of reference for the Audit Committee as per Section 177(4) of the Companies Act, 2013.

(a) **Composition and attendance during the financial year 2019 -2020 :**

- All the members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.
- During the financial year 2019-20, four Audit Committee Meetings were held on May 29, 2019, August 8, 2019, November 7, 2019 and January 23, 2020. The Audit Committee includes three Independent Directors.
- Details of the constitution of the Audit Committee and attendance of the members during the financial year 2019-20 is

given in Para 2(f) above:

- The Chief Financial Officer, the representatives of Statutory Auditors and Internal Auditors are permanent invitees to the meetings and had attended & participated all the Committee Meetings.
- Mr. Sanjaya Kunder, Company Secretary is the secretary to the Committee.
- The Chairperson of the Audit Committee, Mrs. Nina Kapasi was present at the 30th Annual General Meeting of the Company held on August 08, 2019.

(b) 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 covering the matters specified for Audit Committee under Regulation 18 read with Part C of Schedule II to the Listing Regulations and Section 177 of the Act, which are mainly, amongst others, as follows:

(i) recommendation for appointment, remuneration and terms of appointment & removal of auditors (External & Internal) 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.

(xii) to review the functioning of the whistle blower mechanism;

(xiii) carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. SHARE TRANSFER AND SHAREHOLDERS GRIEVANCE-CUM-STAKEHOLDERS RELATIONSHIP COMMITTEE (STC)

Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee has been constituted in accordance with the requirements of Section 178 of Act and Regulation 20 of the Listing Regulations 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.

(a) Composition and attendance during the financial year 2019 -20:

During the financial year 2019-20, four Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee meetings were held on May 29, 2019, August 8, 2019, November 7, 2019 and January 23, 2020.

Details of the constitution of the Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee and attendance of the members during the financial year 2019-20 is given in Para 2(f) above.

Mr. Sanjaya Kunder, Company Secretary is the Compliance Officer pursuant to the requirements of the Listing Regulations.

(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, Authorised Person and Assistant Manager, Secretarial 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. No share transfers remained pending for approval as at 31st March, 2020.

(c) The details of complaints received, cleared and pending during the financial year 2019-20 are given as unde:

1.	No. of complaints received from SEBI (SCORES)	3
2.	No. of complaints received from NSE	1
3.	No. of complaints resolved	4
4.	No. of complaints not solved to the satisfaction of the investors as at 31st March, 2020.	Nil
5.	Complaints pending as at 31st March, 2020.	Nil

Further, the Company's –

(i) Conductor division received total 10 complaints and all 10 (100%) were resolved,

(ii) Wire Rods division received 28 complaints, of which all 28 (100%) were resolved,

(iii) Cable division of the Company received total of 176 customer complaints, out of which 168 (95%) were resolved and 8 complaints are pending for resolution and

(iv) Oil Division of the Company received total 120 complaints, out of which 117 (97.5%) were resolved and 3 complaints are under resolution.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

a. Composition and attendance during the financial year 2019-20.

During the financial year 2019-20, four CSR Committee meetings were held on May 29, 2019, August 8, 2019, November 7, 2019 and January 23, 2020.

Details of the constitution of the CSR Committee and attendance of the members during the financial year 2019-20 is given in Para 2(f) above.

b. 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 Section 135 (3) and Schedule VII of the Companies Act, 2013.

(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.

6. NOMINATION AND COMPENSATION-CUM-REMUNERATION COMMITTEE (NRC)

In compliance with Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board has constituted Nomination and Compensation-cum-Remuneration (NRC) Committee.

(a) Composition and attendance during the financial year 2019 -20 :

During the financial year 2019-20, one NRC meeting was held on May 29, 2019.

Details of the constitution of the NRC Committee and attendance of the members during the financial year 2019-20 is given in Para 2(f) above.

(b) Terms of Reference:

The broad terms of reference of the Nomination and Compensation-cum-Remuneration (NRC) Committee include, over and above the administration and other related matters of the Employee Stock Option Plan, the approval of remuneration and other matters as set out under Part D (A) of the Schedule II [Regulation 19 (4) of the Listing Regulations] which shall inter alia include:

(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.

(c) Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Part D (A) of the Schedule II (Regulation 19 (4) of Listing Regulations), Board has carried out the annual performance evaluation of Board, the Directors including Independent 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.

7. **Risk Management Committee**

The Board has constituted a Risk Management Committee comprising of four Directors; Mr. Kushal N. Desai – Chairman and Managing Director and CEO, Mr. Chaitanya N. Desai - Managing Director, Mr. Rajesh Sehgal, Mrs. Nina Kapasi, both Non-Executive and Independent Directors as also Chief Financial Officer and other Executives of the Company.

The Company has formulated Risk Management Policy identifying major risks impacting the business objectives of the Company.

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

During the financial year 2019-20, two Risk Management Committee meetings were held on May 29, 2019 & January 23, 2020.

Details of the constitution of the Risk Management Committee and attendance of the members during the financial year 2019-20 is given in Para 2(f) above.

COMMODITY PRICE RISK AND COMMODITY HEDGING ACTIVITIES

1. In line with the Company's objective towards increasing stakeholders value, a risk management policy has been framed, which attempts to identify key events / risks impacting the business objectives of the Company and attempts to develop policies and strategies to ensure timely evaluation, reporting, monitoring and mitigation plan of key business risks.

   The Company is engaged in the business of manufacture and sale of conductors, specialty oils and cables. These businesses are faced with commodity price risks in respect of aluminum, copper, steel & base oils. In respect of aluminum and copper, price risk is managed by hedging on London Metal Exchange (LME). Whereas steel and base oils are not hedgeable as there is no active market for the same. These risks are managed through other business means such as inventory, sales prices etc. The information required in respect of SEBI circular no - SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is given below.

2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year :

   a. Total exposure of the listed entity to commodities in INR Crores – Rs. 4,777 Crores

   b. Exposure of the listed entity to various commodities

Commodity Name	Exposure (₹ Crores)[1]	Exposure (Quantity)[1]	UOM	% of such exposure hedged through commodity derivatives				
				Domestic Market		International Market		Total
				OTC	Exchange	OTC	Exchange	
Aluminum	2,151	1,49,478	MT	-	-	-	99	99
Copper	1,092	24,412	MT	-	-	-	73	73
Zinc	24	1,182	MT	-	-	-	51	51
Steel[2]	177	36,345	MT	-	-	-	-	-
Base Oils[2]	1,333	3,10,084	KL	-	-	-	-	-

1. Exposure is based on the total purchases of particular commodity during the reporting year.
2. These commodities are not hedgeable.

8. **REMUNERATION OF DIRECTORS**

(a) Remuneration policy, terms and criteria of appointment of Directors

The Nomination and Compensation-cum-Remuneration Committee (NRC) 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 the remuneration paid to the Directors are given in the attached Form **MGT -9.**

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(b) Remuneration Paid To Executive Directors :

The break-up of remuneration paid / payable to the Managing Directors for the FY 2019-20 is as under:

Name of Directors	Mr. K. N. Desai	Mr. C. N. Desai
Designation	Chairman & Managing Director	Managing Director
Salary (₹)	1,45,03,972	1,45,75,946
Commission (₹)	1,78,62,045	1,78,62,045
Perquisites / Allowances (₹)	2,62,612	5,65,699
Total (₹)	3,26,28,630	3,30,03,691
Stock Option Granted (Nos.)	Nil	Nil
Service Contract	5 years from 01/01/2018 to 31/12/2022	5 years from 01/01/2018 to 31/12/2022
Notice Period	3 Months	3 Months

(c) Remuneration Paid To Non-Executive Directors :

The Non-executive Directors 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.

Details of remuneration paid to Independent & Non Independent - Non-Executive Directors for attending the meetings of Board of Directors and Committees are as given below:

Name of Directors	Sitting Fees (Gross) (₹)	No. of Stock Options granted
Mr. F. B. Virani	4,50,000	Nil
Mr. Rajesh Sehgal	3,05,000	Nil
Mr. Rishabh K Desai *	1,80,000	Nil
Smt. Nina Kapasi	3,75,000	Nil

*Non-Independent & Non-Executive

(d) Pecuniary Relationship of Independent Directors with the Company :

None of the Independent Directors have any pecuniary relationship or transactions with the Company, its Promoters, its management or its Subsidiaries, which, in the judgement of the Board, would affect the independence or judgement of Directors.

9. 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 of the Company and designated persons. 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 persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. Further, the Company has also amended Whistle Blower Policy as per the amended SEBI (Prohibition of Insider Trading) Regulations 2015. The Company has appointed M/s. Link Intime India Pvt. Ltd., the Registrar and Transfer Agents of the Company, to monitor / facilitate compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015, as amended.

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

10. GENERAL BODY MEETINGS :

Details of the last three Annual General Meetings (AGM) of Shareholders of the Company held is as under:

AGM and Financial Year	Date & Time	Location	Details of Special Resolutions
30th 2018 -19	**August 8, 2019** **at 2:15 P.M.**	The Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 (Gujarat), India	- Appointment of Mr. Rishabh K. Desai as Non-executive and Non-Independent Director of the Company, whose term of office shall be liable to retire by rotation. - Re-appointment of Mr. F. B. Virani as Non-Executive Independent Director of the Company for the second Term of 5 years w.e.f. the conclusion of 30th Annual General Meeting. - Re-appointment of Mrs. Nina Kapasi as Non-Executive Independent Director of the Company for the second Term of 5 years w.e.f. the conclusion of 30th Annual General Meeting.
29th 2017 -18	**August 9, 2018** **at 2:15 P.M.**		-Re-appointment of Mr. Kushal N. Desai as Managing Director and Chief Executive Officer (CEO) of the Company for a period of five years w.e.f. 1st January, 2018 to 31st December, 2022 and payment of Remuneration to him. - Re-appointment of Mr. Chaitanya N. Desai as Managing Director of the company for a period of five years w.e.f. 1st January, 2018 to 31st December, 2022 and payment of Remuneration to him.
28th 2016-17	**August 9, 2017** **at 2:15 P.M.**		Adoption of new set of Articles of Association of the Company.

During the financial year under review, no Extra Ordinary General Meeting was held and no resolutions were passed through Postal Ballot.

11. 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, 2020 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, 2019.	1,316	20,875
ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2019-2020.	11	122
iii)	Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2019-2020.	11	122
iv)	Number of Shareholders whose shares were transferred from the Unclaimed Suspense Account to the IEPF Authority during the year 2019-2020 pertaining to the Financial Year 2011-12.	828	12,624
v)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. March 31, 2020.	477	8,129

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

Pursuant to the provisions of Section 124(5) and Section 124(6) of the Act, read with the Investor Education and Protection Fund

Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, the Company has transferred 28,787 Equity Shares of the shareholders whose dividend had remained unclaimed/outstanding for a period of 7 years from 2011-12 to 2017-18 on 14th January, 2020 to IEPF Authority.

12. COST AUDIT

The Cost Auditors appointed by the Company pursuant to Section 148 (3) of the Act 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, 2019. The said Cost Audit Reports were filed in XBRL mode with Ministry of Corporate Affairs (MCA) on 6th September, 2019 (due date of filing was 30th September, 2019).The due date for filing the Cost Audit Reports for the financial year ended 31st March, 2020 is within 30 days from the date of receipt of a copy of Cost Audit Report.

The Board of Directors of the Company has appointed M/s. Rahul Ganesh Dugal and Co., a Proprietary Firm, who are in Whole Time Practice as Cost Accountant, having Firm Registration no. 103425 and Membership no. 36459 issued by the Institute of Cost and Works Accountants of India (ICAI), as a Cost Auditor of the Company for the financial year 2019-20.

13. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Hemang M. Mehta, proprietor 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.

14. MEANS OF COMMUNICATION

Quarterly, Half Yearly and Yearly Financial Results of the Company are published in Gujarat edition of "The Business Standard", an (English Language) nationwide daily newspaper and "Vadodara Samachar" or "Loksatta" (Gujarati Language) daily newspapers.

Additionally, the results, other important information and official news releases including presentations made for investors or analysts are also periodically updated on the Company's website viz. www.apar.com and are also sent to both the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

The Company organizes investor conference calls to discuss its financial results every quarter where investors' queries are answered by the management of the company. The investor presentations and the transcripts of the call are also uploaded on the website of the Company and sent to the Stock Exchanges.

Further, the related information is uploaded / submitted to Stock Exchanges on time to time basis.

The Company's results and official news/ presentations/ Notices are available on the Company's website viz. www.apar.com

15. DISCLOSURES

a) **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 are given in Note No. 43 of the audited accounts for the FY 2019-20, and also in Directors' Report under Para 19 (refer Form AOC-2), which form 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 arm's 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.

b) 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.

c) **Whistle Blower Policy:** The Company has introduced 'Whistle Blower Policy (Apar's OMBUDSMEN Policy) effective from 1st March, 2014 as modified from time to time, the last modification being on April 30, 2019 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 believes 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. No personnel have been denied access to the Audit Committee.

d) The Company has complied with mandatory requirement of Corporate Governance provisions and has not adopted discretionary requirements.

e) **Subsidiary Companies:** The Company has formulated a Policy on Material Subsidiaries in terms of the Listing Regulations. The same can be accessed through web link http://www.apar.com/pdf/financedata/our-policies/Policy%20on%20Material%20Subsidiaries.pdf

The Company has following Subsidiaries at present:

- Petroleum Specialities Pte. Ltd. Singapore (PSPL) – Wholly owned Subsidiary of the Company
- Petroleum Specialities FZE, Sharjah – Wholly owned Subsidiary of PSPL
- Apar Transmission & Distribution Projects Private Limited – Wholly Owned Subsidiary of the Company and
- Apar Distribution & Logistics Private Limited – Wholly Owned Subsidiary of the Company (w.e.f. 02.03.2020)

On the basis of the definition of Material Subsidiary given in Regulation 16 of the Listing Regulations, the Company does not have any Material Subsidiary as on 31st March, 2020.

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

f) Reports of Auditors on statutory financial statements of the Company do not contain any qualification.

g) The CEO & MD and the CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations 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.

h) Management Discussion & Analysis is covered under the separate head of the Directors' Report of 2019-2020.

i) **Auditors' Certificate on Corporate Governance:** The Company has obtained a Certificate from the Statutory Auditors of the Company regarding compliance with the provisions relating to Corporate Governance prescribed by Schedule V (E) (Regulation 34 (3) of the Listing Regulations which is attached herewith.

16. GENERAL INFORMATION

31st Annual General Meeting Day, Date and Time	:	Monday, 17th August, 2020 at 2:30 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
Financial Year	:	1st April, 2020 to 31st March, 2021 The financial results will be adopted as per the following tentative schedule: First Quarter : On or before 14th August, 2020. Second Quarter : On or before 14th November, 2020. Third Quarter : On or before 14th February, 2021. Fourth Quarter : On or before 30th May, 2021.
Book Closure Dates/ Cut-off-Date (Record Date)	:	As mentioned in the Notice of this AGM
Dividend Payment	:	NA
CIN	:	L91110GJ1989PLC012802
Registered Office	:	301, Panorama Complex, R. C. Dutt Road, Vadodara - 390 007 (Gujarat), India.
Listing of Shares on the Stock Exchanges	:	BSE Limited (BSE) Scrip Code No. 532259 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. National Stock Exchange of India Limited (NSE) Scrip Symbol– APARINDS "Exchange Plaza", C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. The Company has paid the Listing Fees to both the Stock Exchanges within Stipulated time.

Dematerialization of shares as on 31st March, 2020:

Particulars	31st March, 2020	
No. of Demat Shares	**No. of Shares**	**%**
- NSDL	3,46,49,148	90.54
- CDSL	34,90,060	9.12
No. of Physical Shares	1,29,411	0.34
Total	**3,82,68,619**	**100.00**

Distribution of shareholding as on 31st March, 2020:

No. of shares ranging From	–	To	No. of Shareholders	% to Total	No. of Shares	% to Total
1	-	500	22,656	95.74	11,81,639	3.09
501	-	1000	417	1.75	3,20,344	0.84
1001	-	2000	257	1.09	3,79,310	0.99
2001	-	3000	82	0.35	2,03,444	0.53
3001	-	4000	51	0.22	1,80,565	0.47
4001	-	5000	28	0.12	1,27,090	0.33
5001	-	10000	83	0.35	5,83,150	1.52
10001	&	above	89	0.38	3,52,93,077	92.23
Total:			**23,663**	**100.00**	**3,82,68,619**	**100.00**

ISIN for NSDL & CDSL : INE372A01015

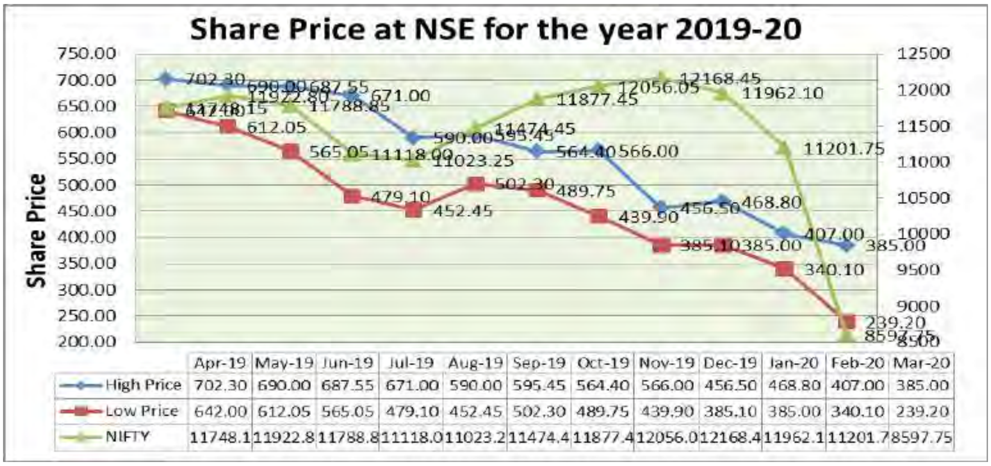
Reconciliation of Share Capital Audit : A qualified Practicing Company Secretary carried out on quarterly basis, a Reconciliation of Share Capital Audit (RSCA) to reconcile the total dematted Share Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (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.

High/low of market price of the Company's shares traded along with the volumes at BSE and NSE during the Financial Year 2019-2020 is furnished below:

Month	BSE (SENSEX)				NSE (Nifty)			
	High Price (₹)	Low Price (₹)	No. of Shares Traded	SENSEX	High Price (₹)	Low Price (₹)	No. of Shares Traded	NIFTY
Apr-19	702.00	645.05	515	39,031.55	702.30	642.00	1,63,933	11,748.15
May-19	690.70	621.00	1,580	39,714.20	690.00	612.05	1,31,752	11,922.80
Jun-19	684.95	561.15	1,692	39,394.64	687.55	565.05	1,82,084	11,788.85
Jul-19	601.00	480.00	2,153	37,481.12	671.00	479.10	2,21,027	11,118.00
Aug-19	583.85	459.30	2,960	37,332.79	590.00	452.45	5,06,192	11,023.25
Sep-19	596.70	502.45	1,206	38,667.33	595.45	502.30	76,095	11,474.45
Oct-19	569.80	489.70	1,662	40,129.05	564.40	489.75	1,14,696	11,877.45
Nov-19	565.00	433.00	4,049	40,793.81	566.00	439.90	2,75,263	12,056.05
Dec-19	455.00	386.25	4,077	41,253.74	456.50	385.10	3,59,514	12,168.45

Jan-20	468.40	385.00	10,508	40,723.49	468.80	385.00	11,67,013	11,962.10
Feb-20	407.50	343.10	3,929	38,297.29	407.00	340.10	4,56,215	11,201.75
Mar-20	410.00	235.10	4,578	29,468.49	385.00	239.20	7,22,272	8,597.75
Total Shares Traded			38,909				43,76,056	
Average Shares Traded			3,242				3,64,671	

Share performance of the Company in graphical comparison at NSE (Nifty) :



Shareholding Pattern as at 31st March, 2020:

Category	No. of Equity Shares	% of Share Holding
Promoters / Persons Acting in concert	22,842,377	59.69
Banks, Financial Institutions and Insurance Companies	118,765	0.31
NBFC registered with RBI	--	--
Alternate Investment Fund	417,943	1.09
Mutual funds	8,427,188	22.02
Foreign Institutional Investors / Foreign Portfolio Investors	22,23,579	5.81
NRIs / OCBs	163,717	0.43
Corporate Bodies	527,227	1.38
Central Government / State Government / President of India (IEPF)	83,141	0.22
Resident Individuals (Public)	34,64,682	9.05
Total	**38,268,619**	**100.00**

Registrar for Share Transfer Agent : Link Intime India Private Limited
B-102 & 103, Shangrilla Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 (Gujarat), India

Ph. Nos. (0265) 6136000, 6136001
Tele Fax. (0265) 2356791
E-mail: vadodara@linkintime.co.in

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

Plant Locations

Division	Location
Conductors	Silvassa, Athola, Rakholi, Jharsuguda and Lapanga.
Oil	Rabale and Silvassa and Hamriyah Free Zone – Sharjah – UAE (owned by Petroleum Specialities FZE, a step down operating subsidiary).
Cable	Umbergaon and Khatalwada (Gujarat)

Address for Communication : Shareholders' Grievances / correspondence should be addressed to the Company at the Registered Office of the Company situated at :
301, Panorama Complex, R. C. Dutt Road, Vadodara - 390 007 (Gujarat), India

Ph. (0265) 2339906
Fax (0265). 2330309
E-mail : com_sec@apar.com

LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD.-

Rating: "A" for Long Term Bank Facilities and "A1" for Long/Short Term Bank Facilities, Agency: CARE Ratings Limited. The Company has not involved in mobilization of the fund under any scheme and debt instruments except availing of banking related facilities including Rupee Term Loan.

17. OTHER DISCLOSURES :

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A).

During the year under review, there was neither any Preferential Allotment nor any Qualified Institutional Placement as specified under Regulation 32(7A) of the Listing Regulations.

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

The Company has received a certificate from Mr. Hemang M. Mehta, proprietor of M/s. H. M. Mehta & Associates, Company Secretary in Practice, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs/ Reserve Bank of India or any such statutory authority.

WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED, IN THE RELEVANT FINANCIAL YEAR, THE SAME TO BE DISCLOSED ALONG WITH REASONS THEREOF:

There was no such instance during FY 2019-20.

TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/ NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART:

Sr. No.	Head of Fees	Fees for the year 2019-20 (Rs. Crores) Apar	Fees for the year 2019-20 (Rs. Crores) ATDPPL	Fees for the year 2019-20 (Rs. Crores) ADLPL	Fees for the year 2019-20 (Rs. Crores) Total
1.	Audit Fee	0.44	0.01	0.00	0.45
2.	Other Services	0.09	0.01	0.00	0.10
3.	Out-of-pocket expenses	0.00	0.00	0.00	0.00
	Total	**0.53**	**0.02**	**0.00**	**0.55**

DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013;

Particulars	Numbers
Number of complaints filed during the financial year	**Nil**
Number of complaints disposed off during the financial year	**Nil**
Number of complaints pending as on end of the financial year	**Nil**

The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

DECLARATION REGARDING COMPLINCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Company has adopted a Code of Conduct for its Employees and Directors which is available on the Company's web site.

As per the requirements of the Listing Regulations, this is to confirm that all the Members of the Board and Senior Management Personnel have affirmed with the Code of Conduct of the Company for the financial year 2019 - 20 and accordingly have received, a declaration of compliance with the Code of Conduct from 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, 2020.

Place : Mumbai
Date : 25th June, 2020.

Kushal N. Desai
Chairman & Managing Director
and CEO

INDEPENDENT AUDITOR'S CERTIFICATE ['CERTIFICATE'] ON CORPORATE GOVERNANCE

Independent Auditors' certificate on corporate governance

To the members of Apar Industries Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 14 August, 2018.
2. We, Sharp & Tannan LLP, Chartered Accountants, the Statutory auditors of Apar Industries Limited ('the Company'), have examined the compliance of conditions of corporate governance for the year ended 31 March, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of corporate governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

4. Our responsibility is to examine the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither audit nor expression of opinion on the financial statements of the Company.
5. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with corporate governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('the ICAI'), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as is applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanation provided to us and representations provided by management, we certify that the Company has complied with the conditions of corporate governance as specified in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of schedule V of the SEBI Listing Regulations, as applicable during the year ended 31 March, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed to and provided to the members of the Company solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

Place : Mumbai
Date : 25 June 2020

For SHARP & TANNAN LLP
Chartered Accountants
Firm's registration no. 127145W/W100218
By the hand of

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAOC7116

Annexure VII TO THE DIRECTORS' REPORT

Business Responsibility Report

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	:	2019-20
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 & Speciality Oils (ii) AAC / AAAC / ACSR Conductors (iii) Power / Telecom Cable
9.	Total Number of locations where business activity is undertaken by the Company	:	48 - Both International and National
i.	Number of international locations	:	3 Locations through Subsidiaries
ii.	Number of national locations	:	45 Locations (Factories, Offices including leased offices and depots)
10.	Market served by the Company Local / State / National / International	:	In addition to serving Indian markets, the Company exports its products to over 100 countries worldwide as on 31st March, 2020.

Section B : Financial Details of the Company :

1.	Paid up capital (INR)	:	Rs. 38.27 Crore
2.	Total Turnover (INR)	:	₹ 7,060.09 Crore
3.	Total Profit after taxes (INR)	:	₹ 138.77 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	₹ 4.82 Crore (3.42%)
5.	List of activities in which expenditure in 4 above has been incurred:	:	1. Healthcare and upliftment of weaker sections of society 2. Education and Medical 3. Environmental sustainability and Rural Development 4. Welfare of under privilege and destitute children, including girl children 5. Empowerment of physically / mentally challenged and underprivileged children, adults and providing free education. 6. Restoration and re-building efforts post Cyclone 7. Mid-Day Meal.

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	:	00008084
	Name	:	Mr. Kushal N. Desai
	Designation	:	Chairman & Managing Director
b.	**Details of the BR head**	:	
	1. DIN (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 principle of National Voluntary Guidelines on Social Environment 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 of 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%20Responsibility%20Policy.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

b. If answer to the question at Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)

Not applicable, as the Company has policies in place for all the 9 Principles.

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 will publish the BR Report with the Annual Accounts for the Financial Year 2019-20 and upload the same on the Company's website at www.apar.com. BRR for FY 2018-19 already uploaded with the Annual Accounts.

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 total three complaints received from SEBI (SCORE) and one Complaint received from National Stock Exchange of India Limited (NSE) on behalf of the Shareholders of the Company, all of which (100 %) were promptly attended to and redressed suitably to the satisfaction of shareholders and replied to the Statutory Authorities also viz. SEBI and NSE.

