ANNUAL REPORT
2020-2021

◆ Innovating ◆ Evolving ◆ Performing

APAR
Tomorrow's solutions today

APAR Industries Limited

Innovating... to solve real problems

Evolving... to provide tomorrow's solutions today

Performing... to deliver value to shareholders

In early 2020, APAR decided it was time to present a new face to the world!

While we always had a strong foundation of excellence, quality and innovation, we wanted our brand to represent the passion with which we are forging ahead in this new era of global growth, to stand tall in the company of our global peers.

The result?

We came up with one unchanging idea that will drive our brand's activities now and in the future.

Our brand core is innovation that solves real problems... and provides "Tomorrow's Solutions Today".

Our new brand identity shows five diamond-like forms which represents high value. A benefit to both the buyer and the seller! It also represents longevity – a hard material that lasts forever. We believe our solutions should be both valuable and long-lasting. The square amongst the diamonds shows that everyone is looking for value, but finally, what stands out is a solution, and it is usually different!

Inside this report

Chairman & MD *Message*

Despite multiple COVID-19 waves hitting plant operations, logistics and both domestic and global demand, we grew our adjusted PAT by 27% YoY to ₹ 171 crore, and return on equity for FY21 was up 106 bps YoY to 12.5%, driven by 42% reduction in finance cost.

#1 Largest global aluminium & alloy conductor manufacturer

3rd Largest global manufacturer of Transformer oils

#1 Largest manufacturer in India for special application Cables

Revenue

₹ 6,405 Cr

FY21 consolidated revenue,

7.3%

FY17-FY21 CAGR

EBITDA

₹ 422 Cr

Margin at

6.6%

up 31 bps YoY

Innovating Today, Tomorrow and Everyday...

Who we are

APAR Industries Limited is a billion-dollar global manufacturing conglomerate that holds a leadership position in its principal business segments. We today, operate our businesses: Speciality Oils, Conductors, Cables, Lubricants, Speciality Automotives and Polymers, across 125+ countries.

For over six decades, we have been leading the innovation curve in our industry segments and growing our presence across markets globally. We are trusted by major Transformer OEMs, Power Utilities, Global EPC majors, Automotive OEMs and Telecommunication companies globally to deliver cost-effective, quality products and services.

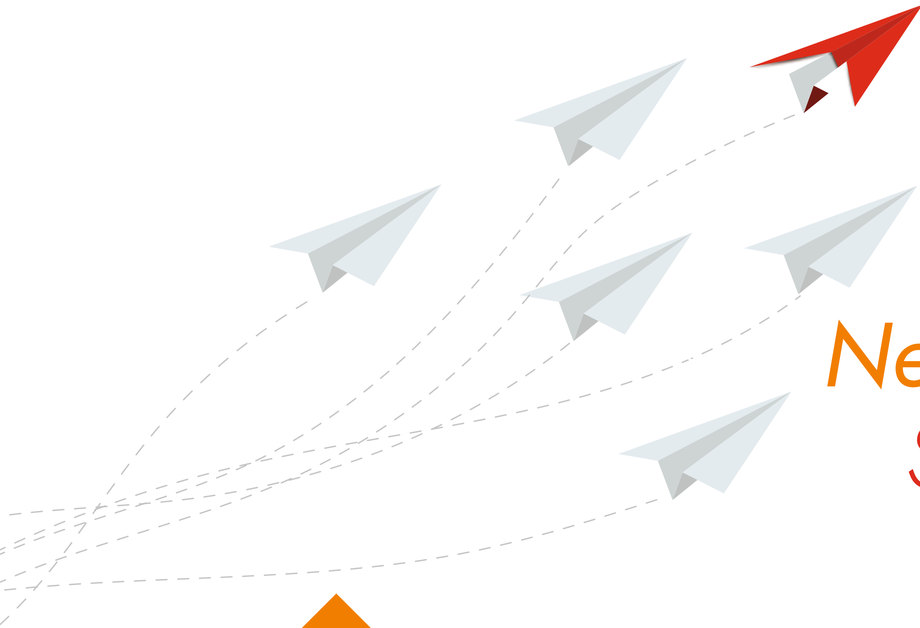
As a customer-focused, technology-driven company, our innovation-first mindset has helped us develop strong in-house research and development capabilities. These innovations are strongly backed by our state-of-the-art manufacturing facilities (seven in India and one in Sharjah, UAE) to meet customers' demands and provide "Tomorrow's Solutions Today".

Where we stand today

APAR today stands strong on the back of its strong portfolio of businesses, diverse customer base spread across the world and focus on new and higher-value products. The world is moving towards more sustainable and efficient solutions in the markets we operate, whether it be energy, transport or communication. APAR has already put in place a range of new technology products to meet these needs. We also continue to increase our market presence and market share.

