



APAR INDUSTRIES LTD.

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SEC/0508/2016

5th August, 2016

National Stock Exchange of India Ltd.
"Exchange Plaza",
C-1, Block G,
Bandra- Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Scrip Symbol : APARINDS

Kind Attn.: The Manager, Listing Dept.

BSE Ltd.

Department of Corporate Services,
27th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort,
Mumbai - 400 001.

Scrip Code : 532259

Kind Attn. : Department of Corporate Services

Ref. : Our Letter No. SEC/1907/2016 dated 19th July, 2016

**Sub. : Submission of Standalone Un-audited Financial Results (Provisional) of the
Company for the First Quarter ended 30th June, 2016 (2016-17)**

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

Dear Sir

The Board of Directors of the Company at its meeting held today, i.e. 5th August, 2016 have transacted and approved the Standalone Un-audited Financial Results (Provisional) set out in compliance with the Indian Accounting Standard (Ind-AS) for the First Quarter ended 30th June, 2016 of the Current Financial Year 2016-17.

In this connection, we are sending herewith the following :

1. Copy of the Standalone Un-audited Financial Results (Provisional) of the Company for the First Quarter ended 30th June, 2016 of the current Financial Year 2016-17 (**Annexure – 1**).
2. Copy of the Limited Review Report of the Statutory Auditors of the Company, M/s. Sharp & Tannan, Mumbai, on the above Un-audited Financial Results (**Annexure – 2**).

The Meeting of the Board of Directors concluded at 1.00 P.M.

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

Thanking you,

Yours faithfully,

For Apar Industries Ltd.

**(Sanjaya Kunder)
Company Secretary**

Encl. : As above



APAR INDUSTRIES LIMITED

(AN ISO 9001:2000 COMPANY)

CIN : L91110GJ1989PLC012802

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

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2016

(₹ in crore)

Sr. No.	Particulars	Standalone			
		3 months ended			Previous year ended
		30.06.2016	31.03.2016	30.06.2015	31.03.2016
		Un-audited	Un-audited *	Un-audited *	Un-audited *
1	Income from operations				
	(a) Net sales/income from operations (net of excise duty)	1,077.15	1,340.84	1,236.68	4,992.74
	(b) Other operating income	4.74	8.22	7.25	31.63
	Total income from operations (net)	1,081.90	1,349.06	1,243.93	5,024.37
2	Expenses				
	(a) Cost of materials consumed	857.87	908.93	904.23	3,735.67
	(b) Purchases of stock-in-trade	9.19	14.36	14.13	68.18
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(107.91)	120.71	50.57	53.71
	(d) Employee benefits expense	25.81	22.62	22.16	90.27
	(e) Depreciation and amortisation expense	9.79	10.00	8.91	37.69
	(f) Other expenses	187.66	188.45	162.76	719.29
	Total expenses	982.40	1,265.07	1,162.76	4,704.81
	Less: Transfer to capital assets	0.96	0.26	0.10	0.48
	Net total expenses	981.44	1,264.81	1,162.66	4,704.33
3	Profit from operations before other income, finance costs and exceptional items (1-2)	100.45	84.25	81.27	320.03
4	Other income	3.18	0.60	0.14	3.21
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	103.63	84.85	81.41	323.25
6	Finance costs (net)				
	Interest (net) and other borrowing costs	22.68	24.41	18.94	83.14
	Applicable net loss on foreign currency transactions and translation	11.54	7.45	23.42	67.48
	Total	34.22	31.86	42.36	150.62
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	69.41	52.99	39.05	172.63
8	Exceptional items- Expense/(Income)	-	-	-	-
9	Profit from ordinary activities before tax (7-8)	69.41	52.99	39.05	172.63
10	Tax expense	23.79	16.07	13.35	56.93
11	Net Profit from ordinary activities after tax (9-10)	45.62	36.92	25.70	115.70
12	Extraordinary items (net of tax expense)	-	-	-	-
13	Net Profit for the period / year (11-12)	45.62	36.92	25.70	115.70
14	Other comprehensive income	(0.07)	0.08	(0.12)	(0.27)
15	Total comprehensive income (13+14)	45.55	37.00	25.58	115.43
16	Paid-up equity share capital (Face value of the share ₹ 10 each)	38.50	38.50	36.86	38.50
17	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year				722.26
18	Earnings Per Share (EPS) (₹) (before and after extraordinary items)				
	- Basic and Diluted (not annualised)	11.85	9.59	6.97	30.88