Further, the Company's –

(i) Conductor division received total 10 complaints and all 10 (100%) were resolved,

(ii) Wire Rods division received 28 complaints (20 Export related and 8 Domestic complaints), of which all 28 (100%) were resolved,

(iii) Cable division of the Company received total of 176 customer complaints, out of which 168 (95%) were resolved and 8 complaints are pending for resolution and

(iv) Oil Division of the Company received total 120 complaints, out of which 117 (97.5%) were resolved and 3 complaints are under resolution.

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 its business.
- Understand that mutual Trust and Respect is the essence of its Human Values.
- Understand Accountability and Commitment in setting and meeting aggressive targets.
- Understand that Company will always conduct its 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 continuously using recyclable steel drums in place of non-returnable wooden drums in order to protect the environment and reduce cost to the Company. Apart, such recyclable steel drums are now more increasingly used with combination of PP sheet in place of wooden pallets (laggings), removing usage of natural wood in line with Apar's responsibility towards conservation of nature.

b. Further, conductor division is also increasingly promoting usage of hybrid drums (drums having steel frame with HDPE sheet in place of fully steel based flange) to reduce on metal, there by optimizing logistics and cost.

c. In Company's Oil Division, water is collected through rain water harvesting and used in the process and for charging the ground water through recharge pit. This will help in improving the ground water level. Also, set up a system to reuse the cleaned water after treatment.

Division has installed 395KWp solar power plant for its energy consumption. It has generated 3,25,000 KWH during 2019-20 through solar power and fed into the main grid.

d. Company's Cables Division is increasingly using recyclable steel drums in place of wooden drums for packing in order to protect the environment. Out of Total procurement of Rs 34 Cr of Packing Drums, about Rs 17.65 Cr Steel drums were used, thus reducing the consumption of wooden drums to reduce environment concerns.

e. The cable division has started replacing the wooden outer laggings by PP sheet by almost 50%

f. The cable division has started experimenting by supplying small qty of 3600 Km Fiber Optic medium sized cables (earlier supplied on wooden drums) in Coils and waiting market feedback. This could save 1200 drums. It has a significant potential for reducing the drums requirements.

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 - IV 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 to about 65 kg/MT at Rakholi unit and to 55 kg/MT at Athola unit.

Designs of HTLS/HEC conductors are made to sustain higher operating temperatures so that consumer benefits from less operating losses and higher throughput.

Company has entered into a long term agreement with one of the prime aluminium supplier for supply of hot liquid aluminium metal.

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 Six Sigma culture as 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.

Company's Cable Division has generated (saved) 12,10,023 units of electricity during the financial year 2019-20 for in-house energy consumption through their 936 KWp Roof Top Solar Plant. This has reduced 1127 metric ton of CO2 emission in this year in the atmosphere and was equivalent to planting 51736 mature trees. Another 576 KWp rooftop solar plant is under commissioning.

The company has saved 37432 KWH (Units) by replacing MH lights and tube lights by LED lights and 25480 KWH (Units) by replacing some old DC motors into AC at cable division.

Reduction in carbon footprint (appx. 25 ton of CO2) by export logistics rearrangement through railway electrical mode apart from saving in freight cost. This year cable division has used electrical railway mode for local transportation of 115 export containers

.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 and Lapanga plants are 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 parts 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, Oils Unit are both located in Silvassa. Similarly, Company's Cable Units are located in Umbergaon and Khatalwad (Taluka Umbergaon). Thus all these units are located 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. Oil division plant at Sharjah, UAE has direct pipeline transfer of Oil from the ship reducing dependence on surface transportation

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. Company also supports vendors for improving their productivity and technical capability to reduce their operation costs.

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. Major workforce of the company is employed from the surroundings of the manufacturing unit across all locations.

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.

The manufacturing processes of Aluminium 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.

Company's Cable division recycles the scrap of Aluminum (100%, Copper (>50%) and Thermoplastic compound (>75%) whereas steel wastage is being sold to scrap processors who in turn sell it to recyclers.

Wooden laggings used for wooden drums are also increasingly being replaced with PP sheet for covering, thus reducing wood consumption.

ETP Plant has been set up to treat the polluted water of various processes, which is used for auxiliary purposes making it Zero discharge unit.

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

Apar's Corporate Philosophy is to encourage the 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.

Further, in order to promote the wellbeing of the employees, the Company has introduced the flexi timings in some of the offices of the Company

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

1,588 Nos. (excluding temporary and contractual employees).

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

a. Temporary	-	48
b. Contractual	-	4023
c. Casual	-	426

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

   87

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 one Association (Central Labour Association)

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

   7.36% of Cable Division.

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	0	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 – 76%

   b. Permanent Women Employees – 31%

   c. Casual / Temporary / Contractual Employees – 77%

   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. In fact the Company has given options to the present employees who are residents of areas where the new Manufacturing Plants are being commissioned, to seek transfer to the said new Manufacturing Plants thereby the employees can be migrated back to their native places. 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 meets their obligations towards the Contract Labour employed by them.

   Wherever new Manufacturing Plant is being erected, Company 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, activities relating to rehabilitation of abandoned, unclaimed, parentless and destitute children, especially girl children, in need of care and protection, Activities relating to Mid- Day Meals for Children, services to mentally under-developed girls, education to rural / slum children and development of vocation skills especially for senior citizens by arranging medical camps & yoga training, 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 total three complaints received from SEBI (SCORE) and one Complaint received from NSE on behalf of the Shareholders of the Company, all of which (100 %) were promptly attended to and redressed suitably to the satisfaction of shareholders and replied to the Statutory Authorities also viz. SEBI and NSE.

   Further, the Company's –

   (i) Conductor division received total 10 complaints and all 10 (100%) were resolved,

   (ii) Wire Rods division received 28 complaints (20 Export related and 8 Domestic complaints), of which all 28 (100%) were resolved,

   (iii) Cable division of the Company received total of 176 customer complaints, out of which 168 (95%) were resolved and 8 complaints are pending for resolution and

   (iv) Oil Division of the Company received total 120 complaints, out of which 117 (97.5%) were resolved and 3 complaints are under resolution.

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 and Annexure IV - Report on Conservation of Energy.

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 Exchange Earnings and Outgo – Annexure - IV 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. Export Engineering Promotion Council.
   e. Indian Electrical & Electronics Manufacturers' Association (IEEMA)
   f. Indian Merchant Chamber
   g. Manufacturers of Petroleum Specialties Association (MPSA)
   h. Confederation of Indian Industry

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 and made significant progress for the business of the 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, 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 various Industry segment seminars and exhibitions 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. The Company's Conductor division has won Star Performance Award for Export Excellence for 7 years in the product group Metal fasteners, Springs and Allied articles Large Enterprise awarded by EEPC India

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 customers 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 continues 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.**

The Company's –

(i) Conductor division received total 10 complaints and all 10 (100%) were resolved,

(ii) Wire Rods division received 28 complaints (20 Export related and 8 Domestic complaints), of which all 28 (100%) were resolved,

(iii) Cable division of the Company received total of 176 customer complaints, out of which 168 (95%) were resolved and 8 complaints are pending for resolution and

(iv) Oil Division of the Company received total 120 complaints, out of which 117 (97.5%) were resolved and 3 complaints are under resolution.

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. The customers are provided with Guaranteed Technical particulars, which are approved and forms part of the customer purchase order.

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 VIII to the

Directors' Report

EMPLOYEE STOCK OPTION DISCLOSURES

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 (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations) read with 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 Regulations and Guidelines are as follows:

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) Shri F.B.Virani (b) 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. *Of these, 2/3rd Options lapsed and 1/3rd Options exercised and equal no. of shares (1,333) allotted.	: :	4,000*
	ii. Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year		Nil
	iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	: :	Nil
k.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options.	:	Not Applicable (No options granted and exercised in Financial Year 2019-20).

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 audit of the standalone financial statements

Opinion

We have audited the standalone financial statements of Apar Industries Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matters	How the matter was addressed in our audit
Revenue recognition	
We have identified the following key areas for consideration of revenue recognition as key audit matters: • Cut-off: This establishes when title, risk and rewards are transferred to the customer and gives rise to the risk that revenue is not recognised in the correct period; and • Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in conformity with Ind AS 115 'Revenue from Contracts with Customers'. The application of the accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, accounting standard contains disclosures, which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Revenue from operations for the year ended 31 March 2020 the Company is Rs. 7,060.09 crores (refer note 24 to the standalone financial statements).	To address this key audit matter, our procedure included: • We obtained an understanding of the accounting processes and relevant controls relating to the accounting of revenue; • Performed walkthroughs of the revenue recognition processes and assessed the design effectiveness of key controls. • Tested the controls over the revenue recognition process to confirm operating effectiveness of such controls. • We read significant new contracts/ orders to understand the terms and conditions and their impact on recognition of revenue. • We performed cut off tests for all manufacturing locations for material movement (mapping of gate register/ manual register to the goods receipt note/ goods entry accounted for by the stores); • Examined invoice with shipping documents to ensure that revenue has been recognised in the correct period; and • We assessed the adequacy of the Company's disclosures on revenue recognition as given in notes 24 and 46 to the standalone financial statements. We also selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in such contracts; • Compared such performance obligations with that identified and recorded by the Company; • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. Based on the procedures performed we consider revenue are fairly stated in the standalone financial statements.

<table>
<tr><td colspan="2">Derivative financial instruments and hedge accounting</td></tr>
<tr><td>Derivative financial instruments are used to manage and hedge foreign currency exchange risks and commodity risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and 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.

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.

We focused on this area on account of the number of contracts, their measurement, the complexity related to hedge accounting and the potential impact on the statement of profit and loss.

As at 31 March 2020, the Company has derivative financial assets at fair value of Rs. 24.80 crores and derivative financial liabilities at fair value of Rs. 130.37 crores (refer notes 12A and 21A to the standalone financial statements)</td><td>Our procedures included:
• We obtained an understanding of the risk management policies and testing key controls for the use, recognition and measurement of derivative financial instruments;
• We reconciled derivative financial instruments data with third party confirmations;
• We compared valuation of derivative financial instruments with market data;
• We tested, on a sample basis, the applicability and accuracy of hedge accounting; and
• We considered the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting in notes 12A, 21A, 35, 37 to 40 and 48 to the standalone financial statements.

Based on the procedures performed the derivative financial instruments and hedge accounting are fairly stated in the standalone financial statements.</td></tr>
<tr><td colspan="2">Inventories</td></tr>
<tr><td>Inventory comprises of raw material including packing material, work in progress, finished goods and stores and spares.

We have identified the inventories as key audit matter because it is material to the standalone financial statements.

Inventories aggregate to Rs. 1,268.00 crores as of 31 March 2020 (refer note 7 to the standalone financial statements).</td><td>Our procedures included:
• Obtaining an understanding of the supply chain and testing selected key controls over recognition and measurement of inventory;
• Testing on a sample basis the accuracy of cost for inventory by verifying supporting documents and testing the net realizable value by comparing actual cost with relevant market data;
• Ensuring proper cut-off;
• Enquiring with management regarding non-moving and slow-moving inventories; and
• by attending the physical stock-taking exercise conducted by management; further, we physically verified items on test check basis.

Based on the procedures performed inventories are fairly stated in the standalone financial statements.</td></tr>
</table>

Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the board's report including annexures thereto and management discussion and analysis, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the standalone financial statements of the Company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

On account of the COVID-19 related lock-down restrictions, management was able to perform year end physical verification of inventories, only at certain locations, subsequent to the year end. Also, we were not able to physically observe the verification of inventory that was carried out by management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 'Audit Evidence – Specific Considerations for Selected Items' and have obtained sufficient audit evidence to issue our unmodified opinion on the standalone financial statement. Our report on the standalone financial statements is not modified in respect of this matter.

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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A the statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, based on our audit, 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows 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 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 31 March 2020 taken on record by the board of directors, none of the directors is disqualified as on 31 March 2020 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; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – refer note 44 to the standalone financial statements;

ii) The Company has long-term contracts including derivative contracts for which there are no material foreseeable losses – refer notes 12A, 21A, 35, 37 to 40 and 48 to the standalone financial statements; and

iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company – refer note 11 to the standalone financial statements.

For Sharp & Tannan LLP
Chartered Accountants
Firm's registration No. 127145W/W100218

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAPA3500

Mumbai, 25 June 2020

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date)

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

(b) According to the information and explanations given to us and records of the Company examined by us, fixed assets have been physically verified by management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

(c) According to information and explanations given to us and the records of the Company examined by us and based on the examination of the registered sales deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds of immovable properties are held in the name of the Company.

(ii) As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verification between the physical stock and the books of accounts, which were not material, have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are 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 grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to information and explanation given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records under section 148(1) has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the contents of these accounts and records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2020 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 on the basis of our examination of records of the Company, the particulars of income tax, value added tax, sales tax, service tax, goods and service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2020 are as under:

Name of the Statute	Nature of the disputed dues	Amount (₹ in crore)	Period to which the amount relates	Forum where disputes are pending
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, interest and penalty	0.13	1998-99 2001-02 2003-04 and 2004-05 2010-11	Assistant Commercial Tax Officer / Commercial Tax Officer
		0.06	2011-12 to 2012-13	Deputy Commissioner
		6.96	2002-03 to 2004-05 2006-07 2011-12 to 2013-14	Commissioner VAT
		5.34	1998-99 2006-07 2008-09	Tribunal
		0.13	2013-14	Additional Commissioner
		1.11	2015-16 to 2017-18	Joint Commissioner
		0.15	2009-10	High Court
The Central Excise Act, 1944 The Customs Act, 1962 Service Tax under the Finance Act, 1994.	Duty, service tax, interest and penalty	2.17	2004-05 to 2007-08 2017-18	Commissioner (Appeal)
		2.17	1998-99 2012-13 to 2017-18	CESTAT / Tribunal
		1.05	1998-99 to 2006-07	High Court

* Net of pre-deposit paid in getting the stay/ appeal admitted.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not borrowed any funds from the government and debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanation given to us, the

Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Sharp & Tannan LLP**
Chartered Accountants
Firm's registration no.127145W/W100218
Firdosh D. Buchia
Partner
Mumbai, 25 June 2020 Membership no. 038332

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2(f) of our report of even date)

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 31 March 2020 in conjunction with our audit of the standalone 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 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.

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 on audit of internal financial controls over financial reporting 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 standalone 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 standalone 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 standalone 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 standalone 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 31 March 2020, 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 LLP
Chartered Accountants
Firm's registration No. 127145W/W100218

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAPA3500

Mumbai, 25 June 2020

Balance Sheet As at 31st March, 2020

(₹ in crore)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	722.02	598.47
Right to use Assets	2A	17.99	-
Capital work-in-progress	2	54.67	103.49
Goodwill	3	-	2.10
Other Intangible assets	3A	2.43	3.04
Intangible asset under development	3A	0.04	-
Invesments	4	0.28	0.27
Financial Assets			
Trade receivables	9A	3.06	1.93
Others	5	12.21	11.54
Other non-current assets	6	8.63	18.54
Deferred Tax Assets (net)	18	2.18	-
Other Tax Assets		21.68	-
Total non current assets		**845.19**	**739.38**
Current Assets			
Inventories	7	1,268.00	1,223.34
Financial Assets			
Investments	8	-	186.92
Trade receivables	9	1,803.58	2,077.12
Cash and cash equivalents	10	141.93	183.42
Bank balances other than above	11	12.31	12.05
Short-term loans and advances	12	30.04	21.84
Derivatives	12A	24.80	25.48
Other current assets	13	187.84	213.49
Total current assets		**3,468.50**	**3,943.66**
TOTAL ASSETS		**4,313.69**	**4,683.04**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14A	38.27	38.27
(b) Other equity	14B, 14C	**1,050.69**	**1,086.93**
Total equity		**1,088.96**	**1,125.20**
Non current liabilities			
Financial liabilities			
Long Term Borrowings	15	156.61	84.48
Leases		13.31	-
Other financial liabilities	16	3.37	3.30
Derivatives	21A	7.34	-
Provisions	17	7.42	5.49
Deferred tax liabilities (net)	18	-	39.16
Total non current liabilities		**188.05**	**132.43**
Current liabilities			
Financial liabilities			
Short Term Borrowings	19	63.75	87.82
Leases		5.72	-
Trade and other payables	20		
a) Total Outstanding dues of micro enterprises and small enterprises		17.23	7.83
b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		2,689.51	3,124.56
Other financial liabilities	21	56.49	61.16
Derivatives	21A	123.03	39.44
Other current liabilities	22	79.52	91.73
Short term provisions	23	1.43	1.58
Liabilities for current tax		-	11.29
Total current liabilities		**3,036.68**	**3,425.41**
Total liabilities		**3,224.73**	**3,557.84**
Total Equity and Liabilities		**4,313.69**	**4,683.04**
Significant accounting policies	1		
Contingent liabilities and commitments	44		

As per our report attached

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218

by the hand of
Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 25th June, 2020

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 25th June, 2020

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, 2020

(₹ in crore)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue			
I. Revenue from Operations	24	7,060.09	7,586.27
II. Other income	25	8.29	14.82
III. Total Revenue		**7,068.38**	**7,601.09**
IV. Expenses			
Cost of materials consumed	26	5,434.15	6,065.45
Purchases of Stock-in-Trade	27	148.60	74.89
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(163.39)	(124.69)
Employee benefits expense	29	160.02	139.57
Finance costs	30	219.08	192.28
Depreciation and amortization expense	2,3,3A	79.15	60.13
Other expenses	31	1,020.24	968.40
Total expenses		**6,897.85**	**7,376.03**
Less : Transfer to capital assets		1.14	2.69
Net total expenses		**6,896.71**	**7,373.34**
V. Profit before exceptional items and tax		**171.67**	**227.75**
VI. Exceptional items		-	-
VII. Profit before tax		**171.67**	**227.75**
VIII. Tax expense:			
1. Current tax		45.69	75.69
2. Deferred tax		(13.00)	4.97
		32.69	**80.66**
IX. Profit/(Loss) for the year from continuing operations		**138.98**	**147.09**
X. Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		(1.17)	(0.87)
Income tax relating to items that will not be reclassified to profit or loss		0.30	0.30
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		(114.75)	4.48
Income tax relating to items that will be reclassified to profit or loss		28.04	(1.53)
XI. Total comprehensive income for the year (IX+X)		**51.40**	**149.47**
XII. Earnings per equity share	32		
Basic		36.32	38.44
Diluted		36.32	38.44

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm Registration No.127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 25th June, 2020

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 25th June, 2020

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, 2020

(₹ in crore)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	171.67	227.75
Adjustments for		
Depreciation on non current assets	69.92	56.58
Amortisation of intangible assets	3.08	3.55
Amortisation of Right of use assets	6.15	-
(Gain)/loss on sale of property, plant and equipment	2.81	0.31
Finance costs	149.38	147.99
Finance income	(5.14)	(7.92)
Provision for Doubtful Debts written back / reversed	6.52	1.88
Unrealised exchange loss/(gain)	40.55	(23.36)
Profit on sale of investments	(3.15)	(6.90)
Movement in working capital		
(Increase)/ decrease in trade and other receivables	300.93	(377.41)
Increase/ (decrease) in inventories	(44.66)	(81.96)
Increase/ (decrease) in trade and other payables	(513.95)	761.20
Tax paid	(78.65)	(72.00)
Net cash generated from / (used in) operating activities	**105.46**	**629.71**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(135.13)	(200.14)
Acquisition of intangibles	(0.40)	(1.24)
Proceeds from sale of property, plant and equipment	0.67	0.17
Sale / (purchase) of investment in Subsidiaries	(0.01)	0.01
Sale / (purchase) of investments	190.07	(180.02)
Net cash generated from / (used in) investing activities	**55.20**	**(381.22)**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings - Net	(27.67)	(80.58)
Proceeds/(repayments) of long-term borrowings - Net	64.90	(28.15)
Repayment of Lease Liabilities	(4.83)	-
Interest received/(paid) - net	(146.93)	(136.02)
Dividend Payment	(72.53)	(36.28)
Tax on dividends	(14.95)	(7.47)
Net cash (used in) / generated from financing activities	**(202.01)**	**(288.50)**
Net increase / (decrease) in cash and cash equivalents	(41.35)	(40.01)
Effect of exchanges rate changes on cash and cash equivalents	0.12	0.13
Cash and cash equivalents at the beginning of the year	195.47	235.35
Cash and cash equivalents at the end of the year	**154.24**	**195.47**

Notes :

1) Statement of cash flows 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 ₹ 0.01 crore; (previous year ₹ 0.10 crore), fixed deposit under lien ₹ 11.25 crore (previous year ₹ 11.05 crore) and unrealised gain of ₹ 0.12 crore; (previous year unrealised loss of ₹ 0.13 crore) on account of translation of foreign currency bank balances.

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
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For and on behalf of the Board of Directors

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Partner
Membership No. 038332
Mumbai, 25th June, 2020

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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, 2020		As at March 31, 2019	
	No. of Shares	Amount (₹ in Crore)	No. of Shares	Amount (₹ in crore)
Balance at the beginning of the reporting period	38,268,619	38.27	38,268,619	38.27
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	38,268,619	38.27	38,268,619	38.27

₹ in crore

(b) Other equity	Reserves & Surplus					Items of OCI		
For the year ended	Retained earnings - Surplus	General reserve	Securities premium	Capital reserve	Capital Redemption Reserve	Hedging Reserve	Other items of OCI	Total
Balance at April 1, 2018	**520.18**	**225.00**	**205.18**	**23.77**	**14.98**	**(6.79)**	**(1.03)**	**981.29**
Total comprehensive income for the year								
Profit for the year	147.09	-	-	-	-	-	-	147.09
Other comprehensive income for the year	-	-	-	-	-	2.95	(0.57)	2.38
Total comprehensive income for the year	**147.09**	-	-	-	-	**2.95**	**(0.57)**	**149.47**
Transactions with the owners of the Company								
Contributions and distributions								
Dividends	(43.83)	-	-	-	-	-	-	(43.83)
Transfer / Receipt	(15.00)	15.00	-	-	-	-	-	-
Balance at March 31, 2019	**608.44**	**240.00**	**205.18**	**23.77**	**14.98**	**(3.84)**	**(1.60)**	**1,086.93**
Total comprehensive income for the year								
Profit for the year	138.98							138.98
Other comprehensive income for the year						(86.71)	(0.87)	(87.58)
Total comprehensive income for the year	**138.98**	**-**	**-**	**-**	**-**	**(86.71)**	**(0.87)**	**51.40**
Transactions with the owners of the Company								
Contributions and distributions								
Dividends	(87.64)							(87.64)
Transfer / Receipt	(14.00)	14.00						-
Balance at March 31, 2020	**645.78**	**254.00**	**205.18**	**23.77**	**14.98**	**(90.55)**	**(2.47)**	**1,050.69**

Nature and purpose of reserves

i. 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 statement of profit or loss as the hedged cash flows or items thatr affect profit or loss.

ii. Securities premium - 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 off 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.

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 25th June, 2020

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Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 1 Significant Accounting Policies

1. **General information**

Apar Industries Limited ("the Company"), 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. The Company is incorporated in India. The registered office of the Company is situated at 301, Panorama Complex, R. C. Dutt Road, Vadodara, Gujarat – 390 007. Over the ensuing years it has been offering value added products and services in Power Transmission Conductors, Petroleum Specialty Oils and Power & Telecom Cables.

These financial statements are approved for issue by the Board of Directors on June 25, 2020.

2. **Statement of compliance**

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 (to the extent notified) read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in accounting policy hitherto in use.

3. **Functional and presentation currency**

These financial statements are presented in Indian rupees (₹), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated. Amounts less than ₹ 0.50 lakhs have been presented as "0.00"

4. **Basis of preparation**

The financial statements have been prepared on a going concern basis using historical cost convention 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; and
- 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 & intangible assets**

Useful lives of 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

Note	1	Significant Accounting Policies (Contd.)

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 measure 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 include 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 values of Interest Rate Swaps are determined with respect to current market rate of interest.

- **Sales incentives and Customer Loyalty Programs**

  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 program/ 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 program or when it is no longer probable that the points under the program will be redeemed.

  The cash incentives offered under various schemes are in the nature of sales promotion and provisions 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. Significant accounting policies followed by the company

A. Foreign currency

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.

Note	1	Significant Accounting Policies (Contd.)

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

The company has adopted Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations notified in the Companies (Indian Accounting Standards) Rules, 2018 on March 28, 2018, by the Ministry of Corporate Affairs ('the MCA'). Accordingly, the exchange rate for translation of foreign currency transaction; in cases when company receives or pays advance consideration is earlier of;

- the date of initial recognition of non-monetary prepayment asset or deferred income liability or
- the date that the related item is recognized in the financial statements.

If the transaction is recognized in stages; then a transaction date will be established for each stage.

B. Revenue Recognition

i. Revenue from contract with customers for sale of goods and provision of services

Ind AS 115 Revenue from Contract with Customers: On March 28, 2018, 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 standard permits two possible method of transition:

• Retrospective Approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch up approach)

The Company has adopted the standard on April 1, 2018 by using cumulative catch up transition method. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

The Company recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Company satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 satisfies; else revenue is recognized at point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenues are recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue & costs, if applicable, can be measured reliably.

a. Performance Obligation

The Company derives its revenue from selling products and services in Power Transmission Conductors, Transformer & Speciality Oils and Cables.

The Company is required to assess each of its contracts with customers to determine whether performance obligation are satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Company has assessed that based on the contracts entered into with the customers and the provisions of relevant laws and regulations, the Company recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Company satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

In cases where the Company determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer. The Company considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided and consumed by the customer as per agreed terms and the Company has unconditional right to consideration.

Note	1	Significant Accounting Policies (Contd.)

In cases where the Company determines that performance obligation is satisfied over time, then revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. The amount of revenue can be measured reliably;

2. It is probable that the economic benefits associated with the transaction will flow to the company;

3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

The Company considers that the use of the input method, which requires revenue recognition on the basis of the company's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Company estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include;

a. For service contracts, the time elapsed

b. Transaction Price

The Company is required to determine the transaction price in respect of each of its contracts with customers.

Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.

For allocating the transaction price, the Company measured the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Company also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration if any, the Company uses the "most likely amount" method as per Ind AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

c. Discounts, Rebates & Incentive to Customers

The Company accounts for volume discounts, rebates and pricing incentives to customer based on the ratable allocation of the discounts / rebates to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning that discounts; rebates or incentive. The Company also recognises the liability based on the past performance of the customers fulfilling the criteria to get the discounts, rebates or incentive and the future outflow of the same is probable. If it is probable that the criteria for the discounts will not be met or if the amounts thereof cannot be estimated reliably, then the discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company accounts for discounts, rebates and pricing incentives in the year of payment where customer qualifies for the same and wherein provision was not made due to company's inability to make reliable estimates based on the available data at reporting date.

d. Contract Modification

Any changes in the scope or price of the contracts are accounted only when the same is approved. The accounting of modification calls for assessment of changes in the scope or prices. If the goods or services added are not of distinct nature then modification are accounted on a cumulative catch up basis, while those that are distinct are accounted prospectively, either as a separate contract, if additional goods or services are priced at the standalone selling prices or as a termination of the existing contract and creation of new contract if not priced at the standalone selling price.