Consolidated revenues have grown at 7.3% CAGR between FY17-FY21. Despite the challenging environment due to the ongoing pandemic, APAR delivered ROE of 12.5% in FY21, up from 11.4% in FY20. The adjusted PAT grew by 27% YoY to ₹171 crore with a 42% YoY reduction in the finance cost.

The Speciality Oils business recorded its best-ever year marked by highest-ever EBITDA per kL post forex adjustments at ₹7,032 with premiumisation of the product-mix, and strict focus on working capital management. Conductors and Cables faced headwinds but were still able to achieve milestones. In Conductors, we executed 220 circuit kilometres with GAP type conductor for PGCIL, thus adding another important milestone in the journey of this product line, and in Cables, we installed the third E-beam machine of 2.5 MeV class using in-house expertise.



New Identity...
Same Integrity...

Mission

To design & manufacture building blocks for energy infrastructure, transportation & telecommunication sectors that contribute meaningfully to make this world more energy-efficient, environmentally sustainable and a safer place.

Vision

To be a global leader in the energy infrastructure, transportation & telecommunication sectors by providing the best solutions & value creation for our stakeholders.

Our Values

Innovation
- We will go beyond obvious solutions

Accountability
- We will take responsibility of outcomes

Entrepreneurial Drive
- We will be self-driven

Leadership
- We will inspire others

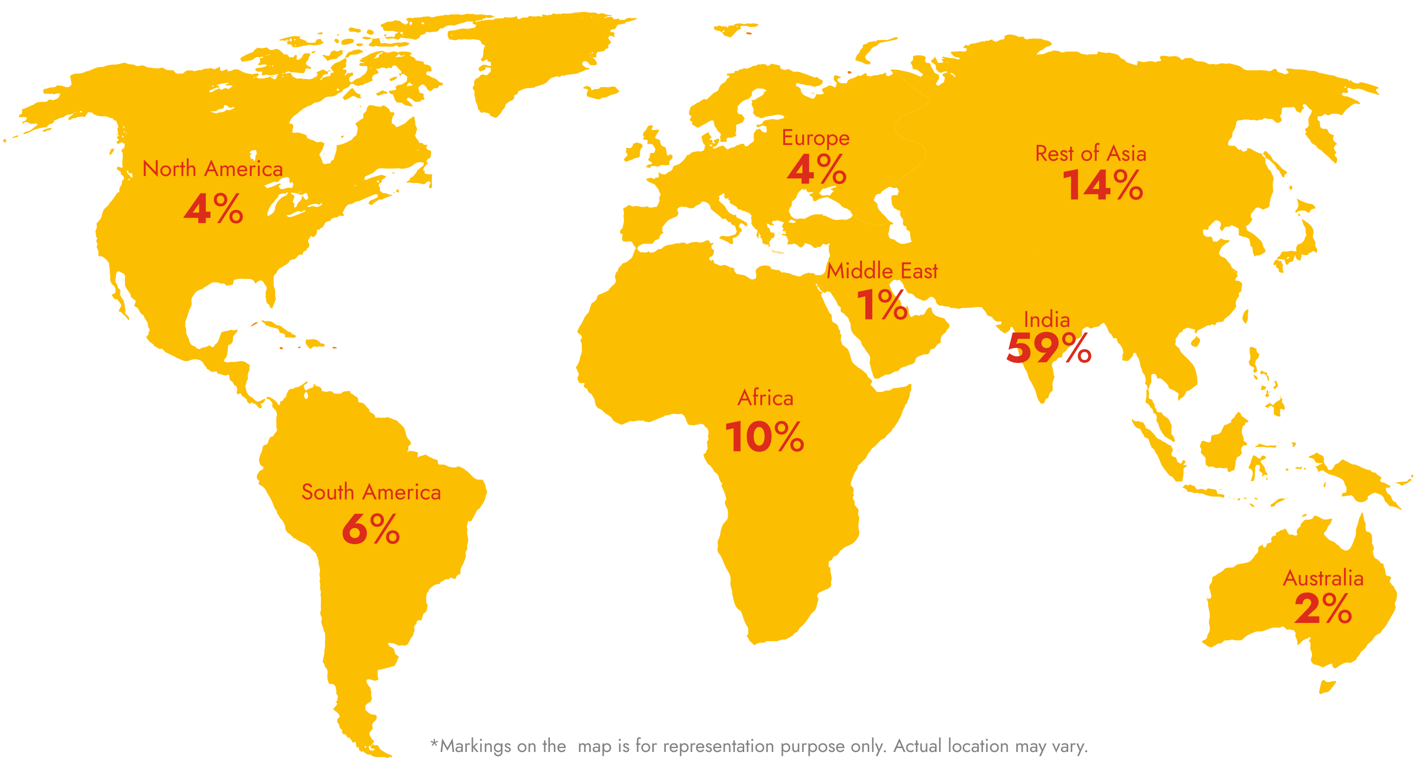
Evolving throughout our exciting journey

APAR became a leading player in India's transformer oils and conductors by the end of 1999. It was time to venture overseas basis on the strengths we had garnered from the two product lines. Our innovative and quality products soon started gaining acceptance internationally from various Power Utilities, EPC contractors and transformer OEMs. In the last two decades, we have expanded our international presence to over 125 countries with export revenue contributing 41.3% in FY21.