* Refer note 3



UNAUDITED STANDALONE SEGMENT-WISE REVENUE, RESULTS ASSETS AND LIABILITIES UNDER REGULATION 33 OF THE LISTING REGULATIONS FOR THE QUARTER ENDED 30TH JUNE 2016

(₹ in crore)

Particulars	Standalone			
	3 months ended			Previous year ended
	30.06.2016	31.03.2016	30.06.2015	31.03.2016
	Un-audited	Un-audited *	Un-audited *	Un-audited *
Segment Revenue (net of excise duty)				
Conductors	498.63	734.80	649.73	2,578.38
Transformer and Speciality Oils	407.87	418.26	449.52	1,757.35
Power/Telecom Cable	172.01	196.17	140.01	674.50
Others/Unallocated	8.55	5.58	6.86	28.35
Total	1,087.05	1,354.81	1,246.12	5,038.58
Less: Inter-Segment Revenue	5.16	5.75	2.19	14.21
Net Sales/ Income from operations	1,081.90	1,349.06	1,243.93	5,024.37
Segment Results before finance costs and tax				
Conductors	42.07	46.29	31.43	130.03
Transformer and Speciality Oils	55.57	39.66	51.81	189.65
Power/Telecom Cable	9.83	5.66	3.61	27.79
Others	0.84	0.66	0.83	2.27
Total	108.31	92.27	87.68	349.74
Less : Finance costs (net)	34.23	31.87	42.37	150.62
: Unallocable expenditure (net of income)	4.67	7.41	6.26	26.49
Profit before tax	69.41	52.99	39.05	172.63
Segment Assets				
Conductors	1,314.45	1,176.64	1,118.53	1,176.64
Transformer and Speciality Oils	865.17	785.48	926.57	785.48
Power/Telecom Cable	549.18	526.25	456.81	526.25
Others/Unallocated	225.95	153.82	34.43	153.82
Total	2,954.75	2,642.19	2,536.34	2,642.19
Segment Liabilities				
Conductors	1,155.77	901.56	927.54	901.56
Transformer and Speciality Oils	587.15	520.80	641.44	520.80
Power/Telecom Cable	273.80	319.56	176.21	319.56
Others/Unallocated	938.03	900.27	791.15	900.27
Total	2,954.75	2,642.19	2,536.34	2,642.19

* Refer note 3



Notes:-

- 1) The above standalone unaudited financial results were reviewed by the Audit Committee of Directors and approved by the Board of Directors at their meeting held on 5th August, 2016. The Statutory Auditors of the Company have carried out a limited review of the above standalone results for the quarter ended 30th June, 2016 and have issued an unqualified audit opinion on the said financial results. The related review report is being forwarded to the stock exchanges.
- 2) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS), prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1st April, 2016, the Company has for the first time adopted Ind AS with a transition date of 1st April, 2015. Consequently, the results for the quarter ended 31st March, 2016, 30th June, 2015 and previous year ended 31st March, 2016 have been restated to comply with Ind AS to make them comparable.
- 3) The Ind AS compliant corresponding figures in the previous year have not been subjected to review / audit. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 4) The Company has also prepared a reconciliation of the net profit and reserves for the corresponding periods under the previously applicable Generally Accepted Accounting Principles ('previous GAAP') with the total comprehensive income and reserves as reported in these financial results under Ind AS. The net profit reconciliation for the quarters ended 30th June, 2015, 31st March, 2016, year ended 31st March, 2016 and reserves reconciliation as at 31st March, 2016 are presented below:

(₹ in crore)

Sr. No.	Nature of Ind AS Adjustments	Note	Profit Reconciliation			Reserve Reconciliation
			For the Quarter ended	For the Quarter ended	For the Year ended	As at
		Ref. No.	30.06.2015	31.03.2016	31.03.2016	31.03.2016
	Net Profit after tax / Reserves as per previous Indian GAAP		27.66	36.88	156.98	725.96
1	Difference on account of revenue recognition net of related costs	a	(3.19)	3.58	1.66	(0.46)
2	Fair valuation of derivatives	b	0.63	(0.25)	0.31	(0.50)
3	Fair valuation of financial assets	c	(0.09)	0.16	(0.15)	0.18
4	Loan processing fees/ transaction costs	d	(0.54)	(3.30)	0.63	(4.87)
5	Profit on sale of treasury shares	e	-	-	(43.15)	-
6	Amortisation of prepaid lease rent due to discounting of deposits (net of related interest income)	f	(0.00)	0.00	0.00	(0.00)
7	Actuarial gain/ loss on defined benefit obligations	g	0.12	(0.08)	0.27	-
8	Income tax impact of above adjustments	h	1.10	(0.06)	(0.86)	1.96
	Net Profit after tax and before Other comprehensive income / Reserves as per Ind AS		25.70	36.92	115.70	722.26
	Other comprehensive income, net of income tax					
	Actuarial gain/ loss on defined benefit obligations		(0.12)	0.08	(0.27)	-
	Total Comprehensive income as per Ind AS		25.58	37.00	115.43	722.26

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



g) **Actuarial gain/ loss on defined benefit obligations:** Under previous GAAP, actuarial gains and losses were recognised in the Statement of profit and loss. Under Ind AS, the actuarial gains and losses from net defined benefit liability / asset is recognised in other comprehensive income net of tax.

h) **Income tax impact of above adjustments:** The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Statement of profit and loss for the subsequent periods.

5) For the purpose of these results, the figures disclosed for the quarter ended 30th June, 2015 have been arrived on the basis of an aggregation of the separate results of the Company and erstwhile Apar Lubricant Limited (ALL) which was merged with the Company with effective date of 10th November, 2015 and appointed date of 1st January, 2015.

6) Additional information:

Key financial figures on Consolidated basis:

Particulars	(₹ in crore)		
	Three Months Ended		Year Ended
	30.06.2016	30.06.2015	31.03.2016
	Un-audited	Un-audited *	Un-audited *
Revenue	1,097.60	1,252.99	5,081.71
Profit before tax	70.17	40.90	177.56
Profit after tax	46.29	27.29	120.34
Add :- Profit after tax from Joint Venture	0.56	0.32	1.27
Total Profit after tax	46.85	27.61	121.60
Basic/Diluted EPS - in ₹	12.17	7.49	32.46

* Refer note 3

7) Others /Unallocated Segment Liabilities in the Segement Information includes Equity Share Capital and Reserves amounting to Rs.806.18 crore as at 30th June, 2016, Rs.760.64 crore as at 31st March, 2016 and Rs.644.57 crore as at 30th June, 2016.

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

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

For Apar Industries Limited

(Kushal N. Desai)
Managing Director
DIN : 00008084

Place : Vadodara
Date: 5th August, 2016





**LIMITED REVIEW REPORT TO THE BOARD OF DIRECTORS OF
APAR INDUSTRIES LIMITED FOR THE QUARTER ENDED 30TH JUNE, 2016**

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Apar Industries Limited** (the 'Company') for the quarter ended 30th June, 2016 (the 'Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by the Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 which has been initialed by us for identification purposes. This Statement is the responsibility of the Company's Management and has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 5th August, 2016. Our responsibility is to issue a report on the Statement based on our review.

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

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by the Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Vadodara, 5th August, 2016

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

VINAYAK M. PADWAL
Partner

Membership No. 049639