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. Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

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

Note	1	Significant Accounting Policies (Contd.)

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 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

Note	1	Significant Accounting Policies (Contd.)

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

Note	1	Significant Accounting Policies (Contd.)

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 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 taxes 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.

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.

Estimated useful life as per technical estimates of the Company:

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

Note	1	Significant Accounting Policies (Contd.)

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'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 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 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.

Note	1	Significant Accounting Policies (Contd.)

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

- 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:

Note	1	Significant Accounting Policies (Contd.)

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.

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

Note	1	Significant Accounting Policies (Contd.)

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 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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective from annual reporting period beginning April 1, 2019 and applied the standard to its existing leases, with the modified retrospective method. This has resulted into recognition of Right of use assets at an amount equals to Lease liability on date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the Company's incremental borrowing rate. For leases with reasonably similar

Note	1	Significant Accounting Policies (Contd.)

characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to;

1. Short-term leases of all assets that have a lease term of 12 months or less, and

2. Leases for which the underlying asset is of low value.

The lease payments associated with above 2 types of leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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 exceeds the estimated recoverable amount, 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 Company cash 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note	1	Significant Accounting Policies (Contd.)

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.

8. Recent Indian Accounting Standard (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 2 Property, plant and equipment

(₹ in crore)

	Gross block					Depreciation				Net Block	
	As at 01-04-2019	Additions	Deductions	Effect of movement in excha-nge rates	As at 31-03-2020	Upto 31-03-2019	For the year	Deductions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
(i) Tangible assets											
Land- Freehold	26.92	11.76			38.68	-			-	38.68	26.92
Land-Leasehold	10.61				10.61	0.56	0.14		0.70	9.91	10.05
Building (Refer Note a. below)	213.44	29.94	(2.74)		240.64	23.97	8.94	(0.74)	32.17	208.47	189.47
Plant and machinery (Refer Note a & b below)	476.78	141.47	(3.48)	0.05	614.82	128.05	54.83	(1.99)	180.89	433.93	348.73
Furniture and fixtures	6.33	3.45			9.78	2.19	1.13	0.00	3.32	6.46	4.14
Equipments	23.35	9.51	(0.07)		32.79	8.53	3.66	(0.04)	12.15	20.64	14.82
Motor vehicles	7.53	0.80	(0.29)		8.03	3.19	1.22	(0.30)	4.11	3.93	4.34
Sub total (i)	**764.96**	**196.93**	**(6.58)**	**0.05**	**955.36**	**166.49**	**69.92**	**(3.07)**	**233.34**	**722.02**	**598.47**
(ii) Capital work-in-progress											
Buildings					-				-	22.55	16.03
Plant and machinery					-				-	32.12	87.46
Sub total (ii)	-	-	-	-	-	-	-	-	-	**54.67**	**103.49**
Grand Total										**776.69**	**701.96**

	Gross block					Depreciation				Net Block	
	As at 01-04-2018	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2019	Upto 31-03-2018	For the year	Deductions/ adjustments	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
(i) Tangible assets											
Land- Freehold	26.64	0.28	-	-	26.92	-	-	-	-	26.92	26.64
Land-Leasehold	10.61	-	-	-	10.61	0.42	0.14	-	0.56	10.05	10.20
Building (Refer Note a. below)	177.53	35.98	(0.07)	-	213.44	16.22	7.77	(0.02)	23.97	189.47	161.32
Plant and machinery (Refer Note a & b below)	404.84	72.80	(1.42)	0.56	476.78	86.07	43.12	(1.14)	128.05	348.73	318.77
Furniture and fixtures	5.50	1.14	(0.31)	-	6.33	1.66	0.82	(0.29)	2.19	4.14	3.83
Equipments	18.28	5.38	(0.31)	-	23.35	5.61	3.23	(0.31)	8.53	14.82	12.68
Motor vehicles	6.61	1.77	(0.85)	-	7.53	2.43	1.50	(0.74)	3.19	4.34	4.18
Sub total (i)	**650.01**	**117.35**	**(2.96)**	**0.56**	**764.96**	**112.40**	**56.58**	**(2.49)**	**166.49**	**598.47**	**537.61**
(ii) Capital work-in-progress											
Buildings					-					16.03	3.65
Plant and machinery					-					87.46	14.56
Sub total (ii)	-	-	-	-	-	-	-	-	-	**103.49**	**18.21**
Grand Total										**701.96**	**555.82**

Note 2A Property, plant and equipment (₹ in crore)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

	Gross Block					Depreciation				Net Block	
	As at 01-04-2019	Additions	Deductions	Effect of movement in exchange rates	AS at 31-03-2020	Upto 31-03-2019"	For the year	Deductions/ adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Righ of use Assets	-	24.86	(1.05)	-	23.81	-	6.15	**(0.33)**	5.82	17.99	-
Grand Total	**-**	**24.86**	**(1.04)**	**-**	**23.81**	**-**	**6.15**	**(0.33)**	**5.82**	**17.99**	**-**

(₹ in crore)

Note 3 Goodwill

Cost as at 01-04-2018	Amortisation for the year	Net block as at 31-03-19
4.76	2.66	2.10
Cost as at 01-04-2019	**Amortisation for the year**	**Net block as at 31-03-20**
2.10	2.10	-

Note 3A Intangible assets

(₹ in crore)

	Gross Block					Depreciation				Net Block	
	As at 01-04-2019	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2020	Upto 31-03-2019"	For the year	Deductions/ adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Specialised software	6.64	0.37	-	-	7.01	3.78	0.93	-	4.71	2.30	2.86
Non compete fee	0.41	-	-	-	0.41	0.23	0.05	-	0.28	0.13	0.18
	7.05	**0.37**	**-**	**-**	**7.42**	**4.01**	**0.98**	**-**	**4.99**	**2.43**	**3.04**
Intangible asset under development					-				-	0.04	-
TOTAL	**7.05**	**0.37**	**-**	**-**	**7.42**	**4.01**	**0.98**	**-**	**4.99**	**2.47**	**3.04**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

	Gross Block					Depreciation				Net Block	
	As at 01-04-2018	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2019	Upto 31-03-2018	For the year	Deductions/ adjustments	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Specialised software	4.54	2.10	-	-	6.64	2.94	0.84	-	3.78	2.86	1.59
Non compete fee	0.41	-	-	-	0.41	0.18	0.05	-	0.23	0.18	0.22
TOTAL	**4.95**	**2.10**	**-**	**-**	**7.05**	**3.12**	**0.89**	**-**	**4.01**	**3.04**	**1.81**
Intangible asset under Development										**-**	**0.86**
TOTAL	**4.95**	**2.10**	**-**	**-**	**7.05**	**3.12**	**0.89**	**-**	**4.01**	**3.04**	**2.67**

Note :

a. Includes expenditure on research and development ₹ 1.64 crore, (Previous Year ₹ 3.18 crore) for plant and machinery (refer Note 45)

b. Addition to fixed assets includes ₹ 0.05 crore (Previous Year ₹ 0.56 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 is ₹ 7.31 crore (Previous Year ₹ 7.99 crore)

c. The Company had contractual commitments of ₹ 8.12 crore (Previous Year ₹ 25.21 crore).

d. Existence and amounts of restrictions on the title, and PPE pledged as securities. Refer Note 15 (a) on long term borrowing.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 4 Investments

(₹ in crore)

	31 March 2020	31 March 2019
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
- 10,000 Equity shares of Apar Transmission & Distribution Projects Pvt Ltd of 10 each, fully paid up #	0.01	0.01
- 9,900 Equity shares of CEMA Optilinks Pvt Ltd of (upto 18.09.2018)* of 10 each, fully paid up #	-	-
- 10,000 Equity shares of Apar Distribution & Logistics Pvt Ltd of 10 each, fully paid up #	0.01	-
	0.28	**0.27**

It is carried at cost.

* The Company has sold the investment against cash consideration

Disclosure pursuant to Ind AS 27 - "Separate Financial Statements"

Subsidiary Company	Principal place of business	Effective Proportion of ownership (%)		Effective Proportion of voting power (%)	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Petroleum Specialities Pte Limited	Singapore	100%	100%	100%	100%
Apar Transmission & Distribution Projects Pvt Ltd	India	100%	100%	100%	100%
CEMA Optilinks Pvt Ltd (upto 18.09.2018)	India	0%	0%	0%	0%
Apar Distribution & Logistics Pvt Ltd	India	100%	0%	100%	0%

Note 5 Other Non current Financial Assets

(₹ in crore)

	March 31, 2020	March 31, 2019
Unsecured, considered good		
Security deposits	8.42	7.56
Other financial assets (Refer Note i below)	3.79	3.98
	12.21	**11.54**

Note:

i. Includes fixed deposit of ₹ 2.78 crore (Previous Year ₹ 2.79 crore) under lien.

Note 6 Other non current assets

(₹ in crore)

	March 31, 2020	March 31, 2019
Capital advances	5.09	14.56
Balance with government authority	3.54	3.98
	8.63	**18.54**

Note 7 Inventories

(₹ in crore)

	March 31, 2020	March 31, 2019
Raw materials and components	446.97	**512.87**
Raw materials-in transit	147.76	203.57
Work-in-progress	222.82	151.64
Finished goods	374.57	295.47
Finished goods - in transit	22.07	9.23
Stock-in-trade	13.70	13.43
Stock-in-trade - in transit	-	-
Stores and spares	40.11	37.13
	1,268.00	1,223.34

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

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

Note 8 Current investments

(₹ in crore)

	March 31, 2020	March 31, 2019
a. Investment in mutual funds		
Union Liquid Fund Growth - Direct Plan No. of units : Nil (March 31, 2019: 10,39,160.265)	-	186.92
	-	**186.92**

b. Market value of quoted investments		
Book value	-	186.92
Market value	-	186.92
Impairment Loss	-	-

All the above securities have been classified and measured at FVTPL. Information about the Company's Fair values and risk management Disclosure are included in Note 35

Note 9 Trade receivables

(₹ in crore)

	March 31, 2020	March 31, 2019
Trade receivables		
Secured, considered good	0.52	0.52
Unsecured, considered good (Refer Note (ii) below)	1,803.06	2,076.60
Unsecured, credit impaired	41.93	35.40
	1,845.51	**2,112.52**
Less: Allowances for doubtful debts	41.93	35.40
	1,803.58	**2,077.12**

Note

i. For receivables offered as security against borrowing - refer note 19

ii. Includes receivable from subsidiaries/ down-stream subsidiaries

iii. For allowances for expected credit loss - refer note 36

(₹ in crore)

	March 31, 2020	March 31, 2019
Due from a subsidiary		
Petroleum Specilities FZE	5.76	5.02
	5.76	**5.02**

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

Note 9A Trade receivables (Non-Current)

(₹ in crore)

	March 31, 2020	March 31, 2019
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	3.06	1.93
Unsecured, credit impaired	-	-
	3.06	**1.93**
Less: Allowances for doubtful debts	**-**	**-**
	3.06	**1.93**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 10 Cash and cash equivalents

(₹ in crore)

	March 31, 2020	March 31, 2019
Balances with banks	106.05	180.07
On deposits with original maturity of less than three months	35.00	-
Cash on hand	0.24	0.20
Cheques on hand	0.64	1.95
Funds in transit	-	1.20
	141.93	**183.42**

Note:

Bank balances include ₹ 0.22 crore (Previous Year ₹ 0.82 crore) held in a foreign currencies which are not freely remissible because of exchange restrictions.

Note 11 Bank balances other than (Note 10) above

(₹ in crore)

	March 31, 2020	March 31, 2019
Deposits with original maturity for more than 3 months but less than 12 months(refer note i below)	11.41	11.24
Margin money deposit (refer note ii below)	0.01	0.10
Unclaimed dividend account (refer note iii below)	0.89	0.71
	12.31	**12.05**

Note

i Includes fixed deposit of ₹ 11.25 crore (Previous Year ₹ 11.05 crore) under lien.

ii Against letters of credit for Company's import of raw materials and working capital loans.

iii There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2020

Note 12 Short-term loans and advances

(₹ in crore)

	March 31, 2020	March 31, 2019
Unsecured, considered good, unless otherwise stated #		
Loans and advances to related parties	0.19	0.09
Others		-
Security deposits	27.88	18.49
Interest accrued but not due on fixed deposits	0.74	0.46
Interest accrued but not due on security deposits	0.05	0.08
Other receivable	1.18	2.72
	30.04	**21.84**
# Loans and advances to related party		
Apar Investments (Singapore) Pte Ltd.	0.04	-
Petroleum Specialities FZE	0.15	0.09
	0.19	**0.09**

(₹ in crore)

Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Loans and advances to subsidiary companies	**Maximum amount due at any time during the year**	
	March 31, 2020	**March 31, 2019**
Petroleum Specialities Pte. Ltd	-	1.14
Petroleum Specialities FZE	0.15	0.09
CEMA Optilinks Pvt. Ltd.	-	0.72
Apar Investments (Singapore) Pte Ltd.	0.04	-

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 12A Derivatives-Asset

(₹ in crore)

	March 31, 2020	March 31, 2019
Derivatives used for hedging	24.80	25.48
	24.80	**25.48**

Note 13 Other Current Assets

(₹ in crore)

	March 31, 2020	March 31, 2019
Balances with statutory/government authorities	134.93	145.99
Prepayments and others	52.91	67.50
	187.84	**213.49**

Note 14A Equity Share Capital

(₹ in crore)

		March 31, 2020	March 31, 2019
a	**Authorised :**		
	101,998,750 (Previous year 101,998,750) Equity shares of ₹ 10 each	102.00	102.00
	TOTAL	**102.00**	**102.00**
b	**Issued :**		
	38,268,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27	38.27
	TOTAL	**38.27**	**38.27**
c	**Subscribed and Paid up :**		
	38,268,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27	38.27
		38.27	**38.27**

		March 31, 2020	March 31, 2019
d	**Reconciliation of number of shares outstanding at the beginning and end of the year :**		
	Outstanding at the beginning of the year	38,268,619	38,268,619
	Issued (Buy Back) during the year	-	-
	Outstanding at the end of the year	38,268,619	38,268,619

e	**Aggregate no. and class of shares bought back during the period of five years immediately preceding the reporting date:**	March 31, 2020	March 31, 2019
	No of Shares bought back		
	Equity Shares bought back (FY 2016-17)	228,150	228,150
		228,150	**228,150**

f. 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.

ii) 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 2020		31 March 2019	
g.	**Shareholders holding more than 5% shares in the company is set out below:**	**No of shares**	**%**	**No of shares**	**%**
	Kushal N. Desai	9,048,503	23.65%	9,310,503	24.33%
	Chaitanya N. Desai	8,964,946	23.43%	9,226,946	24.11%
	Maithili N. Desai Family Pvt. Trust No. 2 -Trustee Maithili Trusteeship Services Private Limited "	4,360,000	11.39%	3,480,000	9.09%
	HDFC Trustee Company Limited	3,539,727	9.25%	3,441,727	8.99%
	Reliance Capital Trustee Company Limited	2,412,738	6.31%	2,435,968	6.37%
	L&T Mutual Fund Trustee Limited	2,341,249	6.12%	2,399,905	6.27%

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.

Note 14B Other Equity (Refer Note below)

(₹ in crore)

	March 31, 2020	March 31, 2019
Retained earnings - Surplus	645.78	608. 44
General reserve	254.00	240.00
Securities premium	205.18	205.18
Capital reserve	23.77	23.77
Capital Redemption Reserve	14.98	14.98
	1,143.71	**1092.37**
Note: The nature & purpose of each of the Reserves have been explained under Statement of changes in Equity		
Retained earnings		
Opening balance	608.44	437.20
Increase/(decrease) during the year	37.34	82.98
Closing Balance	**645.78**	**520.18**
General reserve		
Opening balance	240.00	210.00
Increase/(decrease) during the year	14.00	15.00
Closing Balance	**254.00**	**225.00**
Securities premium		
Opening balance	205.18	205.18
Increase/(decrease) during the year	-	-
Closing balance	**205.18**	**205.18**
Capital reserve		
Opening balance	23.77	23.77
Increase/(decrease) during the year	-	-
Closing balance	**23.77**	**23.77**
Capital Redemption Reserve		
Opening balance	14.98	14.98
Increase/(decrease) during the year	-	-
Closing balance	**14.98**	**14.98**

Note 14C Items of OCI		(₹ in crore)
	March 31, 2020	**March 31, 2019**
Hedging reserve (net of tax)	(90.55)	(3.84)
Other items of OCI (net of tax)	(2.47)	(1.60)
	(93.02)	**(5.44)**
Hedging reserve (Net of tax)		
Opening balance	(3.84)	19.66
Increase/(decrease) during the year	(86.71)	(26.45)
Closing balance	**(90.55)**	**(3.84)**
Other items of OCI (net of tax)		
Remeasurement of defined benefit liability (asset)		
Opening balance	(1.60)	(1.00)
Increase/(decrease) during the year	(0.87)	(0.03)
Closing balance	**(2.47)**	**(1.60)**

Note 15 Long term borrowings				(₹ in crore)
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non current		**Current**	
Term loans (Secured)				
Rupee term loans from banks	67.61	84.48	16.87	21.50
Foreign currency term loans from banks	89.00	-	(0.29)	-
	156.61	**84.48**	**16.58**	**21.50**

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Notes 37, 38 and 39 respectively

Details of security:

a **Rupee term loans and foreign currency loan from banks are secured / to be 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 Group's Athola properties and exclusive hypothecation charge on the assets acquired by the Group 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 mortgage of Company's Khatalwad properties and hypothecation of movable plant and machinery at Khatalwad.

iii The rupees term loan from Kotak Mahindra Bank is secured by extension of charge on Khatalwad property (Movable & Immovable Fixed Assets) and hypothecation of identifiable movable fixed assets at other locations. [Hypothecation of identifiable movable fixed assets at other locations to be made available if the asset cover by mortgages at Khatalwad is less than 1.25X of outstanding terms loans (including the term loan from ING Vysya Bank Ltd.)]

iv. The Foreign Currency Term Loan from State Bank of India, Tokyo is secured by way of a First Charge on Pari Passu basis with existing lenders on selected movable and immovable assets of the company by way of Hypothecation/Equitable Mortgage. Minimum Fixed Assets Coverage Ratio(FACR) of 1.25 to be maintained during the entire tenor of the loan.

b **Terms of repayment of term loan :**

i In respect of Foreign Currency Term Loans from Union Bank of India,Hongkong; last installment was paid in May, 2018 ₹ 14.88 crore.

ii In respect of Rupee Term Loan from ING Vysya Bank Ltd (now Kotak Mahindra Bank) last quarterly installments of ₹ 3.34 crore was paid in September, 2019

iii In respect of Rupee Term Loan from Kotak Bank, it has a moratorium period of 18 months and loan will be repaid in 10 half yearly installments. The repayment has started from 08 September 2019 onwards, first 2 installments of ₹ 7.50 crore each, next 2 installment of ₹ 8.50 crore each, subsequent next 2 installment of ₹ 10.00 crore each and last 4 installments of ₹ 12.00 crore each iv In respect of foreign currency term loan from State Bank of India, Tokyo, it has a moratorium period of 18 months and loan will be repaid in 20 quarterly installments. The repayment will start from 05 September 2021 onwards, first 4 installments of ₹ 1.67 crore each, next 5 installment of ₹ 2.52 crore each, next 1 installment of ₹ 3.35 crore, next 5 installment of ₹ 5.86 crore each, subsequent 2 installment of ₹ 6.71 crore each and last 3 installments of ₹ 8.38 crore each

The Company does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

c **Net debt reconciliation (disclosure in pursuant to para 44A of IND AS 7)** (₹ in crore)

Net Debt as at	March 31, 2020	March 31, 2019
Short term borrowings	63.75	87.82
Interest accrued but not due on above	-	-
Long term borrowings	173.19	105.98
Interest accrued but not due on above	0.82	0.70
Net debt	**237.76**	**194.50**

Changes in Borrowings	Long Term Borrrowings	Short Term Borrowings	Total
As at 01.04.2018	**134.79**	**170.36**	**305.15**
Availed during the year	-	179.85	179.85
Paid during the year	(28.72)	(267.90)	(296.62)
Foreign exchange adjustments	0.61	5.51	6.12
As at 31.03.2019	**106.68**	**87.82**	**194.50**
Availed during the year	88.90	217.62	306.52
Paid during the year	(21.59)	(247.96)	(269.55)
Foreign exchange adjustments	0.02	6.27	6.29
As at 31.03.2020	**174.01**	**63.75**	**237.76**

Note 16 Other non-current financial liabilities

(₹ in crore)

	March 31, 2020	March 31, 2019
Deposits from dealers (Refer Note*)	3.37	3.30
	3.37	**3.30**

Note* : Measured at amortised cost

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Notes 37, 38 and 39 respectively

Note 17 Long term provisions

(₹ in crore)

	March 31, 2020	March 31, 2019
Provision for gratuity- In respect of directors	1.29	1.13
Provision for leave benefits (Refer Note 34)	6.13	4.36
	7.42	**5.49**

Note 18 DEFERRED TAX BALANCES (NET)

(a) Movement in deferred tax balances

(₹ in crore)

	March 31, 2020					
Deferred tax asset / (Liabilities)	**Net balance April 1, 2019**	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipment	(56.26)	15.69		(40.57)	-	(40.57)
Derivatives	2.08	(0.21)	28.04	29.91	29.91	-
Loans and borrowings	(0.24)	(0.34)		(0.58)	-	(0.58)
Employee benefits	2.65	(0.41)	0.30	2.54	2.54	-
Lease Expenses	-	0.33		0.33	0.33	-
Deferred income	0.11	(0.11)		-	-	-
Provisions	12.37	(1.82)		10.55	10.55	-
Investments	(0.06)	0.06		-	-	-
Security Deposits	0.00	0.00		0.00	0.00	-
Other items	0.19	(0.19)		-	-	-
Tax assets (liabilities)	**(39.16)**	**13.00**	**28.34**	**2.18**	**43.33**	**(41.15)**
Set off tax						43.33
Net tax assets (liabilities)	**(39.16)**	**13.00**	**28.34**	**2.18**	**43.33**	**2.18**

(b) Movement in deferred tax balances

(₹ in crore)

	March 31, 2019					
Deferred tax asset / (Liabilities)	**Net balance April 1, 2018**	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipment	(50.15)	(6.11)	-	(56.26)	-	(56.26)
Derivatives	3.65	(0.04)	(1.53)	2.08	2.08	-
Loans and borrowings	(0.30)	0.06	-	(0.24)	-	(0.24)
Employee benefits	2.00	0.35	0.30	2.65	2.65	-
Provisions	11.60	0.77	-	12.37	12.37	-
Investments	-	(0.06)	-	(0.06)	-	(0.06)
Security Deposits	(0.01)	0.02	-	(0.00)	0.00	(0.00)
Other items	-	0.19	-	0.19	0.19	-
Tax assets (liabilities)	(32.96)	(4.97)	(1.23)	(39.16)	17.41	(56.56)
Set off tax						17.41
Net tax assets (liabilities)	**(32.96)**	**(4.97)**	**(1.23)**	**(39.16)**	**17.41**	**(39.16)**

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 judgement 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, 2020

Note 19 Short term borrowings

(₹ in crore)

	March 31, 2020	March 31, 2019
Secured Loans		
Working capital loans from banks (Refer Notes below)		
Bank Overdraft	0.00	-
Packing credit loan in foreign currency from banks	63.75	87.82
	63.75	**87.82**

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)

	March 31, 2020	March 31, 2019
Acceptances	1,720.75	2,443.51
Due to Micro, Small and Medium Enterprises	17.23	7.83
Due to other than micro and small and medium enterprises	965.32	676.08
Due to subsidiary companies	3.44	4.97
Total	**2,706.74**	**3,132.39**

There are no Micro, Small and Medium Enterprises, to whom the Company 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).