FY 21 Highlights

- New initiatives in North America, South America, and Australia will substantially consolidate APAR's presence in the Middle East and Africa.
- Volumes at the Al-Hamriyah, Sharjah, plant grew 15% and provided continuity of supply to global speciality oil customers through the period of the Covid-19 pandemic when Indian plants were under lockdown.

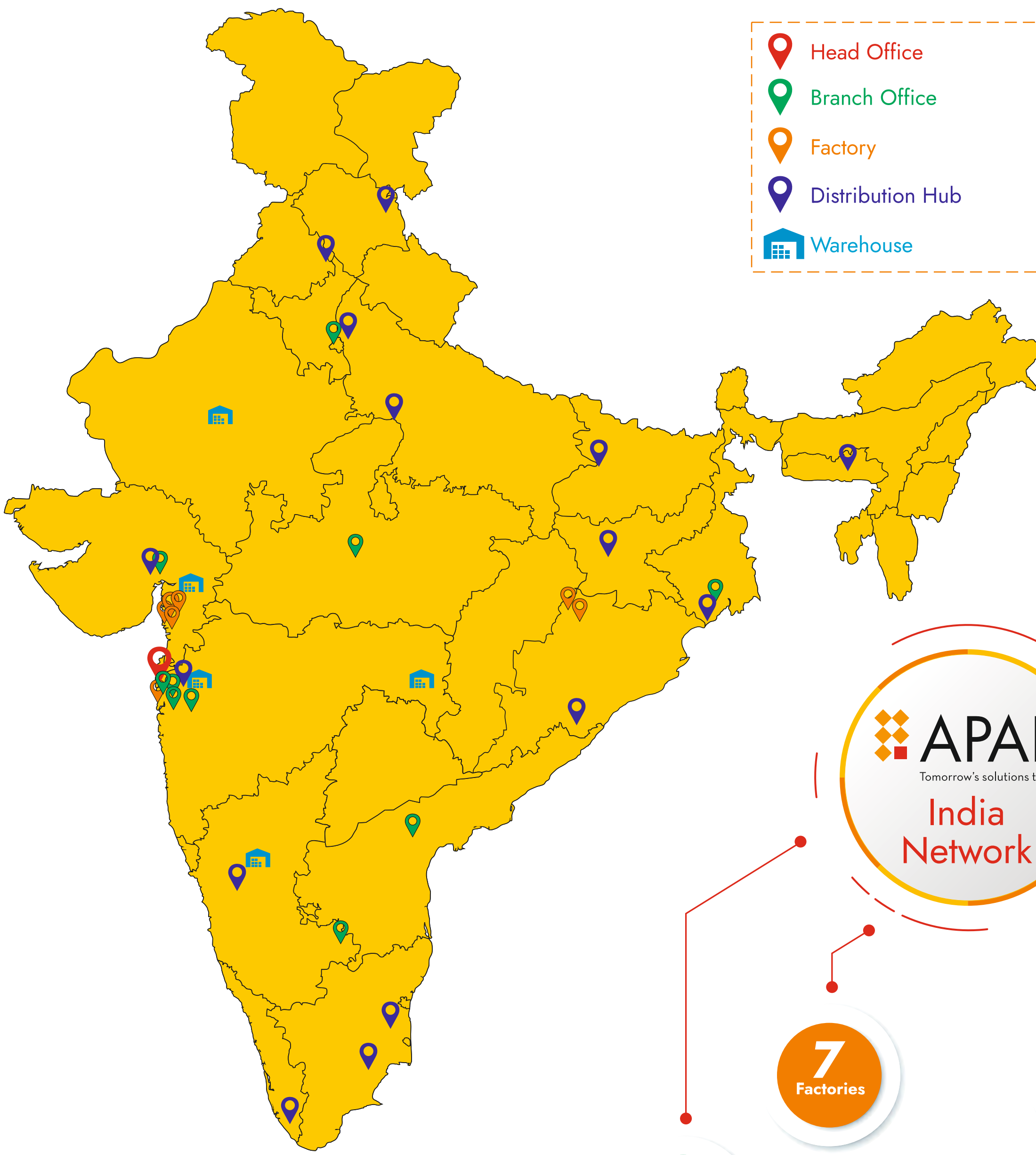
Extensive global presence driving exports



*Markings on the map is for representation purpose only. Actual location may vary.