		March 31, 2020	March 31, 2019
(a)	i) Principal amount	17.23	7.83
	ii) Interest due	-	-
(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)

	March 31, 2020	March 31, 2019
Current portion of long-term foreign currency loan (Refer Note 15 (b))	(0.29)	-
Current portion of long-term Rupee loan (Refer Note 15 (b))	16.87	21.50
Interest accrued but not due	17.59	20.02
Creditors for capital expenditure	15.87	12.30
Channel Finance	1.62	2.12
Bill Discounting with Recourse	0.83	1.11
Unclaimed dividend (Refer Note*)	0.89	0.71
Book Overdraft	2.44	2.87
Deposit from Dealers	0.67	0.53
	56.49	**61.16**

Note:

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2020.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 21A Derivatives-Liability

(₹ in crore)

	March 31, 2020	March 31, 2019
Derivatives used for hedging - Non Current	7.34	-
Derivatives used for hedging - Current	123.03	39.44
	130.37	**39.44**

Note 22 Other current liabilities

(₹ in crore)

	March 31, 2020	March 31, 2019
Statutory dues towards Government	5.29	11.83
Other payables (Refer Notes below)	74.23	79.90
	79.52	**91.73**

Note:-

i. Other payables includes deposit and advance from customers

ii. Refer note 46 for Advances from customers classified as Contract Liability as per Ind As 115

Note 23 Short term provisions

(₹ in crore)

	31 March 2020	31 March 2019
Provision for employee benefits		
Provision for gratuity	-	0.34
Provision for leave benefits (Refer note 34)	1.43	1.24
	1.43	**1.58**

Note 24 Revenue from operations*

(₹ in crore)

	2019-20	2018-19
Sale of products (Refer Note 24.1)		
Finished goods	6,715.53	7,372.62
Raw materials	49.54	19.01
Traded goods	165.19	105.30
Total	**6,930.26**	**7,496.93**
Sale of services	65.41	27.50
Other operating revenue		
Miscellaneous Income	64.42	61.84
Total	**64.42**	**61.84**
Revenue from operations	**7,060.09**	**7,586.27**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 24.1 Details of Products Sold

(₹ in crore)

	2019-20	2018-19
Finished goods sold		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	1,882.21	2,206.83
AAC/AAAC/ACSR/Copper - Conductor, Aluminum Rods	3,263.99	3,516.94
Cables	1,544.89	1,631.79
Thermoplastic Elastomers	24.44	17.06
	6,715.53	**7,372.62**
Raw materials sold		
Base Oils and additives	1.06	7.41
Ferrous metal and Non-ferrous metals	47.80	11.60
Others	0.68	-
	49.54	**19.01**
Traded goods sold		
Thermoplastic Elastomers	8.22	27.95
Lubricants	25.52	23.20
Aluminium,HTLS Hardware & GSW Steel Wire, etc.	119.61	49.95
others	11.84	4.20
	165.19	**105.30**
	6,930.26	**7,496.93**

Note 25 Other Income

(₹ in crore)

	2019-20	2018-19
Interest income	5.14	7.92
Financial assets at FVTPL-net change in fair value	-	0.18
Gain on sale of investments (net)	3.15	6.72
TOTAL	**8.29**	**14.82**

Note 26 Cost of materials consumed

(₹ in crore)

	2019-20	2018-19
Inventory at the beginning of the year	716.45	767.51
Add : Purchases	5,312.43	6,014.39
	6,028.88	**6,781.90**
Less: Closing Inventory	594.73	716.45
TOTAL	**5,434.15**	**6,065.45**

Note 27 Purchases of Stock-in-Trade

(₹ in crore)

	2019-20	2018-19
Thermoplastic Elastomers	3.83	9.19
Lubricants	20.37	18.75
HTLS Hardware	68.93	42.61
Others	55.47	4.34
	148.60	**74.89**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 28 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2019-20	2018-19
Inventories at the beginning of the year		
Finished goods	304.70	183.38
Work-in-progress	151.64	134.27
Traded goods	13.43	27.43
	469.77	**345.08**
Inventories at the end of the year (Refer Note 28.1)		
Finished goods	396.64	304.70
Work-in-progress	222.82	151.64
Traded goods	13.70	13.43
	633.16	**469.77**
	(163.39)	**(124.69)**

Note 28.1 Details of Inventory

(₹ in crore)

	2019-20	2018-19
Finished goods		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	61.14	60.97
AAC/AAAC/ACSR/Copper- Conductors	228.06	159.44
Cables	106.37	83.36
Thermoplastic Elastomers	1.07	0.93
	396.64	**304.70**
Work-in-progress		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	23.37	21.21
AAC/AAAC/ACSR/Copper- Conductors	102.08	65.18
Cables	97.33	65.20
Thermoplastic Elastomers	0.04	0.05
	222.82	**151.64**
Traded goods		
Thermoplastic Elastomers	4.56	7.67
Lubricants	4.58	4.31
Others	4.56	1.45
	13.70	**13.43**

Note 29 Employee benefits expense

(₹ in crore)

	2019-20	2018-19
Salaries, wages and bonus	142.38	123.97
Contribution to provident and other funds	7.46	6.62
Gratuity expense	1.37	1.11
Staff welfare expenses	8.81	7.87
	160.02	**139.57**

Note 30 Finance costs

(₹ in crore)

	2019-20	2018-19
Interest on borrowings	149.38	147.99
Bank charges for borrowing	16.51	11.56
Applicable net loss on foreign currency transactions and translation	53.19	32.73
	219.08	**192.28**

Note 31 Other expenses

(₹ in crore)

	2019-20	2018-19
Consumption of stores and spares	39.36	36.70
Packing materials	215.65	241.99
Storage charges	11.54	13.16
Power, electricity and fuel	91.04	100.06
Processing charges, fabrication and labour charges	183.28	142.23
Freight and forwarding charges	221.79	232.57
Rent	0.21	2.93
Rates and taxes	7.85	2.52
Insurance	10.17	8.11
Repairs and maintenance		
Plant and machinery	6.65	7.63
Buildings	2.60	2.23
Others	8.09	5.99
Advertising and sales promotion	5.96	4.06
Sales commission	44.22	35.74
Travelling and conveyance	23.64	21.67
Printing and stationery	2.22	1.82
Legal and professional fees	16.09	15.87
Foreign Exchange (gain)/ Loss-others	3.77	-
Directors' sitting fees	0.13	0.09
Commission to Chairman & Managing Director and Managing Director	3.57	4.55
Discount and rebates	0.22	0.23
Lease rental	0.58	1.78
Corporate Social Responsibility Activities	4.75	4.48
Donations	0.05	0.04
Royalty	13.57	6.37
Bank charges and commission	24.53	21.60
Bad debts and advances written-off	22.09	3.47
Less: Allowances for doubtful debts utilised	(6.01)	(0.55)
Allowances for doubtful debts and advances	12.96	5.02
Loss on sale of fixed assets (net)	2.81	0.31
Miscellaneous expenses	46.86	45.73
	1,020.24	**968.40**

Note : Auditors' remuneration (included in miscellaneous expenses)

(₹ in crore)

Auditor remuneration as	2019-20	2018-19
Auditor	0.44	0.44
for other services	0.09	0.00
for reimbursement of expenses	0.00	0.01
Total	**0.53**	**0.45**

* Gross amount required to be spent by the Company during the year on CSR Activities : ₹ 4.83 crore.

(₹ in crore)

Details of corporate social responsibility expenditure	2019-20	2018-19
Amount required to be spent by the Company during the year	4.83	4.48
Amount spent during the year (in cash)	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.75	4.48

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)	March 31, 2020	March 31, 2019
Profit (loss) for the year, attributable to the owners of the Company	138.98	147.09
Profit (loss) for the year, attributable to ordinary shareholders	**138.98**	**147.09**
ii. Weighted average number of ordinary shares (basic)	**March 31, 2020**	**March 31, 2019**
Issued ordinary shares at April 1	38,268,619	38,268,619
Weighted average number of shares at March 31	**38,268,619**	**38,268,619**
Basic EPS (₹)	**36.32**	**38.44**
Face Value per Share (₹)	10.00	10.00

B. Diluted earnings per share

There are no dilutive instruments as at March 31, 2020 and as at March 31, 2019; 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, 2020	For the year ended March 31, 2019
Current income tax	45.69	75.69
Taxes of earlier years	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(13.00)	4.97
Deferred tax expense	(13.00)	4.97
Tax expense for the year	**32.69**	**80.66**

(b) Amounts recognised in other comprehensive income

(₹ in crore)

	For the year ended March 31, 2020			For the year ended March 31, 2019		
	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)	(1.17)	0.30	(0.87)	(0.87)	0.30	(0.57)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	(114.75)	28.04	(86.71)	4.48	(1.53)	2.95
	(115.92)	**28.34**	**(87.58)**	**3.61**	**(1.23)**	**2.38**

(c) Reconciliation of effective tax rate

(₹ in crore)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	171.67	227.75
Enacted Income tax rate in India	25.168%	34.944%
Tax using the Company's domestic tax rate	43.21	79.59
Tax effect of:		
Non-deductible tax expenses	0.61	0.79
Incremental deduction allowed for research and development costs	-	(0.41)
Deduction under chapter VIA	(0.42)	(0.48)
Others	0.83	0.82
Change in deferred tax balances due to change in income tax rate	(11.54)	0.35
	32.69	**80.66**

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 ₹ 2.10 crore (previous year ₹ 1.96 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 ₹ 5.36 crore (previous year ₹ 4.66 crore) for provident fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plans:

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 seperately 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, 2020. 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)

	March 31, 2020 Gratuity	March 31, 2019 Gratuity
	Funded	**Funded**
Table showing change in benefit obligation		
Defined benefit obligation at beginning of the year	13.80	11.63
a) Included in statement of profit and loss		-
Current service cost	1.18	0.97
Interest cost	1.08	0.94
Actuarial (gain) / loss	-	-
	2.26	**1.91**
b) Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
demographic assumptions		-
financial assumptions	0.95	0.27
experience adjustment	0.50	0.54
	1.45	**0.81**
c) Other		
Benefits paid	(0.62)	(0.55)
Liability transferred in /Acquisitions	-	-
	(0.62)	**(0.55)**
Defined Benefit obligation at end of the year	**16.89**	**13.80**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	March 31, 2020 Gratuity	March 31, 2019 Gratuity
	Funded	**Funded**
Table showing change in Fair Value of Plan Assets		
Fair value of plan assets at beginning of the year	13.46	11.63
Return on plan assets	1.05	0.94
Return on plan assets, excluding interest income	0.28	(0.06)
Employer Contribution	2.72	1.49
Benefit paid	(0.62)	(0.55)
Fair value of plan assets at year end	**16.89**	**13.46**
Actual return on plan assets	1.33	0.89
Expected Contribution for next year	1.44	1.52

(₹ in crore)

Table showing category of assets	March 31, 2020	March 31, 2019
Insurance fund	16.89	13.46
Total	**16.89**	**13.46**

Defined benefit obligations

i) Actuarial assumptions

In arriving at the valuation for gratuity & leave salaries following assumptions were used:

	March 31, 2020 Gratuity	March 31, 2019 Gratuity
	Funded	**Funded**
Mortality Table (LIC)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	60 years	60 years
Employee Turnover Rate	2.00%	2.00%
Discount Rate	6.95%	7.79%
Expected rate of return on plan assets (per annum)	6.95%	7.79%
Rate of escalation in salary (per annum)	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, 2020		March 31, 2019	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(1.13)	1.31	(0.88)	1.02
Future salary growth (1% movement)	1.33	(1.16)	1.04	(0.91)
Employee Turnover (1% movement)	0.18	(0.21)	0.22	(0.25)

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 Company's financial statements as at balance sheet date:

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Net asset / (liability) recognised in the balance sheet as at	March 31, 2020 Gratuity	March 31, 2019 Gratuity
	Funded	**Funded**
Fair value of plan assets	16.89	13.46
Present value of obligation	(16.89)	(13.80)
Amount recognised in balance sheet	-	(0.34)
Recognised under:		
Long term provision (refer note 17)	-	-
Short term provision (refer note 23)	-	0.34
Total	**-**	**0.34**

(₹ in crore)

Expense recognised during the year	March 31, 2020 Gratuity	March 31, 2019 Gratuity
	Funded	**Funded**
Included in statement of profit and Loss		
Current service cost	1.18	0.97
Interest cost	1.08	0.94
Net actuarial (gain) / loss		
Return on plan assets,excluding acturial gain or loss	(1.05)	(0.94)
Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
financial assumptions	0.95	0.27
experience adjustment	0.50	0.54
Return on plan assets,excluding acturial gain or loss	(0.28)	0.06
Net Cost	**2.38**	**1.84**

(₹ in crore)

Maturity analysis of the benefit payments: from the fund	March 31, 2020 Gratuity	March 31, 2019 Gratuity
	Funded	**Funded**
Projected benefits payable in future years from the date of reporting		
1st following year	4.49	3.74
2nd following year	0.71	0.55
3rd following year	0.84	0.91
4th following year	1.23	0.71
5th following year	1.11	1.18
From 6 to 10 years	5.65	4.57
From 11 years and above	19.16	17.38

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note	35	Financial instruments – Fair values and risk management Disclosure

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, 2020	**Note No.**	**Fair value-hedging instru-ments**	**FVTPL**	**FVTOCI**	**Amorti-zed Cost**	**Total**	**Level 1 Quoted price in active markets**	**Level 2 Significant observable inputs**	**Level 3 Significant unobse-rvable inputs**	**Total**
Financial assets										
Investments										
- In subsidiary companies	4				0.28	0.28				
- Mutual Fund	8		-			-	-			-
Loans & advances										
- Non-current										-
- Current	12				30.04	30.04				-
Trade Receivables										-
- Non-current	9A				3.06	3.06				
- Current	9				1,803.58	1,803.58				
Cash and Cash Equivalents	10				141.93	141.93				-
Other Bank Balances	11				12.31	12.31				-
Other financial assets										
- Non-current	5				12.21	12.21				-
- Current					-	-				-
Derivatives	12A	24.80	10.28	14.52		24.80		24.80		24.80
Total financial assets		**24.80**	**10.28**	**14.52**	**2,003.42**	**2,028.22**	**-**	**24.80**	**-**	**24.80**
Financial liabilities										
Borrowings										-
- Non-current	15				156.61	156.61				
- Current	19				63.75	63.75				
Leases-Non Current					13.31	13.31				
Leases Current					5.72	5.72				
Other financial liabilities										
- Non-current	16				3.37	3.37				-
- Current	21				56.49	56.49				-
Derivatives										
- Current	21A	7.34	-	7.34		7.34		7.34		7.34
- Non-Current	21A	123.03	0.01	123.02		123.03		123.03		123.03
Trade Payables	20				2,706.74	2,706.74				-
Total financial liabilities		**130.37**	**0.01**	**130.36**	**3,005.99**	**3,136.36**	**-**	**130.37**	**-**	**130.37**

(₹ in crore)

		Carrying amount					Fair value			
March 31, 2019	**Note No.**	**Fair value-hedging instruments**	**FVTPL**	**FVTOCI**	**Amorti-zed Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets										
Investments										
- In subsidiary companies	4				0.27	0.27				
- Mutual Fund	8		186.92			186.92	186.92			186.92
Loans & advances										

- Non-current						-				-
- Current	12				21.84	21.84				-
Trade Receivables						-				-
- Non-current	9A				1.93	1.93				
- Current	9				2,077.12	2,077.12				
Cash and Cash Equivalents	10				183.42	183.42				-
Other Bank Balances	11				12.05	12.05				-
Other financial assets										
- Non-current	5				11.54	11.54				-
- Current					-	-				-
Derivatives	12A	25.48	0.60	24.88		25.48		25.48		25.48
Total financial assets		**25.48**	**187.52**	**24.88**	**2,308.16**	**2,520.56**	**186.92**	**25.48**	**-**	**212.40**
Financial liabilities										
Borrowings										-
- Non-current	15				84.48	84.48				
- Current	19				87.82	87.82				
Other financial liabilities										
- Non-current	16				3.30	3.30				-
- Current	21				61.16	61.16				-
Derivatives	21A	39.44	8.65	30.79		39.44		39.44		39.44
Trade Payables	20				3,132.39	3,132.39				-
Total financial liabilities		**39.44**	**8.65**	**30.79**	**3,369.15**	**3,408.59**	**-**	**39.44**	**-**	**39.44**

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 ₹ 196.46 Crore and ₹ 232.03 Crore as of March 31, 2020 and March 31, 2019, 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 ₹ 88.37 crores and ₹ 98.80 crores as of March 31, 2020 and March 31, 2019 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).

Financial instruments measured at fair value

Type	Valuation technique
Mutual fund investments	Quoted NAV
Commodity futures	Basis the quotes given by the LME broker/dealer.
Derivative liability Forward contracts for foreign exchange	FEDAI rate adjusted for interpolated spreads based on residual maturity
Interest rate swap for variable foreign currency loans	Basis the quotes given by the Bank

C. 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 has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies 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."

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note	36	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 Company also takes credit insurance for its domestic receivable's in Conductor & Cable division.

The carrying amount of following financial assets represents the maximum credit exposure: (₹ in crore)

	March 31, 2020	March 31, 2019
Neither past due nor impaired	1,113.87	1,553.20
past due 1-90 days	382.52	359.61
past due 91 -180 days	120.65	88.14
past due 180 days	231.53	113.50
Total	1,848.57	2,114.45
Less: Provisions	41.93	35.40
Net Total	**1,806.64**	**2,079.05**

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, 2020	March 31, 2019
Neither past due nor impaired	30.04	21.84
past due 1-90 days	-	-
past due 91 -180 days	-	-
past due 180 days	-	-
	30.04	**21.84**

Management believes that the unimpaired amounts which are past due are fully collectable.In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The Company follows 'simplified approach' for recognition of impairment loss on these financial assets. 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

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a division wise provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows :

Expected credit loss (%)*	Oil Division	Cable Division	Conductor Division
Neither past due nor impaired	0.00%	0.01%	0.00%
past due 1-90 days	0.00%	0.01%	0.00%
past due 91 -180 days	0.01%	0.08%	0.00%
past due 180 days	9.28%	0.91%	0.22%
	0.21%	**0.04%**	**0.00%**

* Expected credit loss is worked out on the trade receivables for which no specific provision is made.

The movement in the allowance for impairment in respect of trade receivable and short term loans and advances is as follows

(₹ in crore)

Allowances for Doubtful Debts	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2018	32.29	-
Amounts provided	5.09	-
Amount written back / utilised	(3.14)	-
Balance as on 31 March 2019	34.24	-
Amounts provided	13.71	-
Amount written back / utilised	(7.23)	-
Balance as on 31 March 2020	40.72	-

Allowances for Expected Credit Loss	As at 31.3.2020	As at 31.3.2019
Balance at the beginning of the year	1.16	1.23
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.05	(0.07)
Balance at the end of the year	1.21	1.16

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 ₹ 154.24 Crore (Previous Year ₹ 195.47 Crore). 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 ₹ 98.05 Crore* (Previous Year ₹ 86.45 Crore*) and by Petroleum Specialities FZE ,a downstream subsidiary company ₹ 328.08 Crore* (Previous Year ₹ 300.85 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, 2020	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	173.19	173.19	16.58	24.60	93.81	38.20
Short term loan from bank (Secured)	63.75	63.75	63.75	-	-	-
Short term loan from bank (Unsecured)	-	-	-	-	-	-
Trade and other payables	2,706.74	2,706.74	2,706.74	-	-	-
Other financial liabilities	39.91	39.91	39.91	-	-	-
Leases	19.03	19.03	5.72	3.70	6.86	2.75

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Derivative financial liabilities						
Forward exchange contracts/ Futures used for hedging/ Natural hedging						
'- Outflow	130.37	130.37	123.03	7.34	-	-

(₹ in crore)

	Contractual cash flows					
March 31, 2019	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	105.97	105.97	21.50	16.48	68.00	-
Short term loan from bank (Secured)	87.82	87.82	87.82	-	-	-
Short term loan from bank (Unsecured)	-	-	-	-	-	-
Trade and other payables	3,132.39	3,132.39	3,132.39	-	-	-
Other financial liabilities	39.66	39.66	39.66	-	-	-
Derivative financial liabilities						
Forward exchange contracts/ Futures used for hedging/ Natural hedging						
- Outflow	39.44	39.44	39.44	-	-	-

'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.

Contractual outflow of other non current financial liabilities amounting to ₹ 3.37 crores (Previous year ₹ 3.30) cannot be ascertained on reporting date.

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."

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."

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows.

Fig. in Crore

	March 31, 2020					
	USD	**EUR**	**CAD**	**GBP**	**ETB**	**NPR**
Trade receivables	4.42	0.76	0.57	0.00	1.43	-
Cash and cash equivalents	0.26	0.02	0.00	-	0.02	0.27
Long term Borrowings	(1.20)	-	-	-	-	-
Short term borrowings	(0.85)	-	-	-	-	-
Trade payables	(12.79)	(0.00)	-	-	(0.19)	-
Net Exposure	**(10.16)**	**0.78**	**0.57**	**0.00**	**1.26**	**0.27**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

	March 31, 2020				
	KES	EGP	AED	AUD	
Trade receivables	-	-	0.01	0.01	
Cash and cash equivalents	0.04	0.01	-	-	
Long term Borrowings	-	-	-	-	
Short term borrowings	-	-	-	-	
Trade payables	-	-	-	-	
Net Exposure	**0.04**	**0.01**	**0.01**	**0.01**	**-**

Fig. in Crore

	March 31, 2019					
	USD	EUR	CAD	JPY	ETB	NPR
Trade receivables	6.71	0.28	0.01	-	-	-
Cash and cash equivalents	0.09	0.02	0.01	-	0.09	0.95
Long term Borrowings	-	-	-	-	-	-
Short term borrowings	(1.27)	-	-	-	-	-
Trade payables	(8.23)	(0.05)	-	0.04	0.16	-
Net Exposure	**(2.70)**	**0.24**	**0.01**	**0.04**	**0.25**	**0.95**

	March 31, 2019					
	PHLP. PESO	KES	EGP			
Trade receivables	-	-	-			
Cash and cash equivalents	0.01	0.04	0.01			
Long term Borrowings	-	-	-			
Short term borrowings	-	-	-			
Trade payables	-	-	-			
Net Exposure	**0.01**	**0.04**	**0.01**	**-**	**-**	**-**

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
USD	70.88	69.89	75.42	69.16
EUR	78.80	80.93	81.88	77.47
CAD	53.33	53.29	53.37	52.00
GBP	90.15	91.74	93.46	90.48
JPY	0.65	0.63	0.70	0.63
ETB	2.36	2.52	2.27	2.43
NPR	0.62	0.62	0.62	0.62
Phlp. PESO	1.38	1.32	1.47	1.32
KES	0.69	0.69	0.71	0.69
EGP	4.34	3.93	4.75	3.99
AED	19.31	19.04	20.44	18.86
AUD	48.34	50.97	46.19	49.18

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	
	Strengthening	Weakening
March 31, 2020		
USD (1% movement)	7.20	(7.20)
EUR (1% movement)	(0.61)	0.61
CAD (1% movement)	(0.30)	0.30
GBP (1% movement)	(0.00)	0.00

ETB (1% movement)	(0.03)	0.03
NPR (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
AED (1% movement)	(0.00)	0.00
AUD (1% movement)	(0.01)	0.01
	6.24	**(6.24)**

(₹ in crore)

	Profit or loss	
	Strengthening	**Weakening**
March 31, 2019		
USD (1% movement)	1.89	(1.89)
EUR (1% movement)	(0.20)	0.20
CAD (1% movement)	(0.01)	0.01
JPY (1% movement)	(0.00)	0.00
ETB (1% movement)	(0.01)	0.01
NPR (1% movement)	(0.01)	0.01
Phlp. PESO (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
	1.67	**(1.67)**

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, 2020	**March 31, 2019**
Fixed rate instruments	84.48	105.97
Variable-rate instruments*	2,006.90	2,255.97
	2,091.38	**2,361.94**

*Variable rate intruments include letter of credit

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 statement of 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

	Profit or loss	
	100 Basis Point increase	100 Basis Point decrease
March 31, 2020		
Variable-rate instruments	(20.07)	20.07
Cash flow sensitivity (net)	(20.07)	20.07
March 31, 2019		
Variable-rate instruments	(22.56)	22.56
Cash flow sensitivity (net)	(22.56)	22.56

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.

Currency risk

The Company's risk management policy is to hedge its estimated foreign currency exposure in respect of highly forecasted sales. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges. Company's policy is to match the critical terms of the forward exchange contracts with that of the hedged item.

Commodity risk

The Company's risk management policy is mitigate the impact of fluctuations in the aluminium, copper & zinc prices on highly forecast purchase transactions. The Company uses futures contract to hedge its commodity risk. Such contracts are generally designated as cash flow hedges.

Interest rate

The Company'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.

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 , copper & zinc 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.	Fair value hedge
3	Forward contract	foreign currency risk of highly probable forecast transactions	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
4	Forecasted Export Sales	Highly Probable Purchases	Mitigate the impact of fluctuations in foreign exchange rates	Forecasted Export Sales	Company uses its Forecasted Export Receivable to mitigate the risk of foreign currency movement in settlement of Highly Probable Purchases	Cash flow hedge

The Company, inter alia, takes into account the following criteria for constructing a hedge structure as part of its hedging strategy:

(a) The hedge is undertaken to reduce the variability in the profit & loss i.e the profit or loss arising from the hedge structure should be lesser than the profit & loss on the standalone underlying exposure. In case of cash flow hedge for covering interest rate risk the hedge shall be only undertaken to convert floating cash flows to fixed cash flows i.e. the underlying has to be a floating rate asset or liability.

(b) At any point in time the outstanding notional value of the derivative deal(s) undertaken for the purpose of hedging shall not exceed the underlying portfolio notional. The hedge ratio therefore does not exceed 100% at the time of establishing the hedging relationship.

(c) At any point in time the maturity of each underlying forming a part of the cluster/portfolio hedged shall be higher than the maturity of the derivative hedging instrument.

(₹ in crore)

As at 31 March 2020									
	Notional principal amounts (Net)	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
Foreign exchange forward contracts	422.16	5.11	-	9.88	19.48	NA	NA	9.60	COGS
Commodity contracts	770.30	9.40	130.48	(215.38)	(129.95)	NA	NA	85.43	COGS
Forecasted Export Sales	105.19	-	3.65	(4.20)	(4.27)	NA	NA	(0.07)	Sales

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

As at 31 March 2019	Notional principal amounts (Net)	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	-	-	-	-	(0.02)	NA	NA	(0.02)	Finance Cost
Foreign exchange forward contracts	655.12	1.63	17.03	(39.54)	(12.81)	NA	NA	26.74	COGS
Commodity contracts	769.94	22.63	13.76	75.00	16.67	NA	NA	(58.33)	COGS
Forecasted Export Sales	76.05	0.62	-	(5.91)	0.63	NA	NA	6.54	Sales

The tables below provide details of the Company's hedged items under cash flow hedges:

(₹ in crore)

	As at 31 March 2020			As at 31 March 2019		
	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	-	-	NA	-	-	NA
Highly probable forecast transactions	9.88	(4.06)	NA	(39.54)	15.40	NA
Highly probable purchases	(215.38)	121.08	NA	75.00	(8.87)	NA
Forecasted Export Sales	(4.20)	3.65	NA	(5.91)	(0.62)	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, 2020	March 31, 2019
Opening balance	**5.91**	**10.39**
Effective portion of changes in fair value:		
a) Interest rate risk	-	-
b) Commodity price risk	215.38	(75.00)
c)Foreign currency risk	(9.88)	39.54
d)Highly Probable Purchases	4.20	5.91
Net amount reclassified to profit or loss:		
a) Interest rate risk	-	0.02
b) Commodity price risk	(85.43)	58.33
c)Foreign currency risk	(9.60)	(26.74)
d)Highly Probable Purchases	0.07	(6.54)
Movements on reserves during the year		
Closing balance	**120.65**	**5.91**

Disclosure of effects of hedge accounting on financial performance

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

31st March, 2020

(₹ 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	-	NA	-	Finance Cost
Foreign exchange risk	19.48	NA	9.60	COGS
Commodity price risk	(129.95)	NA	85.43	COGS
Highly Probable Purchases	(4.27)	NA	(0.07)	Sales

31st March, 2019 (₹ 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	(0.02)	NA	(0.02)	Finance Cost
Foreign exchange risk	(12.81)	NA	26.74	COGS
Commodity price risk	16.67	NA	(58.33)	COGS
Highly Probable Purchases	0.63	NA	6.54	Sales

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, 2020	As at March 31, 2019
Borrowings	236.95	193.80
Less : Cash and cash equivalent*	143.00	184.42
Adjusted net debt	**93.95**	**9.38**
Total equity	1,088.96	1,125.20
Less : Hedging reserve	(90.55)	(3.84)
Adjusted equity	**1,179.51**	**1,129.04**
Adjusted net debt to adjusted equity ratio	0.08	0.01

*Fixed Deposit of ₹ 11.25 crore (Previous Year ₹ 11.05 crore) under lien has been excluded.

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, 2020 (₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	3,529.43	1,919.06	1,578.06	7,026.55	33.54		7,060.09
Other income	1.96	1.00	1.74	4.70	3.59		8.29
Intersegment revenue	90.81	5.84	22.78	119.43	1.00	(120.44)	-
Segment revenue	**3,622.20**	**1,925.90**	**1,602.58**	**7,150.68**	**38.14**	**(120.44)**	**7,068.38**
Segment profit (loss) before tax & Finance Cost	152.20	119.55	154.59	426.34	1.77		428.11
Less :- Interest expense							219.08
Less:- Other unallocated expenditure net of unallocable income	-						37.36
Profit before tax							171.67
Tax expenses							32.69
Profit after tax							138.98
Capital Employed							
Segment assets	1,936.54	1,073.41	1,213.83	4,223.78	31.38		4,255.16
Unallocable corporate and other assets				-			58.53
Total Asset	**1,936.54**	**1,073.41**	**1,213.83**	**4,223.78**	**31.38**	**-**	**4,313.69**
Segment liabilities	1,622.65	742.51	575.52	2,940.68	3.26		2,943.94
Unallocable corporate and other liabilities							1,369.75
Total Liabilities	**1,622.65**	**742.51**	**575.52**	**2,940.68**	**3.26**	**-**	**4,313.69**
Capital expenditure	33.67	25.56	62.69	121.92	1.76	-	123.68
Capital expenditure -Unallocable							11.85
Depreciation and Amortisation expense	32.82	12.13	29.13	74.08	0.58		74.66
Depreciation and Amortisation- Unallocable				-			4.49

For the year ended March 31, 2019

(₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	3,632.34	2,241.65	1,666.96	7,540.95	45.32	-	7,586.27
Other income	3.22	0.99	3.24	7.45	7.37	-	14.82
Intersegment revenue	287.60	5.96	16.98	310.54	-	(310.54)	-
Segment revenue	**3,923.16**	**2,248.60**	**1,687.18**	**7,858.94**	**52.69**		**7,601.09**
Segment profit (loss) before tax & Finance Cost	152.85	120.58	172.80	446.23	2.15	-	448.38
Less :- Interest expense							192.28
Less:- Other unallocated expenditure net of unallocable income							28.35
Profit before tax							227.75
Tax expenses							80.66
Profit after tax							147.09
Capital Employed							-
Segment assets	2,123.00	1,210.29	1,088.28	4,421.57	24.04	-	4,445.61
Unallocable corporate and other assets				-			237.43
Total Segment Asset	**2,123.00**	**1,210.29**	**1,088.28**	**4,421.57**	**24.04**	**-**	**4,683.04**
Segment liabilities	2,017.74	937.76	418.60	3,374.09	3.65	-	3,377.74
Unallocable corporate and other liabilities				-			1,305.30
Total Segment Liabilities	**2,017.74**	**937.76**	**418.60**	**3,374.09**	**3.65**	**-**	**4,683.04**
Capital expenditure	97.35	26.58	57.52	181.45	2.33	-	183.78
Capital expenditure -Unallocable					-		17.60
Depreciation and Amortisation expense	24.05	10.09	22.77	56.91	0.44	-	57.35
Depreciation and Amortisation- Unallocable				-			2.78

Note 1:

Unallocated segment liabilities in the segment information includes equity share capital and unallocated reserves excluding hedge reserve amounting to ₹ 1179.51 crore as at 31st March,2020 and ₹ 1128.75 crore as at 31st March,2019

C. Information about geographical areas

(a) Revenue from external customers (₹ in crore)

	For the year ended March 31, 2020	For the year ended March 31, 2019
- Within India*	4,944.49	5,604.40
- Outside India	2,115.60	1,981.87
	7,060.09	**7,586.27**

* include deemed exports ₹ 56.1 crore (Previous year ₹ 73.93 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	March 31, 2020	March 31, 2019
USD (US Dollar)	1,885.55	1,778.20
EUR (EURO)	117.61	71.78
GBP (British Pound)	-	0.06
CAD (Canadian Dollor)	1.10	44.50
JPY (Japanese Yen)	-	-
AUD (Australian Dollar)	16.24	-
INR	95.10	87.33
Total	**2,115.60**	**1,981.87**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(b) Segment Assets

(₹ in crore)

	For the year ended March 31, 2020	For the year ended March 31, 2019
- Within India	3,862.54	4,188.46
- Outside India	451.15	494.58
	4,313.69	**4,683.04**

(₹ in crore)

Segment assets outside India currency wise	March 31, 2020	March 31, 2019
USD (US Dollar)	352.54	470.14
EUR (EURO)	63.93	22.61
NPR (Nepalese Rupee)	0.17	0.59
CAD (Canadian Dollor)	30.30	0.93
ETB (Ethiopian Birr)	3.29	0.23
KES (Kenyan Shilling)	0.03	0.03
EGP (Egyptian Pound)	0.05	0.04
GBP (Pound Sterling)	0.07	-
AED (Arab Emirate Dirham)	0.12	-
AUD (Australian Dollar)	0.65	-
PESO (Phillipine Peso)	-	0.01
Total	**451.15**	**494.58**

C. Information about Major Customer

Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.

Note 43 Related party relationships, transactions and balances

A. List of Related Parties

a). Subsidiary Companies:

(1). Petroleum Specialties Pte. Ltd, Singapore (Wholly owned subsidiary of Apar Industries Limited - 100%)
(2). Petroleum Specilities FZE, Sharjah (Wholly owned subsidiary of Petroleum Specialities Pte. Ltd - 100%)
(3). Apar Transmission & Distribution Projects Private Limited (Wholly owned subsidiary of Apar Industries Limited - 100%)
(4). Apar Distribution & Logistics Private Limited (Wholly owned subsidiary of Apar Industries Limited - 100%)
(5). CEMA Optilinks Private Limited upto 18.09.2018 (Majority owned subsidiary of Apar Industries Limited - 99%)

b). Key Managerial Personnel:

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

c). Relatives of Key Managerial Personnel

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

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

Apar Corporation Private Ltd 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

Maithili N. Desai Family Private Trust No. 2

Catalis World Private Ltd

Gayatri Associates

Maithili Trusteeship Services Private Limited

Kushal N. Desai Family Private Trust

Narendra D. Desai Family Private Trust

Hari Haribol Dairy Products Private Limited

EM & EM Personal Care Private Limited

B. Related Party Transactions in ordinary course of business

(i) Subsidiary companies:

(₹ in crore)

Sr No.	Transactions	2019-20	2018-19
1	Sale of finished goods/ Raw materials / traded goods	9.42	5.36
2	Purchase of finished goods/ Raw materials / traded goods	37.58	10.27
3	Services rendered	-	-
4	Rent Received	0.03	0.03
5	Commission Paid	1.41	1.02
6	Guarantee given by the company on behalf of subsidiary	426.13	387.30
7	Guarantee commission from the subsidiary	-	-
8	Balance outstanding as on		
	a) Receivable from subsidiary company for supply of raw material, finished goods, capital goods, dividend and services	5.91	5.11
	b) Payable to subsidiary company for supply of raw material, finished goods, capital goods, dividend and services	3.44	4.97
9	Reimbursement of Expenses	6.85	5.68
10	Committments	-	5.99

(ii) Key Managerial Personnel :

(₹ in crore)

Sr No.	Transactions	2019-20	2018-19
1	Remuneration	8.09	8.70
2	Dividends paid (payment basis)	33.96	18.99

(iii) Relatives of Key Managerial Personnel: (₹ in crore)

Sr No.	Transactions	2019-20	2018-19
1	Dividends paid (payment basis)	0.34	0.17

(iv) Entities over which key management personnel/individual having significant influence

(₹ in crore)

Sr No.	Transactions	2019-20	2018-19
1	Rent paid	1.15	1.13
2	Dividends paid (payment basis)	8.58	1.91
3	Sale of finished goods/ Raw materials / traded goods	-	1.69
4	Purchase of finished goods/ Raw materials / traded goods	0.57	0.32
5	Balance outstanding as on		
	a) Receivable for supply of finished goods	0.04	1.69
	b) Payable for supply of finished goods	0.00	-
6	Committments	2.49	3.64

(c) Disclosure pursuant to Section 186 of the Companies Act, 2013

(₹ in crore)

Sr No.	Nature of transaction (Loans given/ Investment made/guarantee provided)	Purpose of the transactions	2019-20	2018-19
a	**Loan & Advances**			
i	**Subsidiary Companies**			
	Petroleum Specialities FZE	Reimbursement of Expenses	0.15	0.09
b	**Investment made**			
i	**Subsidiary Companies**			
	Petroleum Specialities Pte. Ltd	Capital Contribution	0.26	0.26
	Apar Transmission & Distribution Projects Pvt Ltd	Capital Contribution	0.01	0.01
	CEMA Optilinks Pvt Ltd (upto 18.09.2018)	Capital Contribution	-	-
	Apar Distribution & Logistics Pvt Ltd	Capital Contribution	0.01	-
c	**Guarantees**			
i	**Subsidiary Companies**			
	Petroleum Specialities Pte. Ltd	Corporate Guarantee for subsidiary's debt	98.05	86.45
	Petroleum Specialities FZE	Corporate Guarantee for subsidiary's debt	328.08	300.85

(d) Compensation of key management personnel of the Company

(₹ in crore)

Sr No.	Nature of transaction	2019-20	2018-19
1	Short-term employment benefits	7.86	8.44
2	Post Employment benefis	0.16	0.15
3	Other Long term employee benefits	0.07	0.11
		8.09	**8.70**

Note 44 Contingent liabilities and commitments

(₹ in crore)

		March 31, 2020	March 31, 2019
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)	5.78	9.41
	Customs duty	2.40	2.40
	Sales tax	14.58	16.20
	ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	12.38	11.76
	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
	iv) Labour matters	0.05	2.33
	v) Others	9.04	9.04
b)	**Corporate Guarantees**		
i)	Guarantee given by the Company for credit facilities enjoyed by Petroleum Specialities Pte Ltd.,a wholly-owned subsidiary	98.05	86.45
ii)	Guarantee given by the Company for term loan facilities enjoyed by Petroleum Specialities FZE, a downstream subsidiary company.	328.08	300.85
B.	**Capital commitments**		
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	8.12	25.21

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Notes:

1. It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the matters in note a (i) to a (v) of claims against the Company not acknowleged as debts mentioned in A - Contingent Liabilities, pending resolution of the arbitration/ appallate proceedings. The liability mentioned as aforesaid includes interest except in cases where the Company has determined that the possibility of such levy is very remote.
2. The cash outflows in respect of Corporate Guarantees mentioned in note b of A - contingent liabilities, could generally occur upto the period over which the validity of such guarantees extends or it could occur any time during the subsistence of the borrowing to which the guarantees relate.
3. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 45 Research and Development Expenses :

(A) R & D Center-OIL (Rabale - DSIR Recognised) (₹ in crore)

		2019-20	2018-19
a)	Salary, wages and other benefits	2.21	2.15
	Consumables and Other expenses	0.23	0.21
	sub-Total	2.44	2.36
b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
		-	-
	Total	**2.44**	**2.36**

(B) R & D Center-Conductor (Silvassa) (₹ in crore)

		2019-20	2018-19
a)	Salary, wages and other benefits	-	-
	Consumables and other expenses	4.73	3.58
	sub-Total	4.73	3.58
b)	Capital expenditure		
	Building		-
	Plant and machinery	1.64	3.18
		1.64	3.18
	Total	**6.37**	**6.76**

(C) R & D Center-Cable (Khatalwad) (₹ in crore)

		2019-20	2018-19
a)	Salary, wages and other benefits	0.19	0.16
	Consumables and other expenses	0.33	0.89
	sub-Total	0.52	1.05
b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
		-	-
	Total	**0.52**	**1.05**
	Grand Total (A+B+C)	**9.33**	**10.17**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 46 IND AS 115 - Revenue from Contracts with Customers

i. Disaggregated revenue

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.

The company uses the same operating segment information for reporting purposes in all its communication to various stakeholders i.e. annual report, investor presentations

For disclosures containing the disaggregated revenue - Refer note no 42 - Segment Reporting.

(ii) Contract balances

(₹ in crore)

	2019-20	2018-19
Contract assets		
Unbilled revenue		
Opening Balance as at April 1	0.04	0.04
Add: Addition during the year	0.14	0.14
	0.18	0.18
Less: Trasferred to receivable	0.14	0.04
Closing balance as at Mar 31	0.04	0.14

	2019-20	2018-19
Contract liability		
Advances from customers		
Opening Balance as at April 1	79.13	80.45
Add: Addition during the year	41.44	104.13
	120.57	184.58
Less: Revenue recognised during the year	50.80	105.45
Closing balance as at Mar 31	69.77	79.13

Refer note no 9 - for Trade receivables balances

iii. Remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are having performance obligations, which are a part of the contracts that has an original expected duration of one year or less.Hence, the company has applied practical expedient as per para 121 of the Ind As 115 in regards to remaining performance obligations.

Note 47 IND AS 116 - Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective from annual reporting period beginning April 1, 2019 and applied the standard to its existing leases, with the modified retrospective method. This has resulted into recognition of Right of use assets at an amount equals to Lease liability on date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information.

Refer Note 1 (N) for accounting policies adopted by Company for its leases."

(₹ in crore)

Interest expenses on Lease liabilities	1.64
Expenses relating to Short term leases & low value assets leases	0.79
Total cash outflows of lease payments	7.26

The Company has applied paragraph 6 of IND AS 116; for accounting of Short term leases having lease period of less than 12 months & leases for which the underlying asset if of low value.

Lease payments associated with these leases are accounted either on straight linte basis over the lease term or another systematic basis which is more representative of the lease payment pattern.

Note 48 Master Netting

The following table presents the recognised financial instruments that are subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2020 and March 31, 2019.

(₹ 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**
March 31, 2020			
Financial assets			
Derivative instruments			
Forward contract/Futures	24.80	5.64	19.16
Total	**24.80**	**5.64**	**19.16**
Financial liabilities			
Derivative instruments			
Forward contract/Futures	126.72	5.64	121.08
Total	**126.72**	**5.64**	**121.08**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(₹ 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
March 31, 2019			
Financial assets			
Derivative instruments			
Forward contract	24.86	24.86	-
Total	**24.86**	**24.86**	**-**
Financial liabilities			
Derivative instruments			
Forward contract	39.44	24.86	14.58
Total	**39.44**	**24.86**	**14.58**

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 49 Figures for previous periods/year have been regrouped, wherever necessary

Note 49 Global Pandemic COVID 19 Impact on Financial Statements

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity, has had impact on the business of the Company. Due to the lock down the dispatches has impacted for later part of the March 20 and the profitability to that extent for the year FY 2019-20.

In the initial period of Lock-down, the essential services based manufacturing facilities were under operation observing safety measures with limited manpower. Gradually, the other manufacturing facilities were operated based on the state based permissions to operate with restricted manpower.

The lock down of COVID-19 is continuing in FY 2020-21 and the Company is continuing its operations in all the business units with current lower demand. Management is expecting that demand for products will improve on stabilization of COVID-19, post removal of lock down. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on financial position etc. though there may be lower revenues in the near term.

Note 50 Figures for previous periods/year have been regrouped, wherever necessary

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 25th June, 2020

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 25th June, 2020

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 audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Apar Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31 March 2020, of consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matters	How the matter was addressed in our audit
Revenue recognition	
We have identified the following key areas for consideration of revenue recognition as key audit matters: • Cut-off: This establishes when title, risk and rewards are transferred to the customer and gives rise to the risk that revenue is not recognised in the correct period; and • Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in conformity with Ind AS 115 'Revenue from Contracts with Customers'. The application of the accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, accounting standard contains disclosures, which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Revenue from operations for the year ended 31st March 2020 the Company is Rs. 7,461.74 crores (refer note 24 to the consolidated financial statements).	To address this key audit matter, our procedure included: • We obtained an understanding of the accounting processes and relevant controls relating to the accounting of revenue; • Performed walkthroughs of the revenue recognition processes and assessed the design effectiveness of key controls. • Tested the controls over the revenue recognition process to confirm operating effectiveness of such controls. • We read significant new contracts/ orders to understand the terms and conditions and their impact on recognition of revenue. • We performed cut off tests for all manufacturing locations for material movement (mapping of gate register/ manual register to the goods receipt note/ goods entry accounted for by the stores); • Examined invoice with shipping documents to ensure that revenue has been recognised in the correct period; and • We assessed the adequacy of the Group's disclosures on revenue recognition as given in notes 24 and 45 to the consolidated financial statements. We also selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in such contracts; • Compared such performance obligations with that identified and recorded by the Company; • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. Based on the procedures performed we consider revenue are fairly stated in the consolidated financial statements.

Derivative financial instruments and hedge accounting	
Derivative financial instruments are used to manage and hedge foreign currency exchange risks and commodity risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and 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. 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. We focused on this area on account of the number of contracts, their measurement, the complexity related to hedge accounting and the potential impact on the statement of profit and loss. As at 31 March 2020, the Group has derivative financial assets at fair value of Rs. 24.79 crores and derivative financial liabilities at fair value of Rs. 131.84 crores (refer notes 12 and 21A to the consolidated financial statements).	Our procedures included: • We obtained an understanding of the risk management policies and testing key controls for the use, recognition and measurement of derivative financial instruments; • We reconciled derivative financial instruments data with third party confirmations; • We compared valuation of derivative financial instruments with market data; • We tested, on a sample basis, the applicability and accuracy of hedge accounting; and • We considered the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting in notes 12, 21A and 34, 36 to 39 and 48 to the consolidated financial statements. Based on the procedures performed the derivative financial instruments and hedge accounting are fairly stated in the consolidated financial statements.
Inventories	
Inventory comprises of raw material including packing material, work in progress, finished goods and stores and spares. We have identified the inventories as key audit matter because it is material to the consolidated financial statements. Inventories aggregate to Rs. 1,331.43 crores as of 31 March 2020 (refer note 6 to the consolidated financial statements).	Our procedures included: • Obtaining an understanding of the supply chain and testing selected key controls over recognition and measurement of inventory; • Testing on a sample basis the accuracy of cost for inventory by verifying supporting documents and testing the net realizable value by comparing actual cost with relevant market data; • Ensuring proper cut-off; • Enquiring with management regarding non-moving and slow-moving inventories; and • by attending the physical stock-taking exercise conducted by management; further, we physically verified items on test check basis. Based on the procedures performed inventories are fairly stated in the consolidated financial statements.

Information other than the consolidated financial statements and auditor's report thereon

TThe Holding Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the board's report including annexures thereto and management discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the consolidated financial statements

The Holding Company's board of directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. The respective board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective board of directors either intends to liquidate their respective companies or to cease operations, or has no realistic alternative but to do so.

The respective board of directors of the companies included in the Group are responsible for overseeing the financial reporting process of their respective companies.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures,

and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial results.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

On account of the COVID-19 related lock-down restrictions, management was able to perform year end physical verification of inventories, only at certain locations, subsequent to the year end. Also, we were not able to physically observe the verification of inventory that was carried out by management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 'Audit Evidence – Specific Considerations for Selected Items' and have obtained sufficient audit evidence to issue our unmodified opinion on the consolidated financial results. Our report on the consolidated financial statements is not modified in respect of this matter.

The consolidated financial statements include the audited financial results of two subsidiaries, whose financial statements reflect Group's share of total assets of Rs. 414.51 crores as at 31 March 2020, Group's share of total revenue of Rs. 408.66 crores, Group's share of total comprehensive loss of Rs. 8.66 crores, Group's share of total net loss after tax of Rs. 7.62 crores and Group's share of net cash outflow of Rs. 7.87 crores for year ended 31 March 2020, as considered in the consolidated financial results, which are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country ('local GAAP') and which have been audited by other auditors under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of these subsidiaries from local GAAP to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the amounts and disclosures of these subsidiaries are based on the audit reports of other auditors and the conversion adjustments prepared by management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements 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

As required by section 143(3) of the Act, based on our audit, 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 of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The consolidated balance sheet, the consolidated statement of profit and loss (including consolidated other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement and dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the 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 31 March 2020 taken on record by the board of directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2020 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 and the operating effectiveness of such controls, refer to our separate report in Annexure A, which is based on the auditor's reports of the Holding Company and its subsidiary companies incorporated in India.

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for reasons stated therein;

(g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiary company incorporated in India to their directors during the year is in accordance with the provisions of section 197 of the Act; and

(h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i The Holding Company has disclosed the impact of pending litigations on consolidated financial position of the Group in its consolidated financial statements – refer note 43 to the consolidated financial statements;

ii Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. – refer notes 12, 21A and 34, 36 to 39 and 48 to the consolidated financial statements; and

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 incorporated in India – refer note 10 to the consolidated financial statements.

For Sharp & Tannan LLP
Chartered Accountants
Firm's registration no.127145W/W100218

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAPB2863

Mumbai, 25 June 2020

Annexure 'A' to the Independent Auditor's Report

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

Report on the internal financial controls under section 143(3)(i) of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of Apar Industries Limited (the 'Holding Company') as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which are incorporated in India (the Holding Company and its subsidiary companies constitute the 'Group'), as of that date.

Management's responsibility for internal financial controls

The respective board of directors of the Holding Company and its subsidiary companies 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 them 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 the respective 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are incorporated in India, 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 judgment, 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 internal financial controls system over financial reporting with reference to these consolidated financial statements.

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 reference to these consolidated financial statements

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 31 March 2020, based on the internal control over financial reporting criteria established by the them considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For SHARP & TANNAN LLP
Chartered Accountants
Firm's registration no.127145W/W100218

FIRDOSH D. BUCHIA
Partner
Membership No.: 038332
UDIN: 20038332AAAAPB2863

Mumbai, 25 June 2020

Consolidated Balance Sheet as at 31st March, 2020

(₹ in crore)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	830.18	703.70
Right of use Assets	2A	52.05	-
Capital work-in-progress	2	54.67	103.48
Goodwill	3	-	2.10
Other intangible assets	3A	2.43	3.04
Intangible asset under development	3A	0.04	-
Financial assets			
Trade receivables	8A	3.06	1.93
Others	4	13.51	12.28
Other non-current assets	5	8.79	18.63
Deferred tax Assets (net)	18	-	0.56
Other tax assets		21.84	-
Total non current assets		**986.57**	**845.72**
Current assets			
Inventories	6	1,331.43	1,282.88
Financial assets			
Investments	7	-	186.92
Trade receivables	8	1,898.60	2,141.61
Cash and cash equivalents	9	163.92	213.24
Bank balances other than above	10	12.31	12.05
Short-term loans and advances	11	29.91	21.76
Derivatives	12	24.79	25.48
Other current assets	13	206.27	227.87
Total current assets		**3,667.23**	**4,111.81**
TOTAL ASSETS		**4,653.80**	**4,957.53**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14A	38.27	38.27
(b) Other equity	14B,14C	1,128.16	1,164.10
Equity attributable to equity holders of the parent		**1,166.43**	**1,202.37**
Non-controlling interests		-	-
Total equity		**1,166.43**	**1,202.37**
Non current liabilities			
Financial liabilities			
Long term borrowings	15	187.93	130.31
Leases		48.55	-
Other financial liabilities	16	3.37	3.30
Derivatives	21A	7.34	-
Provisions	17	8.18	6.00
Deferred tax liabilities (net)	18	0.67	40.83
Total non current liabilities		**256.04**	**180.44**
Current liabilities			
Financial liabilities			
Short term borrowings	19	94.02	87.82
Leases		5.80	-
Trade and other payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		17.23	7.83
b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		2,830.73	3,255.90
Other financial liabilities	21	76.04	75.55
Derivatives	21A	124.50	39.86
Other current liabilities	22	81.58	94.89
Short term provisions	23	1.43	1.58
Liabilities for current tax		-	11.29
Total current liabilities		**3,231.33**	**3,574.72**
Total liabilities		**3,487.37**	**3,755.16**
Total equity and liabilities		**4,653.80**	**4,957.53**
Significant accounting policies	1		
Contingent liabilities and commitments	43		

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 25th June, 2020

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 25th June, 2020

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, 2020

(₹ in crore)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue			
I. Revenue from Operations	24	7,461.74	7,963.85
II. Other income	25	8.41	15.05
III. Total Revenue		**7,470.15**	**7,978.90**
IV. Expenses			
Cost of materials consumed	26	5,767.26	6,387.59
Purchases of stock-in-trade	27	148.60	74.89
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(164.82)	(126.32)
Employee benefits expense	29	168.83	148.02
Finance costs	30	227.65	199.87
Depreciation and amortization expense	2,3,3A	87.12	66.67
Other expenses	31	1,067.32	1,015.05
Total Expenses		**7,301.96**	**7,765.77**
Less : Transfer to capital assets		1.22	3.09
Net total expenses		**7,300.74**	**7,762.68**
V. Profit Before Exceptional Items and Tax		**169.41**	**216.22**
VI. Exceptional Items		-	-
VII. Profit Before Tax		**169.41**	**216.22**
VIII. Tax expense:			
1. Current tax		46.49	75.69
2. Deferred tax		(12.33)	4.47
3. Taxes of earlier years		**0.10**	**-**
		34.26	**80.16**
IX. Profit before minority interest/Share in net profit (loss) of associates		**135.15**	**136.06**
X. Share in net profit (loss) of associates		**-**	**-**
XI. Net profit for the year (IX+X)		**135.15**	**136.06**
XII.Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		(1.17)	(0.87)
Income tax relating to items that will not be reclassified to profit or loss		0.30	0.30
			-
Items that will be reclassified to profit or loss			-
Items that will be reclassified to profit or loss		(109.54)	3.94
Income tax relating to items that will be reclassified to profit or loss		26.97	(1.49)
XIII. Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**51.71**	**137.94**
XIV. Earnings per equity share (Face value of ₹ 10 each)	32		
Basic		35.32	35.55
Diluted		35.32	35.55
Significant accounting policies	1		

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai,25th June, 2020

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 25th June, 2020

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, 2020

(₹ in crore)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	169.41	216.22
Adjustments for		
Depreciation on non current assets	76.21	63.12
Amortisation of Right of use assets	7.83	-
Amortisation of intangible assets	3.08	3.55
(Gain)/loss on sale of property, plant and equipment	2.81	0.33
Foreign currency translation reserve	6.24	(0.53)
Finance costs	156.71	154.39
Finance income	(5.26)	(8.11)
Provision for doubtful debts written back / reversed	6.52	1.88
Unrealised exchange loss/(gain)	40.95	(23.36)
Profit on sale of investments	(3.15)	(6.90)
Movement in working capital		
(Increase)/ Decrease in trade and other receivables	265.84	(394.90)
(Increase)/ Decrease in inventories	(48.56)	(70.62)
Increase/ (Decrease) in trade and other payables	(504.74)	769.59
Tax paid	(79.72)	(72.62)
Net cash generated by / (used in) operating activities	**94.17**	**632.04**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(144.86)	(206.83)
Acquisition of intangibles	(0.40)	(1.27)
Proceeds from sale of property, plant and equipment	0.67	0.17
Purchase of investments (net)	190.07	(180.02)
Sale of investments in subsidiaries	-	**0.01**
Net cash generated by / (used in) investing activities	**45.48**	**(387.94)**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings - net	2.60	(80.58)
Proceeds/(repayments) of long-term borrowings - net	55.40	(27.33)
Repayment of Lease Liabilities	(5.36)	-
Interest received/(paid) - net	(153.99)	(141.66)
Dividend Payment	(72.53)	(36.28)
Tax on dividends	(14.95)	(7.47)
Net cash (used in) / generated by financing activities	**(188.83)**	**(293.32)**
Net increase / (decrease) in cash and cash equivalents	(49.18)	(49.21)
Effect of exchanges rate changes on cash and cash equivalents	0.12	0.13
Cash and cash equivalents at the beginning of the year	225.29	274.37
Cash and cash equivalents at the end of the year	**176.23**	**225.29**

Notes :

1) Statement of cash flows 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 ₹ 0.01 crore; (Previous year ₹ 0.10 crore), fixed deposit under lien ₹ 11.25 crore (Previous year ₹ 11.05 crore) and unrealised gain of ₹ 0.12 crore; (Previous year unrealised gain of ₹ 0.13 crore) on account of translation of foreign currency bank balances.