The country in which we started is where we invest the most in **infrastructure and distribution** network

Today, our business is firmly anchored across India with 10 branch offices, eight state-of-the-art manufacturing facilities (seven in India and one in the UAE), and four warehouses, which help us propel growth and meet customers' requirements on real-time basis.



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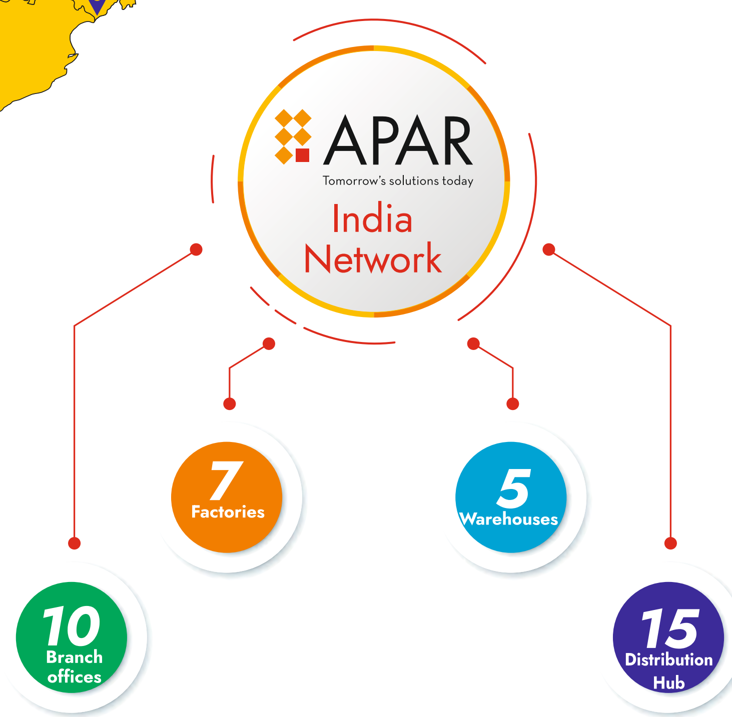


APAR CONDUCTORS

Performing Steadily: Conductors

APAR's journey to become the largest global manufacturer of conductors with over 180,000 MT capacity to serve our customers, spans across six decades.

The conductors' business has gone through a huge metamorphosis in the last few years, focusing on the premiumisation of the product. Our comprehensive range of products includes high-efficiency conductors, copper conductors for railways, copper transpose conductors for core winding in transformers, OPGW as earth wires in transmission systems for carrying data, and aluminium alloys for speciality applications.

All these products are developed through APAR's in-house R&D efforts. To maintain total control over the entire process – from design to manufacturing to testing – we've set up our own world-class manufacturing and ILAC MRA accredited testing facilities at Silvassa (Gujarat) and Odisha in India. These in-house R&D facilities enable us to guarantee innovation and quality while maintaining cost competitiveness.

₹344 crore invested in FY15-FY21

- Jharsuguda plant in Odisha offers logistical benefits with proximity to smelters and captures growing generation capacity in eastern India
- Aluminium rod facility at Lapanga, Orissa
- Technology tie-up with CTC-Global, USA, for ACCC conductors
- One of the first to successfully test 765KV & 800KV conductors in India
- Agreement with Hindalco for sourcing molten metal, a cost-saving of ₹1,000 / MT
- New products launched - Copper conductor for Railways, Optical Ground Wire (OPGW) & CTC for the transformer industry

FY21 highlights

Revenue
₹2,908 crore
Down 19.2% YoY

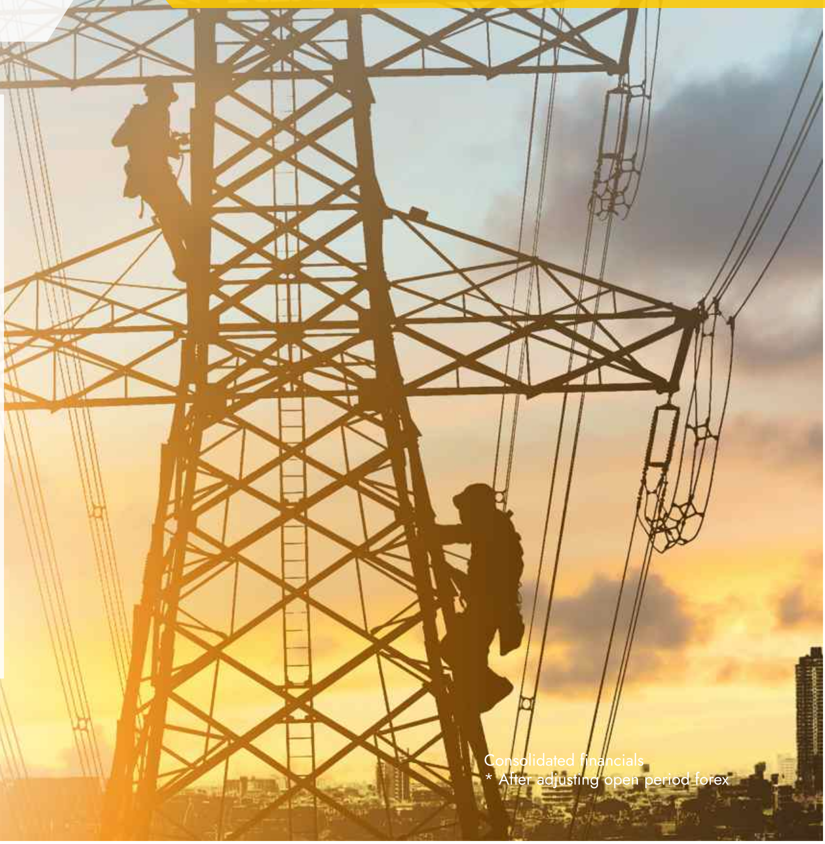
Volume
1,28,460 MT
Down 18.7% YoY

EBITDA
₹100 crore
Down 46.5% YoY
Margin at 3.4%, down 174 bps

EBITDA per MT
₹7,764 MT
Down 34.1% YoY

EBITDA post adj*
₹102 crore
Down 40.3% YoY
Margin at 3.5%, down 124 bps

EBITDA per MT
₹7,926 MT
Down 26.5% YoY



Consolidated financials
* After adjusting open period forex

Performing Steadily: Lubricants

APAR is a leading player in auto lubricants and is ranked the 10th largest lubricant manufacturer and marketer in India. Our retail footprint in India has grown at a CAGR of 11% in 10 years by focusing on the mechanic loyalty program, increasing distribution and continued association with automotive OEMs, including large tractor OEMs like Eicher, TAFE, ITL, ESCORTS, etc.

Through POWEROIL industrial lubricants, we are one of the largest private-sector marketers of metalworking fluids, hydraulic oil, and turbine oils. APAR is the first company in India to create affordable, high-quality products for the injection moulding industry. Our manufacturing expertise enables us to deliver high-quality products that have delighted customers all over the world. We've ensured that our range of over 150 grades of lubricants meets the latest BIS and other international standards. We undertake stringent testing to ensure our products provide optimum machine performance in all environmental conditions.

APAR's tie-up with PSPL, Singapore, brings world-class, technically advanced, innovative and affordable mobility solutions to the Indian market under the brand name ARKOS. The product portfolio includes a holistic range of batteries and lubricants. APAR is India's first company to get official approval from VDA, an internationally-acclaimed German association that certifies AdBlue. AdBlue utilises the novel selective catalyst reduction technology.

We also market the world-renowned ENI brand of Lubricants in certain South Asian countries under the license of ENI Spa Italy, the largest petroleum major in the world. Based on the global approvals that ENI holds, we focus on the retail and special applications industry in these territories.

One amongst the top 10 lube players in India.

- Territories in South Asia include India, Nepal, Bangladesh and Sri Lanka
- Major focus on the agricultural sector and serving the 2nd, 3rd and the 4th largest tractor manufacturers in the country
- Product profile updated keeping in mind the BS-VI requirement in Heavy-Duty Diesel
- BS VI compliant products for MCO and PCMO segments

FY21 highlights

Revenue

₹610 crore

Versus ₹ 532 crore in FY20

Volume

63,352 KL

Versus 55,839 KL in FY20

Note: Above numbers are given only for analytical purpose. These numbers are already included in Speciality Oils.

Performing Steadily: Speciality Oils

APAR has been leading the speciality oils industry for more than five decades through our brand POWEROIL, which is renowned for product quality and timely services Our in-house R&D efforts have developed the complete range of POWEROIL at our DSIR and NABL/IEC 17025 certified laboratory facilities. Our product range in the speciality oils business has evolved to include 350+ grades of Transformer Oils, White Oils, Petroleum Jelly, Process Oils, Industrial and Automotive Lubricants.

APAR's POWEROIL transformer oil is the leading choice for transformers worldwide, as it meets exacting customer specifications and complies with all the latest national and international standards. APAR is the first global company to supply Transformer oils compliant to new corrosive sulphur standards.

₹ 208 crore invested in FY15-FY21

- Al-Hamriyah, Sharjah plant (1 lakh KL capacity) provides proximity to customers in the Middle East & East Africa. Opens new avenues for bulk exports
- Expanded Transformer Oils capacity and range (including 765KV & 800KV HVDC)
- Doubling Industrial & Automotive blending and automated packing capacity
- New R&D facility at Rabale
- Lubricants (Auto lubes & industrial oils) contributed 9.5% to the Company's FY21 revenues.