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of
Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 25th June, 2020

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 25th June, 2020

Nina P. Kapasi
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, 2020		As at March 31, 2019	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Balance at the beginning of the reporting period Balance	38,268,619	38.27	38,268,619	38.27
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	38,268,619	38.27	38,268,619	38.27

(₹ in crore)

(b) Other equity	Reserves & Surplus					Items of OCI				Attributable to	
For the year ended	Retained earnings - Surplus	General reserve	Securities premium	Capital reserve	Capital Redemption Reserve	Currency Fluctuation Reserve	Hedging reserve	Other items of OCI	Total	Owners of the Parent	Non - controlling interest
Balance at April 1, 2018	**605.45**	**225.00**	**205.18**	**23.77**	**14.98**	**3.40**	**(6.78)**	**(1.02)**	**1,069.98**	**1,069.98**	**-**
Total comprehensive income for the year											
Profit for the year	136.06								136.06	136.06	-
Other comprehensive income for the year						(0.07)	2.52	(0.57)	1.88	1.88	-
Total comprehensive income for the year	**136.06**	**-**	**-**	**-**	**-**	**(0.07)**	**2.52**	**(0.57)**	**137.94**	**137.94**	**-**
Transactions with the owners of the Group											
Contributions and distributions											
Dividends (including tax on dividend)	(43.82)	-							(43.82)	(43.82)	-
Transfer / Receipt	(15.00)	15.00							-	-	-
Balance at March 31, 2019	**682.69**	**240.00**	**205.18**	**23.77**	**14.98**	**3.33**	**(4.26)**	**(1.59)**	**1,164.10**	**1,164.10**	**-**
Total comprehensive income for the year											
Capital Contribution											
Profit for the year	135.15								135.15	135.15	-
Other comprehensive income for the year						5.17	(87.75)	(0.87)	(83.45)	(83.45)	-
Total comprehensive income for the year	**135.15**	**-**	**-**	**-**	**-**	**5.17**	**(87.75)**	**(0.87)**	**51.70**	**51.70**	**-**
Transactions with the owners of the Group											
Contributions and distributions											
Dividends (including tax on dividend)	(87.64)								(87.64)	(87.64)	-
Transfer / Receipt	(14.00)	14.00							-	-	-
Balance at March 31, 2020	**716.20**	**254.00**	**205.18**	**23.77**	**14.98**	**8.50**	**(92.01)**	**(2.46)**	**1,128.16**	**1,128.16**	**-**

Nature and purpose of reserves

i. **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**
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 off 16,35,387.

iii. **Capital reserve**
The reserve comprises of profits/gains of capital nature earned by the Group and credited directly to such reserve.

iv. **Capital redemption reserve**
Capital redemption reserve represents amounts set aside by the Group 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.

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 25th June, 2020

Kushal N. Desai
Chairman &
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Mumbai, 25th June, 2020

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Note	1	Significant Accounting Policies

1. **General information**

   Apar Industries Limited ("the Company"), 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. The Company is incorporated in India. The registered office of the Company is situated at 301, Panorama Complex, R. C. Dutt Road, Vadodara, Gujarat – 390 007. Over the ensuing years the Company and its subsidiary companies (collectively referred to as "the Group") it has been offering value added products and services in Power Transmission Conductors, Petroleum Specialty Oils and Power & Telecom Cables.

   These financial statements are approved for issue by the Board of Directors on June 25, 2020.

2. **Statement of compliance**

   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 (to the extent notified) read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

   Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

3. **Functional and presentation currency**

   These consolidated financial statements are presented in Indian rupees ( ), which is the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated. Amounts less than 0.50 lakhs have been presented as "0.00".

4. **Basis of preparation**

   The consolidated financial statements have been prepared on a going concern basis using 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; and
   - 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 and intangible assets**

     Useful lives of 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.

Note	1	Significant Accounting Policies (Contd.)

- **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.

- **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 measure 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. Derivative 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 values of Interest Rate Swaps are determined with respect to current market rate of interest.

- **Sales incentives and Customer Loyalty Programs**

  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 program/ 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 program or when it is no longer probable that the points under the program will be redeemed.

  The cash incentives offered under various schemes are in the nature of sales promotion and provisions 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

7. Significant accounting policies followed by the company

A. Basis of consolidation

i. Business combinations

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

Note	1	Significant Accounting Policies (Contd.)

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.

The company has adopted Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations notified in the Companies (Indian Accounting Standards) Rules, 2018 on March 28, 2018, by the Ministry of Corporate Affairs ('the MCA'). Accordingly, the exchange rate for translation of foreign currency transaction; in cases when company receives or pays advance consideration is earlier of;

- the date of initial recognition of non-monetary prepayment asset or deferred income liability or
- the date that the related item is recognized in the financial statements.

If the transaction is recognized in stages; then a transaction date will be established for each stage.

C. Revenue recognition

i. Revenue from contract with customers for sale of goods and provision of services

Ind AS 115 Revenue from Contract with Customers: On March 28, 2018, 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 standard permits two possible method of transition:

o Retrospective Approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

o Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch up approach)

The Group has adopted the standard on April 1, 2018 by using cumulative catch up transition method. The effect on adoption of Ind AS 115 was insignificant on the financial statements.The Group recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Group satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 satisfies; else revenue is recognized at point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenues are recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue & costs, if applicable, can be measured reliably.

a. Performance Obligation

The Group derives its revenue from selling products and services in Power Transmission Conductors, Transformer & Speciality Oils and Cables.

The Group is required to assess each of its contracts with customers to determine whether performance obligation are satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Group has assessed that based on the contracts entered into with the customers and the provisions of relevant laws and regulations, the Group recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Group satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

In cases where the Group determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer. The Group considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided and consumed by the customer as per agreed terms and the Group has unconditional right to consideration.

In cases where the Group determines that performance obligation is satisfied over time, then revenue is recognised when the

Note	1	Significant Accounting Policies (Contd.)

outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. The amount of revenue can be measured reliably;
2. It is probable that the economic benefits associated with the transaction will flow to the Group;
3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Group estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include;

a. For service contracts, the time elapsed

b. Transaction Price

The Group is required to determine the transaction price in respect of each of its contracts with customers.

Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.

For allocating the transaction price, the Group measured the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Group also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration if any, the Group uses the "most likely amount" method as per IND AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

c. Discounts, Rebates & Incentive to Customers

The Group accounts for volume discounts, rebates and pricing incentives to customer as a reduction of revenue based on the ratable allocation of the discounts / rebates to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning that discounts, rebates or incentive. The Group also recognises the liability based on the past performance of the customers fulfilling the criteria to get the discounts, rebates or incentive and the future outflow of the same is probable. If it is probable that the criteria for the discounts will not be met or if the amounts thereof cannot be estimated reliably, then the discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group accounts for discounts, rebates and pricing incentives in the year of payment where customer qualifies for the same and wherein provision was not made due to Group's inability to make reliable estimates based on the available data at reporting date.

d. Contract Modification

Any changes in the scope or price of the contracts are accounted only when the same is approved. The accounting of modification calls for assessment of changes in the scope or prices. If the goods or services added are not of distinct nature then modification are accounted on a cumulative catch up basis, while those that are distinct are accounted prospectively, either as a separate contract, if additional goods or services are priced at the standalone selling prices or as a termination of the existing contract and creation of new contract if not priced at the standalone selling price.

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 basis as per the terms of the lease contract

iii. Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

iv. 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.

Note	1	Significant Accounting Policies (Contd.)

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.

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 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.

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

Note	1	Significant Accounting Policies (Contd.)

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 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 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 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 taxes 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

Note	1	Significant Accounting Policies (Contd.)

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 Down Value 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.

Useful life as per Group's technical estimates.

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

IIntangible 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.

Note	1	Significant Accounting Policies (Contd.)

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 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's balance 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.

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

Note	1	Significant Accounting Policies (Contd.)

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 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 Group 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 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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective from annual reporting period beginning April 1, 2019 and applied the standard to its existing leases, with the modified retrospective method. This has resulted into recognition of Right of use assets at an amount equals to Lease liability on date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Note	1	Significant Accounting Policies (Contd.)

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to;

1. Short-term leases of all assets that have a lease term of 12 months or less, and
2. Leases for which the underlying asset is of low value.

The lease payments associated with above 2 types of leases are recognized as an expense on a straight-line basis over the lease term

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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 exceeds 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 Group cash 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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Note	1	Significant Accounting Policies (Contd.)

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.

8. **Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Note 2 Property, plant and equipment

(₹ in crore)

	Gross Carrying Amount					Depreciation				Net Block	
	Cost As at 01-04-2019	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2020	Upto 31-03-2019	For the year	Deductions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
(i) Tangible assets											
Land- Freehold	26.92	11.76	-	-	38.68	-	-	-	-	38.68	26.92
Land-Leasehold	10.63	-	-	-	10.63	0.56	0.14	-	0.70	9.93	10.07
Building (Refer Note below)	243.79	29.97	(2.73)	2.59	273.62	25.84	9.91	(0.74)	35.01	238.61	217.95
Plant and machinery (Refer Note below)	565.02	141.52	(3.48)	6.93	709.99	140.80	59.98	(1.59)	199.19	510.80	424.22
Furniture and fixtures	6.73	3.46	-	0.02	10.21	2.32	1.19	0.00	3.51	6.70	4.41
Equipments	23.84	9.51	(0.07)	-	33.28	8.39	3.66	(0.04)	12.01	21.27	15.45
Motor vehicles	9.12	0.80	(0.29)	0.03	9.66	4.44	1.33	(0.30)	5.47	4.19	4.68
Sub total (i)	**886.05**	**197.02**	**(6.57)**	**9.57**	**1,086.07**	**182.35**	**76.21**	**(2.67)**	**255.89**	**830.18**	**703.70**
(ii) Capital work-in-progress											
Buildings					-				-	22.55	16.02
Plant and machinery					-				-	32.12	87.46
Sub total (ii)	-	-	-	-	-	-	-	-	-	**54.67**	**103.48**
Grand Total										**884.85**	**807.18**

	Gross Carrying Amount					Depreciation				Net Block	
	Cost As at 01-04-2018	Additions	Deductions	Effect of Movement in exchange rates	As at 31-03-2019	Upto 31-03-2018	For the year	Deductions/ Adjustments	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
(i) Tangible assets											
Land- Freehold	26.64	0.28	-	-	26.92	-	-	-	-	26.92	26.64
Land-Leasehold	10.63	-	-	-	10.63	0.42	0.14	-	0.56	10.07	10.21
Building (Refer Note below)	205.66	36.53	(0.07)	1.67	243.79	17.20	8.67	(0.03)	25.84	217.95	188.46
Plant and machinery (Refer Note below)	488.50	73.24	(1.42)	4.70	565.02	93.43	48.52	(1.15)	140.80	424.22	395.06
Furniture and fixtures	5.88	1.14	(0.31)	0.02	6.73	1.71	0.90	(0.29)	2.32	4.41	4.17
Equipments	18.21	5.38	(0.32)	0.57	23.84	5.45	3.24	(0.30)	8.39	15.45	12.76
Motor vehicles	8.17	1.77	(0.85)	0.03	9.12	3.53	1.65	(0.74)	4.44	4.68	4.64
Sub total (i)	**763.69**	**118.34**	**(2.97)**	**6.99**	**886.05**	**121.74**	**63.12**	**(2.51)**	**182.35**	**703.70**	**641.95**
(ii) Capital work-in-progress											
Buildings					-				-	16.02	3.66
Plant and machinery					-				-	87.46	14.98
Sub total (ii)	-	-	-	-	-	-	-	-	-	**103.48**	**18.64**
Grand Total										**807.18**	**660.59**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

	Gross Carrying Amount					Depreciation				Net Block	
	Cost As at 01-04-2019	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2020	Upto 31-03-2019	For the year	Deductions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
	-										-
Right of Use Assets	-	60.60	(1.05)	-	59.55	-	7.83	(0.33)	7.50	52.05	-
Total	-	60.60	(1.05)	-	59.55	-	7.83	(0.33)	7.50	52.05	-

(₹ in crore)

Note 3 Goodwill

Cost As at 01-04-2018	Amortisation for the year	Net Block as at 31-03-19
4.76	2.66	2.10
Cost As at 01-04-2019	Amortisation for the year	Net Block as at 31-03-20
2.10	2.10	-

Note 3A Intangible assets

	Gross Block					Depreciation				Net Block	
	Cost As at 01-04-2019	Additions	Deductions	Other Adjustment	As at 31-03-2020	Upto 31-03-2019	For the year	Deductions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Specialised software	6.59	0.37	-		6.96	3.74	0.93		4.67	2.29	2.85
Non compete fee	0.41	-	-		0.41	0.22	0.05		0.27	0.14	0.19
	7.00	0.37	-	-	7.37	3.96	0.98	-	4.94	2.43	3.04
Intangible assets under development										0.04	-
TOTAL	**7.00**	**0.37**	-	-	**7.37**	**3.96**	**0.98**	**-**	**4.94**	**2.47**	**3.04**

	Gross Block					Depreciation				Net Block	
	As at 01-04-2018	Additions	Deductions	Other Adjustment	As at 31-03-2019	Upto 31-03-2018	For the year	Deductions/ Adjustments	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Specialised software	4.47	2.12	-	-	6.59	2.90	0.84	-	3.74	2.85	1.57
Non compete fee	0.41	-	-	-	0.41	0.17	0.05	-	0.22	0.19	0.24
	4.88	2.12	-	-	7.00	3.07	0.89	-	3.96	3.04	1.81
Intangible assets under development										-	**0.86**
TOTAL	**4.88**	**2.12**	**-**	**-**	**7.00**	**3.07**	**0.89**	**-**	**3.96**	**3.04**	**2.67**

Note

a. Includes expenditure on Research and development ₹ 1.64 crore, (Previous year ₹ 3.18 crore) for Plant and machinery (Refer Note 44)

b. Addition to Fixed Assets includes, ₹ 0.05 crore for the year ended 31 March 2020 (Previous year ₹ 0.56 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, 2020 is ₹ 7.31 crore (Previous year ₹ 7.99 crore)

c. The Group had contractual commitments of ₹ 8.12 crore for the year ended 31 March 2020 (Previous year ₹ 25.21 crore).

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, 2020

Note 4 Other Non-current Financial Assets

(₹ in crore)

	March 31, 2020	March 31, 2019
Unsecured, considered good		
Security deposits	9.72	8.30
Other financial assets (Refer Note i below)	3.79	3.98
	13.51	**12.28**

Note :
Includes fixed deposit of 2.78 crore (Previous Year 2.79) under lien.

Note 5 Other Non-current Assets

(₹ in crore)

	March 31, 2020	March 31, 2019
Capital advances	5.25	14.65
Balance with government authority	3.54	3.98
Others	-	-
	8.79	**18.63**

Note 6 Inventories

(₹ in crore)

	March 31, 2020	March 31, 2019
Raw materials and components	500.99	564.55
Raw materials-in transit	147.76	203.57
Work-in-progress	222.83	151.81
Finished goods	382.91	302.23
Finished goods - in transit	22.07	9.23
Stock-in-trade	13.70	13.43
Stock-in-trade - in transit	-	-
Stores and spares	41.17	38.06
	1,331.43	**1,282.88**

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

Note 7 Current investments

(₹ in crore)

	March 31, 2020	March 31, 2019
a. Investment in mutual funds		
Union Liquid Fund Growth-Direct Plan No. of units : Nil (31 March 2019: 1,039,160.265)	-	186.92
	-	**186.92**
b. Market Value of Quoted Investments		
Book value	-	186.92
Market value	-	186.92
Impairment Loss	-	-

All the above securities have been classified and measured at FVTPL. Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 34.

Note	8	Trade receivables (Current)

(₹ in crore)

	March 31, 2020	March 31, 2019
Trade receivables		
Secured, considered good	0.52	0.52
Unsecured, considered good	1,898.08	2,141.09
Unsecured, Credit Impaired	42.78	35.40
	1,941.38	**2,177.01**
Less: Allowances for doubtful debts	42.78	35.40
	1,898.60	**2,141.61**

Note :

i) For receivables offered as security against borrowing refer note 19

ii) For allowances for Expected Credit Loss refer note 35

iii) The Group's exposure to credit and currency risk related to trade receivables are disclosed in note 35 and note 37 respectively.

Note	8A	Trade receivables (Non-Current)

(₹ in crore)

	March 31, 2020	March 31, 2019
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	3.06	1.93
Unsecured, Credit Impaired	-	-
	3.06	1.93
Less: Allowances for doubtful debts	-	-
	3.06	**1.93**

Note	9	Cash and cash equivalents

(₹ in crore)

	March 31, 2020	March 31, 2019
Balances with banks	128.04	209.89
On deposits with original maturity of less than three months	35.00	-
Cash on hand	0.24	0.20
Cheques on hand	0.64	1.95
Funds in transit	-	1.20
	163.92	**213.24**

Note:

Bank balances include ₹ 0.22 Crore (Previous Year ₹ 0.82 Crore) held in a foreign currencies which are not freely remissible because of exchange restrictions.

Note	10	Bank balances other than (Note 10) above

(₹ in crore)

	March 31, 2020	March 31, 2019
Deposits with original maturity for more than 3 months but less than 12 months (Refer Note i below)	11.41	11.24
Margin money deposit (Refer Note ii below)	0.01	0.10
On unclaimed dividend account (Refer Note iii below)	0.89	0.71
	12.31	**12.05**

Note:

i Includes fixed deposit of ₹ 11.25 crore (Previous Year ₹ 11.05 crore) under lien.

ii Against letters of credit for Group's import of raw materials and working capital loans.

iii There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2020.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Note 11 Short-term loans and advances

(₹ in crore)

	March 31, 2020	March 31, 2019
Unsecured, Considered Good, Unless Otherwise Stated		
Loans and advances to related parties	0.04	-
Others		
Advances recoverable in cash or in kind or for value to be received	27.90	18.50
Interest accrued but not due on fixed deposits	0.74	0.46
Interest accrued but not due on security deposits	0.06	0.08
Other receivable	1.17	2.72
	29.91	**21.76**

Note 12 Derivatives-Asset

(₹ in crore)

	March 31, 2020	March 31, 2019
Forward exchange contract used for hedging	24.79	25.48
	24.79	**25.48**

Note 13 Other current assets

(₹ in crore)

	March 31, 2020	March 31, 2019
Balances with statutory/government authorities	140.62	147.43
Prepayments and others	65.65	80.44
	206.27	**227.87**

Note 14A Equity Share Capital

(₹ in crore)

		March 31, 2020	March 31, 2019
a	**Authorised :**		
	101,998,750 (Previous year 101,998,750) Equity shares of ₹ 10 each	102.00	102.00
	TOTAL	**102.00**	**102.00**
b	**Issued :**		
	38,268,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27	38.27
	TOTAL	**38.27**	**38.27**
c	**Subscribed and Paid up :**		
	38,268,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27	38.27
		38.27	**38.27**

		31 March 2020	31 March 2019
d	**Reconciliation of number of shares outstanding at the beginning and end of the year :**		
	Outstanding at the beginning of the year	38,268,619	38,268,619
	Issued (Buy Back) during the year	-	-
	Outstanding at the end of the year	**38,268,619**	**38,268,619**
e	**Aggregate no. and class of shares bought back during the period of five years immediately preceding the reporting date:**		
	No of Shares bought back	**31 March 2020**	**31 March 2019**
	Equity Shares bought back (2016-2017)	228,150	228,150
		228,150	**228,150**

f 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.

(ii) 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.

g	**Shareholders holding more than 5% shares in the company is set out below:**	**31 March 2020**		**31 March 2019**	
		No of shares	**%**	**No of shares**	**%**
	Kushal N. Desai	9,048,503	23.65%	9,310,503	24.33%
	Chaitanya N. Desai	8,964,946	23.43%	9,226,946	24.11%
	Maithili N. Desai Family Pvt. Trust No. 2 - Trustee maithili trusteeship services private limited	4,360,000	11.39%	3,480,000	9.09%
	HDFC Trustee Company Limited	3,539,727	9.25%	3,441,727	8.99%
	Reliance Capital Trustee Company Limited	2,412,738	6.31%	2,435,968	6.37%
	L&T Mutual Fund Trustee Limited	2,341,249	6.12%	2,399,905	6.27%

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.

Note 14B Other Equity (Refer Note below)

(₹ in crore)

	March 31, 2020	March 31, 2019
Retained earnings	716.20	682.69
General reserve	254.00	240.00
Securities premium	205.18	205.18
Capital reserve	23.77	23.77
Capital Redemption reserve	14.98	14.98
	1,214.13	**1,166.62**
Retained earnings		
Opening balance	682.69	605.45
Increase/(Decrease) during the year	33.51	77.23
Closing Balance	**716.20**	**682.69**
General reserve		
Opening balance	240.00	225.00
Increase/(Decrease) during the year	14.00	15.00
Closing Balance	**254.00**	**240.00**
Securities premium		
Opening balance	205.18	205.18
Increase/(Decrease) during the year	-	-
Closing Balance	**205.18**	**205.18**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Capital reserve		
Opening balance	23.77	23.77
Increase/(Decrease) during the year	-	-
Closing Balance	**23.77**	**23.77**
Capital Redemption Reserve		
Opening balance	14.98	14.98
Increase/(Decrease) during the year	-	-
Closing Balance	**14.98**	**14.98**

Note 14C Items of OCI

(₹ in crore)

	March 31, 2020	March 31, 2019
Currency fluctuation reserve (net of tax)	8.50	3.33
Hedging reserve (net of tax)	(92.01)	(4.26)
Other items of OCI (Net of tax)	(2.46)	(1.59)
	(85.97)	**(2.52)**
Currency fluctuation reserve (net of tax)		
Opening balance	3.33	3.40
Increase/(Decrease) during the year	5.17	(0.07)
Closing Balance	**8.50**	**3.33**
Hedging reserve (net of tax)		
Opening balance	(4.26)	(6.78)
Increase/(Decrease) during the year	(87.75)	2.52
Closing Balance	**(92.01)**	**(4.26)**
Other items of OCI (Net of tax)		
Opening balance	(1.59)	(1.02)
Increase/(decrease) during the year	(0.87)	(0.57)
Closing balance	**(2.46)**	**(1.59)**

Note: The nature, purpose & movement of each of the Reserves have been explained under Statement of changes in Equity.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Note 15 Long term borrowings

(₹ in crore)

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non current		Current	
Term loans (Secured)				
Rupee term loans from banks	67.61	84.48	16.87	21.50
Foreign currency term loans from banks	120.32	45.83	18.37	13.65
	187.93	**130.31**	**35.24**	**35.15**

Information about the Group's exposure to liquidity risk, foreign currency and interest rate are included in Note 36, 37 and 38 respectively

Details of security:

a **Rupee term loans and foreign currency loan from banks are secured / to be 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 Group's Athola properties and exclusive hypothecation charge on the assets acquired by the Group 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 mortgage of Company's Khatalwad properties and hypothecation of movable plant and machinery at Khatalwad.