FY21 highlights

Revenue
₹**2,364** crore
Up 2.3% YoY

Volume
3,99,214 KL
Down 1.1% YoY

EBITDA
₹**281** crore
Up 110% YoY
Margin at 11.9%, (5.8% in FY20)

EBITDA per KL
₹**7,043**
Up 112.3% YoY

EBITDA post adj*
₹**281** crore
Up 132.7% YoY
Margin at 11.9%
(5.2% in FY20)

EBITDA* per KL
₹**7,032**
Up 135.2% YoY

Consolidated financials
* After adjusting open period forex

APAR
CABLE SOLUTIONS

Performing Steadily: Cables

At APAR's cable solutions business, "Safety First" forms the design basis for all product development and manufacturing. Backed by extensive R&D and a strong research team, we have introduced a comprehensive range of application-specific cable solutions in the past 10 years. As a result, today we are the largest manufacturer in India of special application cables. We are also a leading cable supplier to the Indian Railways & Defence establishments.

We introduced in India for the first time our unique "Anushakti Wires" providing the highest performance and safety in house wiring, powered by E-Beam technology. Another revolutionary product launched for the first time in India, "Medium Voltage Covered Conductor" (MVCC), is developed keeping in mind safety first and provide efficient grid connection to our customers. So far, we have successfully manufactured and supplied over 10,000 Km of MVCC to various government and private DISCOMS.

Our two world-class manufacturing facilities at Umbergaon and Katalawada, in Gujarat, India, are equipped to produce the most extensive range of cables in India. We also have the largest E-beam facility in India dedicated to cable manufacturing.

₹ 265 crore invested in FY15-FY21

- Exports contributed 20.0% to revenue in FY21, up from 17.2% in FY20
- OFC/ Telecom cables revenue up 21.2% YoY
- Exploring new opportunities in MVCC, harnesses, more products for Railways, pressure tight cables and higher voltage cables

FY21 highlights

Revenue

₹1,270 crore
Down 20.7% YoY

EBITDA

₹60 crore
Down 66.5% YoY
Margin at 4.8%, (11.2% in FY20)

EBITDA post adj*

₹60 crore
Down 66.4% YoY
Margin at 4.7%, (11.1% in FY20)

Consolidated financials
* After adjusting open period forex

Innovating, Evolving and Performing for India

Atmanirbhar Bharat (A self-reliant India) has now become the mantra for 130 crore Indians, and at APAR, we have stepped to the next level to focus on helping India become self-reliant and an export powerhouse. Under the government initiative of "Make in India" in the last few years, we have invested in R&D to develop real solutions for customers' problems. We believe that with an innovation-first mindset, solutions that make anything possible can be found. Presenting a few of our innovation stories from our key business verticals.

GREEN INITIATIVES

Introducing Natural Ester-based transformer oils

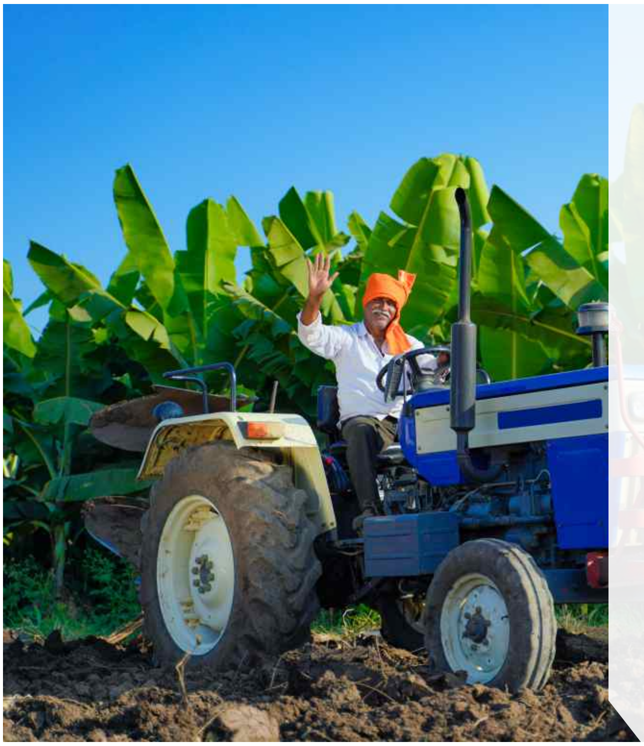
As a responsible manufacturer, at APAR we have always made conscious efforts towards making sustainable choices considering Environmental, Social, and Governance (ESG). All companies and individuals look forward to environmentally safe products with the least or zero carbon footprint.

Decarbonisation is well practised in the energy sector all over the world, and, to achieve this, great focus is laid on the use of renewable energy, i.e. solar and wind. To meet these changing demands, we have developed a new innovative natural ester transformer oil, POWEROIL TO NE Premium, which offers a longer oxidative life of 164 hours (against 48 hours of mineral oils) and minimal viscosity build-up under identical test conditions and test methods. As it meets both the conditions of low carbon footprint and is readily biodegradable, POWEROIL TO NE Premium has been well accepted in the industry and is among the best performing natural Ester transformer oils globally.