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.

iv) The rupees term loan from Kotak Mahindra Bank is secured by extension of charge on Khatalwad property (Movable & Immovable Fixed Assets) and hypothecation of identifiable movable fixed assets at other locations. [Hypothecation of identifiable movable fixed assets at other locations to be made available if the asset cover by mortgages at Khatalwad is less than 1.25X of outstanding terms loans (including the term loan from ING Vysya Bank Ltd.)

v) The Foreign Currency Term Loan from State Bank of India, Tokyo is secured by way of a First Charge on Pari Passu basis with existing lenders on selected movable and immovable assets of the company by way of Hypothecation/Equitable Mortgage. Minimum Fixed Assets Coverage Ratio(FACR) of 1.25 to be maintained during the entire tenor of the loan.

b **Terms of repayment of term loan :**

i "In respect of Foreign Currency Term Loans from Union Bank of India,Hongkong; last installment was paid in May, 2018 ₹ 14.88 crore."

ii In respect of Rupee Term Loan from ING Vysya Bank Ltd (now Kotak Mahindra Bank) last quarterly installments of ₹ 3.34 crore was paid in September, 2019

iii In respect of foreign currency term loan from ABC Bank, Kingdom of Bahrain; it has a moratorium period of 12 months and the loan will be repaid in 14 quarterly installments; the repayment of which has started from 29 March 2019 onwards, first 2 installments of ₹ 2.76 crore each, next 4 installments of ₹ 3.63 crore each, next 4 installments of ₹ 4.49 crore each, next 3 installments of ₹ 6.05 crore each and last installment of ₹ 6.08 crore.

iv In respect of Rupee Term Loan from Kotak Bank, it has a moratorium period of 18 months and loan will be repaid in 10 half yearly installments. The repayment has started from 08 September 2019 onwards, first 2 installments of ₹ 7.50 crore each, next 2 installment of ₹ 8.50 crore each, subsequent next 2 installment of 10.00 crore each and last 4 installments of ₹ 12.00 crore each

v In respect of foreign currency term loan from State Bank of India, Tokyo, it has a moratorium period of 18 months and loan will be repaid in 20 quarterly installments. The repayment will start from 05 September 2021 onwards, first 4 installments of ₹ 1.67 crore each, next 5 installment of ₹ 2.52 crore each, next 1 installment of ₹ 3.35 crore, next 5 installment of ₹ 5.86 crore each, subsequent 2 installment of ₹ 6.71 crore each and last 3 installments of ₹ 8.38 crore each

The Group does not have any continuing default as on the consolidated Balance Sheet date in repayment of loans and interest.

c. **Net Debt Reconciliation (Disclosure in pursuant to para 44A of IND AS 7)**

(₹ in crore)

	March 31, 2020	March 31, 2019
Short Term Borrowings	94.02	87.82
Interest accrued but not due on above	-	-
Long Term Borrowings	223.17	165.46
Interest accrued but not due on above	1.72	1.45
Net Debt	**318.91**	**254.73**

Changes in Borrowings	Long Term Borrowings	Short Term Borrowings	Total
As at 01.04.2018	193.45	170.36	363.81
Availed during the year	-	179.85	179.85

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Paid during the year	(30.73)	(267.90)	(298.63)
Foreign Exchange Adjustments	4.19	5.51	9.70
As at 31.03.2019	**166.91**	**87.82**	**254.73**
Availed during the year	88.90	247.89	336.79
Paid during the year	(35.62)	(247.95)	(283.57)
Foreign Exchange Adjustments	4.70	6.26	10.96
As at 31.03.2020	**224.89**	**94.02**	**318.91**

Note 16 Other non-current financial liabilities

(₹ in crore)

	March 31, 2020	March 31, 2019
Deposits from dealers (Refer Note*)	3.37	3.30
	3.37	**3.30**

Note* : Measured at amortised cost

Information about the Group's exposure to liquidity risk, foreign currency and interest rate are included in Note 36, 37 and 38 respectively

Note 17 Long term provisions

(₹ in crore)

	March 31, 2020	March 31, 2019
Provision for gratuity- In respect of directors	1.29	1.13
Provision for leave benefits	6.13	4.36
Provision for gratuity- In respect of other employees	0.76	0.51
	8.18	**6.00**

Note 18 Deferred Tax balances (Net)

(a) Movement in deferred tax balances

(₹ in crore)

		2019-2020		March 31, 2020		
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(56.26)	15.69		(40.57)	-	(40.57)
Derivatives	2.08	(0.21)	28.04	29.91	29.91	-
Loans and borrowings	(0.24)	(0.34)		(0.58)	-	(0.58)
Employee benefits	2.65	(0.41)	0.30	2.54	2.54	-
Lease Expenses	-	0.33		0.33	0.33	-
Deferred income	0.11	(0.11)		-	-	-
Provisions	12.37	(1.82)		10.55	10.55	-
Investments	(0.06)	0.06		-	-	-
Security Deposits	0.00	0.00		0.00	0.00	-
Other items	(0.92)	(0.86)	(1.07)	(2.85)	-	(2.85)
Tax assets (Liabilities)	(40.27)	12.33	27.27	(0.67)	43.33	(44.00)
Set off tax						**43.33**
Net tax Assets (Liabilities)	**(40.27)**	**12.33**	**27.27**	**(0.67)**	**43.33**	**(0.67)**

b) Movement in deferred tax balances

(₹ in crore)

		2018-2019		31 March 2019		
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(50.15)	(6.11)		(56.26)	-	(56.26)
Derivatives	3.65	(0.04)	(1.53)	2.08	2.08	-
Loans and borrowings	(0.30)	0.06	-	(0.24)	-	(0.24)
Employee benefits	2.00	0.35	0.30	2.65	2.65	-
Deferred income	0.25	(0.14)	-	0.11	0.11	-
Provisions	11.60	0.77	-	12.37	12.37	-
Investments	-	(0.06)	-	(0.06)	-	(0.06)
Security Deposits	0.00	0.00	-	0.00	0.00	-
Other items	(1.67)	0.71	0.04	(0.92)	-	(0.92)
Tax assets (Liabilities)	**(34.62)**	**(4.47)**	**(1.19)**	**(40.27)**	**17.22**	**(57.48)**
Set off tax						**17.22**
Net tax Assets (Liabilities)	**(34.62)**	**(4.47)**	**(1.19)**	**(40.27)**	**17.22**	**(40.27)**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

The Group 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.

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.

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)

	March 31, 2020	March 31, 2019
Secured Loans		
Working capital loans from banks (Refer Notes below)		
Rupee loans	0.00	-
Packing credit loan in foreign currency from banks	63.75	87.82
	63.75	**87.82**
Unsecured Loans		
Loan from Related Party	30.27	-
	94.02	**87.82**

Note :

Working capital loans from banks are secured by :

(i) hypothecation of specified stocks, specified book debts of the Group.

(ii) first charge by way of equitable mortgage by deposit of title deeds of Group's specified immovable properties, both present and future.

The Group 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)

	March 31, 2020	March 31, 2019
Acceptances	1,738.38	2,484.77
Due to micro, small and medium enterprises	17.23	7.83
Due to other than micro and small and medium enterprises	1,092.35	771.12
Total	**2,847.96**	**3,263.72**

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 consolidated 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)

	March 31, 2020	March 31, 2019
Current portion of long-term foreign currency loan (Refer Note 15 (b))	18.37	13.65
Current portion of long-term Rupee loan (Refer Note 15 (b))	16.87	21.50
Interest accrued but not due	18.49	20.77
Channel finance	1.62	2.12
Bill discounting with recourse	0.83	1.10
Creditors for capital expenditure	15.87	12.30
Unclaimed dividend	0.89	0.71
Book overdraft	2.43	2.87
Deposits from dealers	0.67	0.53
	76.04	**75.55**

Note:-

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2020.

Note 21A Derivatives-Liability

(₹ in crore)

	March 31, 2020	March 31, 2019
Derivatives used for hedging - Non Current	7.34	-
Derivatives used for hedging - Current	**124.50**	**39.86**
	131.84	**39.86**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Note 22 Other current liabilities

(₹ in crore)

	March 31, 2020	March 31, 2019
Statutory dues towards Government	5.39	12.19
Other payables (Refer Note below)	76.19	82.70
	81.58	**94.89**

Note:-

i. Other payables includes security deposit and advance from customers.

ii. Refer note 45 for advances from customers classified as contract liability as per Ind As 115

Note 23 Short term provisions

(₹ in crore)

	March 31, 2020	March 31, 2019
Provision for employee benefits		
Provision for gratuity	-	0.34
Provision for leave benefits	1.43	1.24
	1.43	**1.58**

Note 24 Revenue from operations*

(₹ in crore)

	2019-20	2018-19
Sale of products		
Finished goods	7,071.23	7,721.06
Raw materials	91.58	52.25
Traded goods	165.11	104.90
Total	**7,327.92**	**7,878.21**
Sale of services	76.03	27.30
Other operating revenue		
Others	57.79	58.34
Total	**57.79**	**58.34**
Revenue from operations	**7,461.74**	**7,963.85**

Note 25 Other Income

(₹ in crore)

	2019-20	2018-19
Interest income	5.26	8.11
Financial assets at FVTPL-net change in fair value	-	0.18
Net gain on sale of current investments	3.15	6.73
Other Non-Operating Income	-	0.03
	8.41	**15.05**

Note 26 Cost of materials consumed

(₹ in crore)

	2019-20	2018-19
Inventory at the beginning of the year	768.12	832.12
Add : Purchases	5,647.89	6,323.59
	6,416.01	**7,155.71**
Less: Closing Inventory	648.75	768.12
	5,767.26	**6,387.59**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Note 27 Purchases of Stock-in-Trade

(₹ in crore)

	2019-20	2018-19
Thermoplastic Elastomers	3.83	9.19
Lubricants	20.37	18.75
Aluminium,HTLS Hardware & GSW Steel Wire, etc.	68.93	42.61
Others	55.47	4.34
	148.60	**74.89**

Note 28 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2019-20	2018-19
Inventories at the beginning of the year		
Finished goods	311.45	185.60
Work-in-progress	151.81	137.34
Traded goods	13.43	27.43
	476.69	**350.37**
Inventories at the end of the year		
Finished goods	404.98	311.45
Work-in-progress	222.83	151.81
Traded goods	13.70	13.43
	641.51	**476.69**
	(164.82)	**(126.32)**

Note 29 Employee benefits expense

(₹ in crore)

	2019-20	2018-19
Salaries, wages and bonus	150.78	132.01
Contribution to provident and other funds	7.46	6.62
Gratuity expense	1.21	0.97
Staff welfare expenses	9.38	8.42
	168.83	**148.02**

Note 30 Finance costs

(₹ in crore)

	2019-20	2018-19
Interest expenses	156.71	154.39
Bank charges for borrowing	17.75	12.75
Applicable net loss on foreign currency transactions and translation	53.19	32.73
	227.65	**199.87**

Note 31 Other expenses

(₹ in crore)

	2019-20	2018-19
Consumption of stores and spares	39.68	37.27
Packing materials	232.49	258.51
Foreign Exchange (gain)/ Loss - others	3.89	-
Storage charges	14.98	16.17
Power, electricity and fuel	91.78	100.81
Processing charges, fabrication and labour charges	179.45	140.30
Freight and forwarding charges	238.41	248.17
Rent	0.94	3.71
Rates and taxes	7.85	2.52
Insurance	11.38	9.13
Repairs and maintenance		

Plant and machinery	6.65	7.63
Buildings	2.60	2.23
Others	8.55	6.44
Advertising and sales promotion	5.98	4.06
Sales commission	44.29	36.05
Travelling and conveyance	25.56	22.93
Printing and stationery	2.26	1.88
Legal and professional fees	17.20	16.41
Directors' sitting fees	0.13	0.09
Commission to Chairman & Managing Director and Managing Director	3.57	4.55
Discount and rebates	0.22	0.23
Lease rental	0.89	4.34
CSR Activities	4.75	4.48
Donations	0.05	0.04
Royalty	13.57	6.37
Bank charges and commission	26.49	23.25
Bad debts and advances written-off	22.09	3.13
Less: Allowances for doubtful debts utilised	(6.01)	(0.55)
Allowances for doubtful debts and advances	13.89	5.02
Loss on sale of fixed assets (net)	2.81	0.33
Miscellaneous expenses	50.93	49.55
	1,067.32	**1,015.05**

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)

	Note	March 31, 2020	March 31, 2019
Profit (loss) for the year, attributable to the owners of the Company		135.15	136.06
Profit (loss) for the year, attributable to ordinary shareholders	**A**	**135.15**	**136.06**

ii. Weighted average number of ordinary shares (basic)

	Note	March 31, 2020	March 31, 2019
Issued ordinary shares at April 1		38,268,619	38,268,619
Weighted average number of shares at March 31	B	**38,268,619**	**38,268,619**
Basic EPS (₹)	A / B	**35.32**	**35.55**
Face Value per Share (₹)		**10**	**10**

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2020 and as at 31/03/2019, 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, 2020

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 in crore	As % of consolidated profit or loss	Amount in crore	As % of consolidated profit or loss	Amount in crore	As % of consolidated profit or loss	Amount in crore
Parent								
Apar Industries Limited	93.36	1,088.96	102.03	137.89	104.96	(87.58)	97.29	50.31
Subsidiaries								
Indian								
Apar Transmission & Distribution Projects Pvt Ltd	0.30	3.51	2.93	3.96	-	-	7.65	3.96
Apar Distribution & Logistic Private Limited	0.00	0.01	(0.00)	(0.00)	-	-	(0.00)	(0.00)
Foreign								
Petroleum Specialities Pte Limited	8.70	101.53	(0.27)	(0.36)	(2.35)	1.96	3.10	1.60
Petroleum Specialities FZE	4.67	54.48	(4.69)	(6.34)	(2.61)	2.18	(8.04)	(4.16)
Minority Interests in all subsidiaries	-	-	-	-	-	-	-	-
Adjustments / Eliminations	(7.03)	(82.06)	-	-	-	-	-	-
Total	**100.00**	**1,166.43**	**100.00**	**135.15**	**100.00**	**(83.44)**	**100.00**	**51.71**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Note 33 Tax expense

(a) Amounts recognised in profit and loss

(₹ in crore)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax	46.59	75.69
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(12.33)	4.47
Deferred tax expense	(12.33)	4.47
Tax expense for the year	**34.26**	**80.16**

(b) Amounts recognised in other comprehensive income

(₹ in crore)

	For the year ended March 31, 2020			For the year ended March 31, 2019		
	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)	(1.17)	0.30	(0.87)	(0.87)	0.30	(0.57)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	(109.54)	26.97	(82.57)	3.94	(1.49)	2.45
	(110.72)	**27.27**	**(83.44)**	**3.07**	**(1.19)**	**1.88**

(c) Reconciliation of effective tax rate

(₹ in crore)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	**169.41**	**216.22**
Enacted Income tax rate in India	25.168%	34.944%
Tax using the Company's domestic tax rate	42.64	75.56
Tax effect of:		
Non-deductible tax expenses	0.61	0.79
Incremental deduction allowed for research and development costs	-	(0.41)
Deduction under chapter VIA	(0.42)	(0.48)
Others	0.83	0.82
Change in deferred tax balances due to change in income tax rate	(11.54)	0.35
Non-Taxable subsidiaries and effect of Differential tax rate under various jurisdication	2.14	3.53
	34.26	**80.16**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

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)

March 31, 2020	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	7		-			-	-			-
Loans & advances										
- Non-current						-				-
- Current	11				29.91	29.91				-
Trade Receivables										-
- Non-current	8A				3.06	3.06				-
- Current	8				1,898.60	1,898.60				-
Cash and Cash Equivalents	9				163.92	163.92				-
Other Bank Balances	10				12.31	12.31				-
Other financial assets						-				
- Non-current	4				13.51	13.51				-
- Current					-	-				-
Derivatives	12	24.79	10.28	14.52		24.79		24.79		24.79
Total financial assets		**24.79**	**10.28**	**14.52**	**2,121.31**	**2,146.11**	**-**	**24.79**	**-**	**24.79**
Financial liabilities										
Borrowings										-
- Non-current	15				187.93	187.93				
- Current	19				94.02	94.02				
Leases										
- Non-current					48.55	48.55				
- Current					5.80	5.80				
Other financial liabilities										
- Non-current	16				3.37	3.37				-
- Current	21				76.04	76.04				-
Derivatives										
- Non-current	21A	7.34	-	7.34		7.34		7.34		7.34
- Current	21A	124.50	0.01	124.49		124.50		124.50		124.50
Trade Payables	20				2,847.96	2,847.96				-
Total financial liabilities		**131.84**	**0.02**	**131.82**	**3,263.67**	**3,395.50**	**-**	**131.84**	**-**	**131.84**

(₹ in crore)

March 31, 2019	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	7		186.92			186.92	186.92			186.92
Loans & advances										-
- Non-current						-				-
- Current	11				21.76	21.76				-
Trade Receivables						-				-
- Non-current	8A				1.93	1.93				
- Current	8				2,141.61	2,141.61				

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Cash and Cash Equivalents	9				213.24	213.24				-
Other Bank Balances	10				12.05	12.05				-
Other financial assets										-
- Non-current	4				12.28	12.28				-
- Current					-	-				-
Derivatives	12	25.48	0.60	24.88		25.48		25.48		25.48
Total financial assets		**25.48**	**187.52**	**24.88**	**2,402.87**	**2,615.27**	**186.92**	**25.48**	**-**	**212.40**
Financial liabilities										
Borrowings										-
- Non-current	15				130.31	130.31				
- Current	19				87.82	87.82				
Other financial liabilities										-
- Non-current	16				3.30	3.30				-
- Current	21				75.55	75.55				-
Derivatives	21A	39.86	9.49	30.37		39.86		39.86		39.86
Trade Payables	20				3,263.73	3,263.73				-
Total financial liabilities		**39.86**	**9.49**	**30.37**	**3,560.70**	**3,600.57**	**-**	**39.86**	**-**	**39.86**

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 ₹ 215.05 Crore and ₹ 246.50 Crore as of March 31, 2020 and March 31, 2019, 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 ₹ 91.19 crores and ₹ 102.47 crores as of March 31, 2020 and March 31, 2019 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.h

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 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances. The Group's export receivables are covered under ECGC credit insurance policy. The group has also taken credit insurance for its domestic receivables in cable and conductor division.
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, 2020	March 31, 2019
Neither past due nor impaired	1,160.31	1,545.23
past due 1-90 days	422.98	417.02
past due 91 -180 days	128.39	102.70
past due 180 days	232.76	113.97
Total	**1,944.44**	**2,178.92**
Less : Provisions	42.78	35.40
Net Total	**1,901.66**	**2,143.52**

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, 2020	March 31, 2019
Neither past due nor impaired	29.91	21.76
past due 1-90 days	-	-
past due 91 -180 days	-	-
past due 180 days	-	-
	29.91	21.76

Management believes that the unimpaired amounts which are past due are fully collectable.

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances.

The Group follows 'simplified approach' for recognition of impairment loss on these financial assets. 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

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a division wise provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows :

Expected credit loss (%)*	Oil Division	Cable Division	Conductor Division
Neither past due nor impaired	0.00%	0.01%	0.00%
past due 1-90 days	0.00%	0.01%	0.00%
past due 91 -180 days	0.01%	0.08%	0.00%
past due 180 days	9.28%	0.91%	0.22%
	0.21%	**0.04%**	**0.00%**

* Expected credit loss is worked out on the trade receivables for which no specific provision is made.
The movement in the allowance for impairment in respect of trade receivable and short term loans and advances as as follows

(₹ in crore)

	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2018	32.29	-
Amounts provided	5.09	-
Amount written back / utilised	(3.14)	-
Balance as on 31 March 2019	34.24	-
Amounts provided	13.71	-
Amount written back / utilised	(7.23)	-
Balance as on 31 March 2020	40.72	-

Allowances for Expected Credit Loss

(₹ in crore)

	As at 31.3.2020	As at 31.3.2019
Balance at the beginning of the year	1.16	1.23
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.90	(0.07)
Balance at the end of the year	1.21	1.16

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 Group holds cash and cash equivalents of ₹ 176.23 Crore as on 31st March 2020 (₹ 225.29 Crore as on 31st March 2019). 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 Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group'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, 2020	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	223.17	223.17	35.24	49.30	100.44	38.19
Short term loan from bank (Secured)	63.75	63.75	63.75	-	-	-
Short term loan from bank (Unsecured)	30.27	30.27	30.27	-	-	-
Trade and other payables	2,847.96	2,847.96	2,847.96	-	-	-
Other financial liabilities	40.80	40.80	40.80	-	-	-
Leases	54.34	54.34	5.80	4.35	9.42	34.77
Derivative financial liabilities						
Forward exchange contracts/Futures used for hedging						
- Outflow	130.37	130.37	123.03	7.34	-	-
Interest Rate Swap						
- Outflow	1.47	1.84	1.84	-	-	-
- Inflow	-	0.37	0.37	-	-	-

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

March 31, 2019	Contractual cash flows					(₹ in crore)
	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	165.46	165.46	35.15	33.59	96.72	-
Short term loan from bank (Secured)	87.82	87.82	87.82	-	-	-
Short term loan from bank (Unsecured)	-	-	-	-	-	-
Trade and other payables	3,263.72	3,263.72	3,263.72	-	-	-
Other financial liabilities	40.40	40.40	40.40	-	-	-
Derivative financial liabilities						
Forward exchange contracts/Futures used for hedging						
- Outflow	39.44	39.44	39.44	-	-	-
Interest Rate Swap						
- Outflow	0.43	1.61	1.61	-	-	-
- Inflow	-	1.18	1.18	-	-	-

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.

Contractual outflow of other non-current financial liabilities amounting to ₹ 3.37 crores (Previous year ₹ 3.30) cannot be ascertained on reporting date.

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 Group'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 Group 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 Group has purchased forward contracts (for which there is an active market).

Currency risk

"The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Group do not use derivative financial instruments for trading or speculative purposes.":

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.

(Figures in crore)

	March 31, 2020					
	USD	EUR	CAD	GBP	ETB	NPR
Trade receivables	5.59	0.76	0.57	0.00	1.43	-
Cash and cash equivalents	0.55	0.02	0.00	-	0.02	0.27
Long term Borrowings	(1.86)	-	-	-	-	-
Short term borrowings	(1.25)	-	-	-	-	-
Trade payables	(14.48)	(0.00)	-	-	(0.19)	-
Net Exposure	**(11.45)**	**0.78**	**0.57**	**0.00**	**1.26**	**0.27**

	March 31, 2020					
	KES	EGP	AED	AUD		
Trade receivables	-	-	0.01	0.01		
Cash and cash equivalents	0.04	0.01	-	-		
Long term Borrowings	-	-	-	-		
Short term borrowings	-	-	-	-		
Trade payables	-	-	-	-		
Net Exposure	**0.04**	**0.01**	**0.01**	**0.01**	**-**	**-**

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Figures in crore

	March 31, 2019					
	USD	EUR	CAD	JPY	ETB	NPR
Trade receivables	7.71	0.28	0.01	-	-	-
Cash and cash equivalents	0.52	0.02	0.01	-	0.09	0.95
Long term Borrowings	(0.86)	-	-	-	-	-
Short term borrowings	(1.27)	-	-	-	-	-
Trade payables	(10.11)	(0.05)	-	0.04	0.16	-
Net outstanding payable / (receivable)	**(4.01)**	**0.25**	**0.02**	**0.04**	**0.25**	**0.95**

	March 31, 2019					
	PHLP. PESO	KES	EGP			
Trade receivables	-	-	-			
Cash and cash equivalents	0.01	0.04	0.01			
Long term Borrowings	-	-	-			
Short term borrowings	-	-	-			
Trade payables	-	-	-			
Net Exposure	**0.01**	**0.04**	**0.01**	**-**	**-**	**-**

The following significant exchange rates have been applied during the year.

	Average Rate		Year end Spot Rate	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
USD	70.88	69.89	75.42	69.16
EUR	78.80	80.93	81.88	77.47
CAD	53.33	53.29	53.37	52.00
GBP	90.15	91.74	93.46	90.48
JPY	0.65	0.63	0.70	0.63
ETB	2.36	2.52	2.27	2.43
NPR	0.62	0.62	0.62	0.62
Phlp. PESO	1.38	1.32	1.47	1.32
KES	0.69	0.69	0.71	0.69
EGP	4.34	3.93	4.75	3.99
AED	19.31	19.04	20.44	18.86
AUD	48.34	50.97	46.19	49.18

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	
	Strengthening	Weakening
March 31, 2020		
USD (1% movement)	8.12	(8.12)
EUR (1% movement)	(0.61)	0.61
CAD (1% movement)	(0.30)	0.30
GBP (1% movement)	(0.00)	0.00
ETB (1% movement)	(0.03)	0.03
NPR (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
AED (1% movement)	(0.00)	0.00
AUD (1% movement)	(0.01)	0.01
	7.17	**(7.17)**

	Profit or loss	
	Strengthening	Weakening
March 31, 2019		
USD (1% movement)	2.80	(2.80)

EUR (1% movement)	(0.20)	0.20
CAD (1% movement)	(0.01)	0.01
JPY (1% movement)	(0.00)	0.00
ETB (1% movement)	(0.01)	0.01
NPR (1% movement)	(0.01)	0.01
Phlp. PESO (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
	2.57	**(2.57)**

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 Group 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

Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(₹ in crore)

	Nominal amount	
	March 31, 2020	**March 31, 2019**
Fixed rate instruments	134.17	165.46
Variable-rate instruments*	2,143.74	2,356.11
	2,277.91	**2,521.57**

*Variable rate intruments include letter of credit

Interest rate sensitivity for fixed rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through statement of 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, 2020		
Variable-rate instruments	(21.44)	21.44
Interest rate swaps	0.50	(0.50)
Cash flow sensitivity (net)	(20.94)	20.94
March 31, 2019		
Variable-rate instruments	(23.56)	23.56
Interest rate swaps	0.59	(0.59)
Cash flow sensitivity (net)	(22.97)	22.97

Note 39 Financial instruments – Hedge accounting

"The objective of hedge accounting is to represent, in the Group's consolidated financial statements, the effect of the Group'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 & zinc 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 Group 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 Group 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 consolidated 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 Group 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 , copper & zinc prices, on projected purchase contracts for metal	Futures contract	Group 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.	Fair value hedge

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The table below provides details of the derivatives that have been designated as cash flow hedges for the periods presented:

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	Group 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
4	Forecasted Export Sales	Highly Probable Purchases	Mitigate the impact of fluctuations in foreign exchange rates	Forecasted Export Sales	Group uses its Forecasted Export Receivable to mitigate the risk of foreign currency movement in settlement of Highly Probable Purchases	Cash flow hedge

The Group, inter alia, takes into account the following criteria for constructing a hedge structure as part of its hedging strategy:

(a) The hedge is undertaken to reduce the variability in the profit & loss i.e the profit or loss arising from the hedge structure should be lesser than the profit & loss on the standalone underlying exposure. In case of cash flow hedge for covering interest rate risk the hedge shall be only undertaken to convert floating cash flows to fixed cash flows i.e. the underlying has to be a floating rate asset or liability.

(b) At any point in time the outstanding notional value of the derivative deal(s) undertaken for the purpose of hedging shall not exceed the underlying portfolio notional. The hedge ratio therefore does not exceed 100% at the time of establishing the hedging relationship.

(c) At any point in time the maturity of each underlying forming a part of the cluster/portfolio hedged shall be higher than the maturity of the derivative hedging instrument.