Innovating, Evolving and Performing for India

Special Tractor Oils

to take care of farmer's extra load



New farm laws have heralded a new era of market freedom and protect farmers by helping them work worry-free. To further support our farmers, we have introduced a revolutionary product to help them harness the best performance from their tractors.

The primary issue a farmer faces is in tractor transmission, axle and brakes. At APAR, we have developed unique chemistry of oils for each braking system in tractors resulting in efficient braking without squawking (brake noise). We have also developed solutions to help farmers with increased load requirements in transmission, thereby increasing the power rating by 50%.

We have received approval from all major tractor OEMs in India for the product customized and developed explicitly in India as per their requirements.

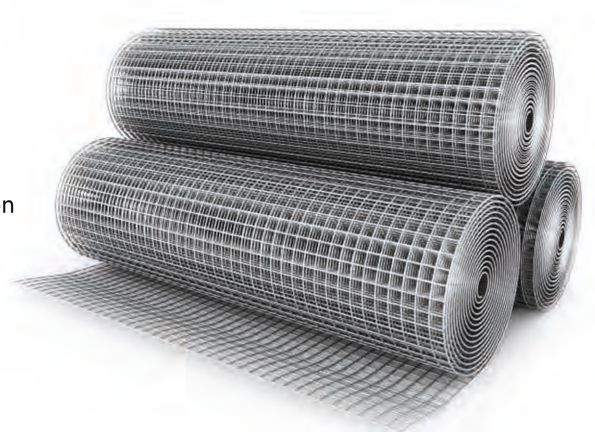
APAR introduces **special tunnel boring oils** made for smooth development in India

Infrastructure development in India is booming with a robust pipeline of projects being undertaken. For each infrastructure project, such as setting up hydropower, developing metros, improving road and rail connectivity, upgrading water supply and sewerage systems, among others, Tunnel Boring Machines (TBMs) play a crucial role.

The Tunnel Boring Lubricant Oil plays an essential role in the functioning of TBMs. Many companies face major breakdown issues of TBMs due to frequent machine maintenance affecting project timelines. To solve this issue, we have developed and launched a special tunnel boring lubricant oil which minimises wear and tear and supports better machine performance over any other lubricants available in the market (mostly dominated by foreign firms and imported into India). This special lubricant made and developed in India is well accepted and approved by TBM OEMs globally as it minimises maintenance, enhances machine life and offers substantial cost savings.

Innovating, Evolving and Performing for India

First Indian company to produce niche **"5000 Series Aluminium Alloys"**



"5000 Series Aluminium Alloys" are in huge demand in India for use in vessels and bridges, marine applications and fabrication of transportation tanks due to high tensile strength and formability. All orders were met through imports which got hit when the pandemic struck. Despite the increase in demand, no Indian manufacturer could step up due to production challenges and the considerable investment required for building the special infrastructure.

As an industry leader in conductors, we took the lead to make India Atmanirbhar. We initiated several trials at our in-house R&D centre and augmented production line at our Silvassa and Odisha factories. As a result, we successfully met the customers' requirements just in time with minimum inventory cost. The result was a win-win for our Indian clients and APAR – by manufacturing this product series in India and supplying the same, the company was able to reduce imports, especially during the pandemic.

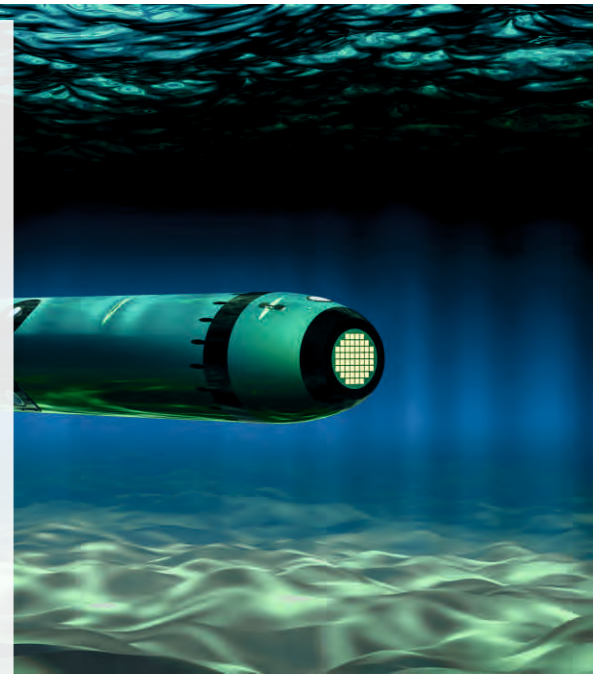
APAR innovates **Z Shaped Conductors** to take on destructive cyclones

At APAR, with the support of our strong team and R&D excellence, we tackle customers' problems with innovation at both, local and global scales.