(₹ in crore)

As at 31 March 2020									
	Notional principal amounts (Net)	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	49.98	-	1.47	(1.29)	(1.04)	NA	NA	0.25	Finance Cost
Foreign exchange forward contracts	422.16	5.11	-	9.88	19.48	NA	NA	9.60	COGS
Commodity contracts	770.30	9.40	130.48	(215.38)	(129.95)	NA	NA	85.43	COGS
Forecasted Export Sales	105.19	-	3.65	(4.20)	(4.27)	NA	NA	(0.07)	Sales

(₹ in crore)

As at 31 March 2019									
	Notional principal amounts (Net)	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	59.48	-	0.43	0.41	0.43	NA	NA	(0.02)	Finance Cost
Foreign exchange forward contracts	655.12	1.63	17.03	(39.54)	(12.81)	NA	NA	26.74	COGS
Commodity contracts	769.94	22.63	13.76	75.00	16.67	NA	NA	(58.33)	COGS

Forecasted Export Sales	76.05	0.62	-	(5.91)	0.63			6.54	Sales

The tables below provide details of the Group hedged items under cash flow hedges:

(₹ in crore)

	As at 31 March 2020			As at 31 March 2019		
	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	(1.29)	1.47	NA	0.41	0.43	NA
Highly probable purchases	9.88	(4.06)	NA	(39.54)	15.40	NA
Highly probable forecast transactions	(215.38)	121.08	NA	75.00	(8.87)	NA
Forecasted Export Sales	(4.20)	3.65	NA	(5.91)	(0.62)	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	
	31-Mar-20	**31-Mar-19**
Opening balance	5.48	10.39
Effective portion of changes in fair value:		
a) Interest rate risk	1.29	(0.43)
b) Commodity price risk	215.38	(75.00)
c) Foreign currency risk	(9.88)	39.54
d) Highly Probable Purchases	4.20	5.91
Net amount reclassified to profit or loss:		
a) Interest rate risk	(0.25)	0.02
b) Commodity price risk	(9.60)	58.33
c)Foreign currency risk	(85.43)	(26.74)
d)Highly Probable Purchases	0.07	(6.54)
Movements on reserves during the year		
Closing balance	**121.26**	**5.48**

Disclosure of effects of hedge accounting on financial performance

(₹ in crore)

31st March, 2020				
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	(1.04)	NA	0.25	Finance Cost
Foreign exchange risk	19.48	NA	9.60	COGS
Commodity price risk	(129.95)	NA	85.43	COGS

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Highly Probable Purchases	(4.27)	NA	(0.07)	Sales

(₹ in crore)

31st March, 2019				
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	0.43	NA	(0.02)	Finance Cost
Foreign exchange risk	(12.81)	NA	26.74	COGS
Commodity price risk	16.67	NA	(58.33)	COGS
Highly Probable Purchases	0.63	NA	6.54	Sales

Capital Management

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves . The primary objective of the Group's Capital Management is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group 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, 2020	As at March 31, 2019
Borrowings	317.19	253.28
Less : Cash and cash equivalent*	164.99	214.25
Adjusted net debt	**152.20**	**39.03**
Total equity	1,166.43	1,202.37
Less : Hedging reserve	(92.01)	(4.26)
Adjusted equity	**1,258.44**	**1,206.63**
Adjusted net debt to adjusted equity ratio	0.12	0.03

*Fixed deposit of ₹ 11.25 crore (Previous Year ₹ 11.05 crore) under lien has been excluded.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

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 consolidated 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, 2020							
Particulars	**Conductor**	**Transformer & Speciality Oils**	**Power/ Telecom Cables**	**Total Reportable segments**	**Other segments**	**Elimination**	**Total**
External revenues (Gross)	3,533.19	2,316.94	1,578.06	7,428.19	33.55	-	7,461.74
Other income	1.96	1.12	1.74	4.82	3.59	-	8.41
Intersegment revenue	90.82	5.84	22.78	119.44	1.00	(120.44)	-
Segment revenue	**3,625.97**	**2,323.90**	**1,602.58**	**7,552.45**	**38.14**	**(120.44)**	**7,470.15**
Segment profit (loss) before tax & Finance Cost	157.57	120.56	154.59	432.72	1.71	-	434.43
Less :- Interest expense							227.65
Less:- Other unallocated expenditure net of unallocable income							37.37
Profit before tax							169.41
Tax expenses							34.26
Share in net profit (loss) of associates / JV accounted by Equity method	-	-	-	-	-	-	-
Profit after tax							135.15
Capital employed							
Segment assets	1,925.94	1,398.81	1,211.37	4,536.12	31.38		4,567.50
Unallocable corporate and other assets				-			86.30
Total Asset	**1,925.94**	**1,398.81**	**1,211.37**	**4,536.12**	**31.38**	**-**	**4,653.80**
Segment liabilities	1,608.55	1,000.81	573.07	3,182.43	3.26		3,185.69
Unallocable corporate and other libilities				-			1,468.11
Total Liabilities	**1,608.55**	**1,000.81**	**573.07**	**3,182.43**	**3.26**	**-**	**4,653.80**
Capital expenditure	33.67	35.23	62.69	131.59	1.76	-	133.35
Capital expenditure -Unallocable							11.91
Depreciation and Amortisation expense	32.88	20.04	29.13	82.05	0.58		82.63
Depreciation and Amortisation-Unallocable							4.49

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(₹ in crore)

For the year ended March 31, 2019							
Particulars	**Conductor**	**Transformer & Speciality Oils**	**Power/ Telecom Cables**	**Total Reportable segments**	**Other segments**	**Elimination**	**Total**
External revenues (Gross)	3,627.64	2,623.93	1,666.96	7,918.53	45.32	-	7,963.85
Other income	3.22	1.21	3.24	7.67	7.38	-	15.05
Intersegment revenue	287.60	5.97	16.97	310.54	-	(310.54)	-
Segment revenue	**3,918.46**	**2,631.11**	**1,687.17**	**8,236.74**	**52.70**	**(310.54)**	**7,978.90**
Segment profit (loss) before tax & Finance Cost	150.68	118.56	173.05	442.29	2.15	-	444.44
Less :- Interest expense							199.87
Less:- Other unallocated expenditure net of unallocable income							28.35
Profit before tax							216.22
Tax expenses							80.16
Share in net profit (loss) of associates / JV accounted by Equity method	-	-	-	-	-	-	-
Profit after tax							136.06
Capital employed							
Segment assets	2,125.89	1,482.00	1,088.28	4,696.17	24.04	-	4,720.21
Unallocable corporate and other assets							237.32
Total Asset	**2,125.89**	**1,482.00**	**1,088.28**	**4,696.17**	**24.04**	**-**	**4,957.53**
Segment liabilities	2,021.08	1,134.80	418.60	3,574.48	3.65		3,578.13
Unallocable corporate and other liabilities							1,379.40
Total Liabilities	**2,021.08**	**1,134.80**	**418.60**	**3,574.48**	**3.65**	**-**	**4,957.53**
Capital expenditure	97.35	34.27	57.52	189.14	2.33		191.47
Capital expenditure -Unallocable							16.63
Depreciation and Amortisation expense	24.29	16.63	22.53	63.45	0.44		63.89
Depreciation and Amortisation- Unallocable				-			2.78

Note 1:
Unallocated segment liabilities in the segment information includes equity share capital and unallocated reserves excluding hedge reserve amounting to ₹ 1254.19 crore as at 31st March,2020 and ₹ 1202.87 crore as at 31st March,2019

C. Information about geographical areas

(₹ in crore)

(a) Revenue from external customers	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
- Within India*	4,938.79	5,520.38
- Outside India	2,522.95	2,443.47
	7,461.74	**7,963.85**

* include deemed exports 56.10 crore (Previous year 63.81 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	**March 31, 2020**	**March 31, 2019**
USD (US Dollor)	2,292.89	2,239.80
EUR (EURO)	117.61	71.78
GBP (British Pound)	-	0.06
CAD (Canadian Dollor)	1.10	44.50
JPY (Japanese Yen)	-	-

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

AUD (Australian Dollar)	16.24	-
INR	95.11	87.33
Total	**2,522.95**	**2,443.47**

(₹ in crore)

(b) Segment Assets	For the year ended March 31, 2020	For the year ended March 31, 2019
- Within India	3,870.06	4,190.05
- Outside India	783.74	767.48
	4,653.80	**4,957.53**

(₹ in crore)

Segment assets outside India currency wise	March 31, 2020	March 31, 2019
USD (US Dollor)	685.13	743.04
EUR (EURO)	63.93	22.61
NPR (Nepalese Rupee)	0.17	0.59
CAD (Canadian Dollor)	30.30	0.93
PESO (Phillipine PESO)	-	0.01
ETB (Ethiopian Birr)	3.29	0.23
KES (Kenyan Shilling)	0.03	0.03
EGP (Egyptian Pound)	0.05	0.04
GBP (Pound Sterling)	0.07	-
AED (Arab Emirate Dirham)	0.12	-
AUD (Australian Dollar)	0.65	-
Total	**783.74**	**767.48**

C. Information about Major Customer

Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the group's total revenue.

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
Mr. C. N. Desai - Managing Director
Mr. Rishabh Kushal Desai - Non-Executive Director of Apar Industries Ltd. and Executive Director of Petroleum Specialities FZE (WOS) & Director of Petroleum Specialities Pte. Ltd. (WOS).
Mr. V. C. Diwadkar- Chief Financial Officer
Mr. Sanjaya Kunder- Company Secretary
Mr.G. Sudhakar - Executive Director of Petroleum Specialities Pte. Ltd. (WOS) and Director of Petroleum Specialities FZE (WOS).

b). Relatives of Key Managerial Personnel

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

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

Apar Corporation Private Ltd 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
Maithili N. Desai Family Private Trust No. 2
Catalis World Private Ltd
Gayatri Associates
Maithili Trusteeship Services Private Limited
Kushal N. Desai Family Private Trust
Narendra D. Desai Family Private Trust
Hari Haribol Dairy Products Private Limited
EM & EM Personal Care Private Limited

B. Related Party Transactions

(i) Key Managerial Personnel :

(₹ in crore)

Sr No.	Transactions	2019-20	2018-19
1	Remuneration	9.15	9.54
2	Dividends paid (payment basis)	34.04	19.03

(ii) Relatives of Key Managerial Personnel:

(₹ in crore)

Sr No.	Transactions	2019-20	2018-19
1	Dividends paid (payment basis)	0.26	0.13

(iv) Entities over which key management personnel/individual having significant influence (₹ in crore)

Sr No.	Transactions	2019-20	2018-19
1	Rent paid	1.15	1.13
2	Dividends paid (payment basis)	8.58	1.91
3	Sale of finished goods/ Raw materials / traded ggods	-	1.69
4	Purchase of finished goods/ Raw materials / traded goods	-	0.32
5	Balance Outstanding as on March 31		
	a) Receivable for supply of finished goods/ services	0.04	1.69
	b) Payable for supply of finished goods/ services	0.00	-
	c) Short-term unsecured loan	30.27	-
6	Commitments	2.49	3.64

C. Compensation of Key Management Personnel of the company (₹ in crore)

Sr No.	Transactions	2019-20	2018-19
1	Short-term employment benefits	8.55	9.26
2	Post Employment benefis	0.53	0.17
3	Other Long term employee benefits	0.07	0.11
	Total	**9.15**	**9.54**

Note 43 Contingent liabilities and commitments

A) Contingent liabilities and commitments (to the extent not provided for) (₹ in crore)

		March 31, 2020	March 31, 2019
	Contingent liabilities		
a)	Claims against the Company not acknowledged as debts -		
i)	Demand/ Show cause-cum-demand notices received and contested by the Group with the relevant appellate authorities:		
	Excise duty (also refer note (iii) below)	5.78	9.41
	Customs duty	2.40	2.40
	Sales tax	14.58	16.20
ii)	Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Group is in appeal before Bombay High Court.	12.38	11.76

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
iv)	Labour matters	0.05	2.33
v)	Others	9.04	9.04
b)	**Guarantees**		
i)	Guarantee given to bank against credit facilities extended to third parties.	7.51	8.03
ii)	Guarantee given to Custom authorities (Refer Footnote 4)	2.89	3.09

B) Capital commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	8.12	25.21

Note:

1. It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the matters in note a (i) to a (v) of claims against the Group not acknowleged as debts mentioned in A - Contingent Liabilities, pending resolution of the arbitration/appallate proceedings. The liability mentioned as aforesaid includes interest except in cases where the Group has determined that the possibility of such levy is very remote.
2. The cash outflows in respect of Corporate Guarantees mentioned in note b of A - contingent liabilities, could generally occur upto the period over which the validity of such guarantees extends or it could occur any time during the subsistence of the borrowing to which the guarantees relate.
3. The Group does not expect any reimbursements in respect of the above contingent liabilities.
4. The guarantee given are issued in the ordinary course of business from which it is anticipated that no material liability will arise.

Note 44 Research and Development Expenses :

A. R & D Center-OIL Division (Rabale - DSIR Recognised) (₹ in crore)

	Transactions	2019-20	2018-19
(a)	Salary, wages and other benefits	2.21	2.15
	Consumables and Other expenses	0.23	0.21
	sub-Total	2.44	2.36
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
		-	-
	Total	**2.44**	**2.36**

B. R & D Center-Conductor Division (₹ in crore)

	Transactions	2019-20	2018-19
(a)	Salary, wages and other benefits	-	-
	Consumables and other expenses	4.73	3.58
	sub-Total	4.73	3.58
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	1.64	3.18
		1.64	3.18
	Total	**6.37**	**6.76**

C. R & D Center-Cable Division (₹ in crore)

	Transactions	2019-20	2018-19
(a)	Salary, wages and other benefits	0.19	0.16
	Consumables and other expenses	0.33	0.89
	sub-Total	0.52	1.05
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
		-	-
	Total	**0.52**	**1.05**
	Grand Total (A+B+C)	**9.33**	**10.17**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Note 45 IND AS 115 - Revenue from Contracts with Customers

i. Disaggregated Revenue

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 consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

The Group uses the same operating segment information for reporting purposes in all its communication to various stakeholders i.e. annual report, investor presentations

For disclosures containing the disaggregated revenue - Refer note no 41 - Segment Reporting

(ii) Contract balances

(₹ in crore)

	2019-20	2018-19
Contract assets		
As at April 1	0.73	6.72
Add: Addition during the year	6.71	0.73
	7.44	7.45
Less: Trasferred to Receivable	0.73	6.72
As at Mar 31	6.71	0.73

	2019-20	2018-19
Contract liability		
Advances from customers		
As at April 1	81.31	81.32
Add: Addition during the year	42.67	106.31
	123.98	187.63
Less: Revenue recognised during the year	52.98	106.32
As at Mar 31	71.00	81.31

Refer note no 8 - for Trade receivables balances

iii. Remaining Performance Obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are having performance obligations, which are a part of the contracts that has an original expected duration of one year or less.Hence, the Group has applied practical expedient as per para 121 of the Ind As 115 in regards to remaining performance obligations.

Note 46 Employee benefits

(i) Defined Contribution Plans:

The Group 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 Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Group recognised ₹ 2.10 crore (previous year ₹ 1.96 crore) for superannuation contribution and other retirement benefit contributions in the consolidated statement of profit and loss.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group has recognised ₹ 5.36 crore (previous year ₹ 4.66 crore) for provident fund contributions in the consolidated statement of profit and loss.

(ii) Defined Benefit Plans:

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 seperately 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, 2020. 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.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

In case of foreign subsidiaries, the Group has recognised ₹ 0.76 crore (previous year ₹ 0.51 crore) towards defined benefit obligation in the consolidated statement of profit and loss.

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 Group's consolidated financial statements as at consolidated balance sheet date:

Movement in net defined benefit (asset) liability

(₹ in crore)

	March 31, 2020 Gratuity	March 31, 2019 Gratuity
	Funded	Funded
Table showing change in benefit obligation		
Defined benefit obligation at beginning of the year	13.80	11.63
a) Included in consolidated statement of profit and loss		-
Current service cost	1.18	0.97
Interest cost	1.08	0.94
Actuarial (gain) / loss	-	-
	2.26	**1.91**
b) Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
Financial assumptions	**0.95**	**0.27**
Experience adjustment	0.50	0.54
	1.45	0.81
c) Other		
Benefits paid	**(0.62)**	**(0.55)**
Liability transferred in /Acquisitions	-	-
	(0.62)	(0.55)
Defined Benefit obligation at end of the year	**16.89**	**13.80**

(₹ in crore)

	March 31, 2020 Gratuity	March 31, 2019 Gratuity
	Funded	Funded
Table showing change in Fair Value of Plan Assets		
Fair value of plan assets at beginning of the year	13.46	11.63
Return on plan assets	1.05	0.94
Return on plan assets, excluding interest	0.28	(0.06)
Employer Contribution	2.72	1.49
Benefit paid	(0.62)	(0.55)
Assets transferred in /Acquisitions		-
Fair value of plan assets at year end	16.89	13.46
Actual return on plan assets	1.33	0.89
Expected Contribution for next year	1.44	1.52

(₹ in crore)

Table showing category of assets	March 31, 2020	March 31, 2019
Insurance fund	16.89	13.46
Total		
	16.89	**13.46**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Defined benefit obligations

i) Actuarial assumptions

In arriving at the valuation for gratuity & leave salaries following assumptions were used:

	March 31, 2020 Gratuity	March 31, 2019 Gratuity
	Funded	**Funded**
Mortality Table (LIC)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	60 years	60 years
Employee Turnover rate	2.00%	2.00%
Discount Rate	6.95%	7.79%
Expected rate of return on plan assets (per annum)	6.95%	7.79%
Rate of escalation in salary (per annum)	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, 2020		March 31, 2019	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(1.13)	1.31	(0.88)	1.02
Future salary growth (1% movement)	1.33	(1.16)	1.04	(0.91)
Employee Turnover (1% movement)	0.18	(0.21)	0.22	(0.25)

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 Group's consolidated financial statements as at consolidated balance sheet date:

(₹ in crore)

Net asset / (liability) recognised in the consolidated balance sheet as at	March 31, 2020 Gratuity	March 31, 2019 Gratuity
Fair value of plan assets	16.89	13.46
Present value of obligation	(16.89)	(13.80)
Amount recognised in consolidated balance sheet	-	(0.34)
Recognised under:		
Long term provision (refer note 17)	-	-
Short term provision (refer note 23)	-	0.34
Total	**-**	**0.34**

(₹ in crore)

Expense recognised during the year	March 31, 2020 Gratuity	March 31, 2019 Gratuity
Included in consolidated statement of Profit & Loss	**Funded**	**Funded**
Current service cost	1.18	0.97
Interest cost	1.08	0.94
Net actuarial (gain) / loss		
Return on plan assets,excluding acturial gain or loss	(1.05)	(0.94)
Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
Financial assumptions	0.95	0.27

Experience adjustment	0.50	0.54
Return on plan assets,excluding acturial gain or loss	(0.28)	0.06
Net Cost	**2.38**	**1.84**

(₹ in crore)

Maturity analysis of the benefit payments: from the fund	March 31, 2020 Gratuity	March 31, 2019 Gratuity
	Funded	Funded
Projected benefits payable in future years from the date of reporting		
1st following year	4.49	3.74
2nd following year	0.71	0.55
3rd following year	0.84	0.91
4th following year	1.23	0.71
5th following year	1.11	1.18
From 6 to 10 years	5.65	4.57
From 11 years and above	19.16	17.38

Note 47 IND AS 116 - Leases

"Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has adopted Ind AS 116, effective from annual reporting period beginning April 1, 2019 and applied the standard to its existing leases, with the modified retrospective method. This has resulted into recognition of Right of use assets at an amount equals to Lease liability on date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information.

Refer Note 1 (N) for accounting policies adopted by Group for its leases."

(₹ in crore)

	2019-20
Interest expenses on Lease liabilities	**3.42**
Expenses relating to Short term leases & low value assets leases	**1.83**
Total cash outflows of lease payments	**10.61**

The Group has applied paragraph 6 of IND AS 116; for accounting of Short term leases having lease period of less than 12 months & leases for which the underlying asset if of low value. Lease payments associated with these leases are accounted either on straight line basis over the lease term or another systematic basis which is more representative of the lease payment pattern.

Note 48 Master Netting

The following table presents the recognised financial instruments that are subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2020 and March 31, 2019.

(₹ in crore)

Particulars	Effects of offsetting on the consolidated balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
March 31, 2020			
Financial assets			
Derivative instruments			
Forward contract	24.79	5.64	19.15
Interest rate swap	-	-	-
Total	**24.79**	**5.64**	**19.15**
Financial liabilities			
Derivative instruments			
Forward contract	126.72	5.64	121.08
Interest rate swap	1.47	-	1.47
Total	**128.19**	**5.64**	**122.55**

Particulars	Effects of offsetting on the consolidated balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
31 March 2019			
Financial assets			
Derivative instruments			
Forward contract	24.86	24.86	-
Interest rate swap	-	-	-
Total	**24.86**	**24.86**	**-**
Financial liabilities			
Derivative instruments			
Forward contract	39.43	24.86	14.57
Interest rate swap	0.43	-	0.43
Total	**39.86**	**24.86**	**15.00**

Group 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 consolidated balance sheet. This is because the Group does not have any currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on default."

Note 49 Global Pandemic COVID 19 Impact on Financial Statements

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity, has had impact on the business of the Company. Due to the lock down the dispatches has impacted for later part of the March 20 and the profitability to that extent for the year FY 2019-20.

In the initial period of Lock-down, the essential services based manufacturing facilities were under operation observing safety measures with limited manpower. Gradually, the other manufacturing facilities were operated based on the state based permissions to operate with restricted manpower.

The lock down of COVID-19 is continuing in FY 2020-21 and the Company is continuing its operations in all the business units with current lower demand. Management is expecting that demand for products will improve on stabilization of COVID-19, post removal of lock down. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on financial position etc. though there may be lower revenues in the near term.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2020

Note 50 Figures for previous periods/year have been regrouped, wherever necessary

As per our report attached

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 25th June, 2020

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 25th June, 2020

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Annexure IX to the Directors' Report

FORM AOC- 1

(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 subsidiaries companies

Sr. No	Particulars	Petroleum Specialities Pte. Limited, Singapore		Petroleum Specialities FZE, Sharjah		Apar Transmission and Distribution Projects Private Limited	Apar Distribution & Logistics Private Limited *
		In USD	₹ in Crore	In USD	₹ in Crore	₹ in Crore	₹ in Crore
(a)	Capital	59,101	0.26	12,329,700	81.11	0.01	0.01
(b)	Reserve	15,262,524	103.41	(4,892,949)	(26.59)	3.50	(0.00)
(c)	Total Assets	15,366,806	104.02	41,376,553	310.49	19.31	0.01
(d)	Total Liabilities	45,181	0.34	33,939,801	255.97	15.79	0.00
(e)	Details of investment (Except in case of investment in Subsidiaries)	-	-	-	-	-	-
(f)	Turnover	-	-	57,664,015	408.44	47.63	-
(g)	Profit before taxation	(39,702)	(0.28)	(913,676)	(7.26)	5.35	(0.00)
(h)	Provision for taxation	10,144	0.07	-	-	1.39	-
(i)	Profit after taxation	(49,846)	(0.36)	(913,676)	(7.26)	3.96	(0.00)
(j)	Proposed dividend	Nil		Nil		Nil	Nil
(k)	% of shareholding	100.00%		100.00%		100.00%	100.00%

Notes :

* Wholly Owned Subsidiary w.e.f. 02.03.2020

1) As on 31.03.2020 : 1 U.S. Dollar (USD) = ₹ 75.42

2) Profit/(Loss) figures do not include other comprehensive income.

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman & Managing Director & Chief Executive Officer
DIN : 00008084

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 25th June, 2020

Annexure X to the Directors' Report

FORM 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 here to.

On behalf of the Board of Directors

(Kushal N. Desai)
Chairman & Managing Director

Mumbai, 25th June, 2020

Annexure XI to the Directors' Report

DIVIDEND DISTRIBUTION POLICY OF APAR INDUSTRIES LIMITED

1. **Title:**

   This Policy shall be called "Dividend Distribution Policy"

2. **Objective:**

   The Policy is formulated in line with the requirement of new Regulation 43 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) inserted vide SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated 08.07.2016. (Notification)

   During the past 25 years or more Company's dividend payout trend shows that the dividend either remained constant or increased steadily however instance of variations has been very rare. The dividend Policy of the Company largely depends on internal and external factors and hence the Company has designed its dividend distribution Policy in such a way that best interest of both Shareholders and the Company are satisfied.

   Consistent dividend trend of the Company reflect its loyalty to shareholders since Board consider dividend as regular source of income for the shareholders.

3. **Applicability :**

   This Policy applies to all the Dividend (including Interim) to be declared on the paid up Equity Share Capital of the Company effective from 5th August, 2016.

4. **Guidelines :**

   This Policy provides the Guidelines based on the following parameters prescribed under the Notification :

   (a) the circumstances under which the Equity shareholders may or may not expect dividend.

   Dividends are earnings that companies pass on to their shareholders. There are a number of reasons to decide the amount to be distributed as dividends. There are also a number of reasons for the Company to retain earnings.

   Company when growing rapidly usually would pay less dividends or do not pay dividend in an exceptional circumstances so as to invest as much as possible into further growth, expansion of activities or forecast of future operations. At a time when Board believes it will be prudent to increase its value (share price) by retaining its earnings; it will choose pay less dividend or do not pay dividends and may utilize the money to finance a new project, acquire new assets, expansion, buyback its shares or even buy out another company.

   Also, the choice to not pay or pay less dividends may depend upon tax perspective. At present, Dividends are taxable to certain category of investors at special rate. The capital gains on the sale of appreciated share can have a lower or nil long-term capital gains tax rate depending upon the period of holding of shares.

   However, Company's past record of 15 years or more reflect that the Company has been consistently paying dividend, barring one Financial Year of 2008-09.

b) the financial parameters that shall be considered by the Board while recommending / declaring dividend;

The Company follows constant dividend payout. Special dividend is considered in years of exceptionally good profit or on special occasion / anniversary.

The parameter, Company generally considers, is that 25% to 35% (including dividend distribution tax) of Profit After Tax (excluding extra-ordinary & exceptional gains) will be paid as Dividend.

Notwithstanding the above, subject to the provisions of the Companies Act, Dividend shall be declared or paid only out of-

(i) Current financial year's profit:

a) after providing for depreciation in accordance with law,

b) after considering the dividend distribution tax including surcharge if any,

c) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

And/or

(ii) The profits for any previous financial year(s):

a) after providing for depreciation in accordance with law

b) after considering the dividend tax including surcharge, if any;

c) remaining undistributed; or

The Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non-cash charges pertaining to amortisation or ESOP or resulting from change in accounting policies or accounting standards.

Other parameters the Company may consider are, it's Debt-Equity ratio, Return on Equity, Income Tax, Cash Flow/liquidity, future expansion and acquisition.

(c) internal and external factors that shall be considered for declaration of dividend;

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavor to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The Dividend pay-out decision of the company would depend upon certain external and internal factors-

External Factors:-

Uncertainty - in case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

Volatility - when the Capital markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Regulatory Restrictions - The Board will take in account the restrictions imposed by Companies Act with regard to declaration of dividend.

Interest and inflation rate prevailing from time to time

Internal Factors:

Apart from the various external factors afore-mentioned, the Board will take into account various internal factors while declaring Dividend, which inter alia, will include-

(i) Profits earned during the year;

(ii) Present & future Capital requirements of the existing businesses;

(iii) Brand / Business Acquisitions;

(iv) Expansion / Modernization of existing businesses;

(v) Additional investments in subsidiaries / associates of the Company;

(vi) Fresh investments into external businesses;

(vii) Any other factor as deemed fit by the Board.

(d) policy as to how the retained earnings shall be utilized:

The Company shall strive to utilize retained earnings at optimum level by investing in the business for expansion, acquisition, product development and at the same time may consider issuing Bonus shares or buyback the shares in order to enhance the value of the shares and give optimum return to the stakeholders.

The Board of Directors of the Company subject to the applicable provisions of the law may appropriate some or all of the company's retained earnings when it wants to restrict dividend distributions to shareholders. Appropriations are usually done at the board's discretion with an exceptional circumstances, Board may contractually or statutorily require to do so.

5. Provisions / Parameters with regard to various classes of shares.

The Company is having only one class of paid up shares i.e. fully paid Equity Shares of the face value of Rs. 10/- each. Hence, the same is not applicable.

6. The Board of Directors shall review the policy periodically.

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