In FY21, India witnessed an increase in both, intensity and frequency of cyclones hitting the western and eastern coastal states, resulting in huge infrastructural and economic losses. The strong winds had a massive impact on electric transmission lines resulting in power outages.

With our innovation-first mindset, APAR introduced the "Z Shaped Conductors", a revolutionary product that provides a superior interlocking system capable of withstanding higher wind speeds experienced during cyclones. These conductors can sustain wind speeds of up to 250 km/hour with reduced tension on conductors, towers and other components, thereby increasing the service life of conductors in exceptional high wind conditions, storms or extreme environmental conditions & turbulent hurricanes.

The 1st **Indian manufacturer** to create guidance optical fibre wires for **torpedoes**

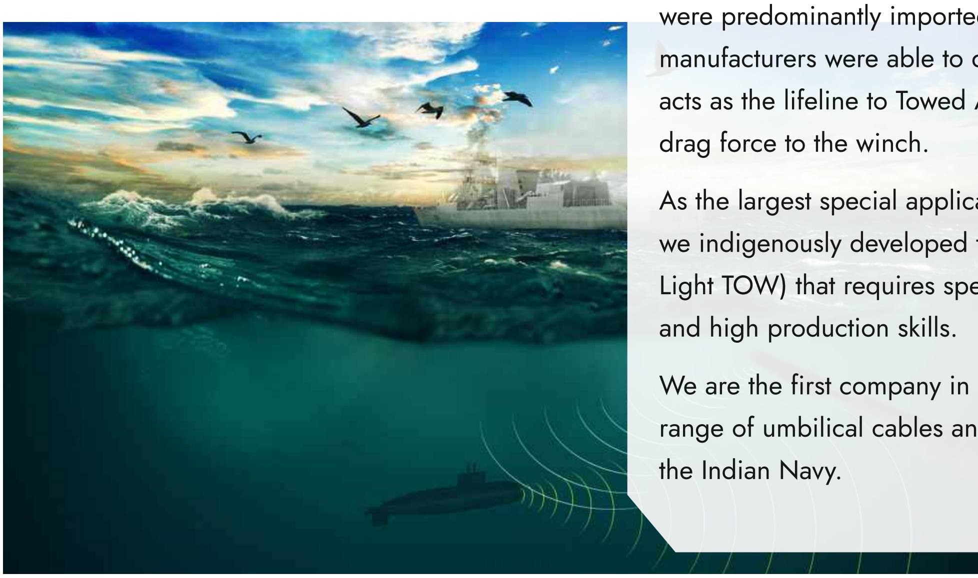


Guidance optical fibre wires, a highly essential component in torpedoes, have always been imported into the country, adding to the total project cost. The wire needs to be wound with a unique tangle-free winding technique as it unravels during the torpedo's underwater run. Many Indian and international cable manufacturers could not meet the specifications set by the Indian Defense.

APAR became the first Indian manufacturer to develop guidance optical fibre wires. These wires require extremely high strength and very precise production techniques, which were developed in-house at our Khatalwada plant.

By developing this highly innovative product in India, we produced and supplied these specialised wires at a low cost (compared to import cost) to the Indian Navy.

APAR develops **Speciality cables for Towed Array Sonar System** to support Indian Navy



Another major speciality cable that APAR developed for the Indian Navy is used in Towed Array Sonar System. Tow cables were predominantly imported as none of the Indian manufacturers were able to develop them in India. Tow cable acts as the lifeline to Towed Array Sonar while transferring the drag force to the winch.

As the largest special application cables manufacturer in India, we indigenously developed this high-tech cable (both Heavy & Light TOW) that requires special manufacturing infrastructure and high production skills.

We are the first company in India to develop and provide a range of umbilical cables and tow cables to meet the needs of the Indian Navy.

Evolving Digitally ...

to provide tomorrow's solutions today

In this financial year, digital transformation was high on the company's business agenda. We undertook several initiatives to enhance our reach and touchpoints with our stakeholders. Here are a few of our digital achievements:

Launched a dedicated mobile app to connect **20,000+ mechanics**

Our B2C wing of automotive lubricants under the ENI brand is majorly influenced by the mechanics' fraternity. In the distribution chain of lubricants, mechanics play a critical role in helping our end-users select an appropriate lubricant for their vehicles. APAR has developed a specialised app to educate mechanics about our products and help them get instant rewards.

The mechanic loyalty program that we call the "Eni Club" offers instant redemption of rewards and cashback, which has helped us associate with 20,000+ happy mechanics pan India.

The loyalty program enhanced our brand activation and developed awareness and differentiation for our key products in the mechanics' fraternity. With time, we have seen mechanics develop immense interest with increased participation.

ARKOS becomes **India's first battery brand** to offer online warranty registration

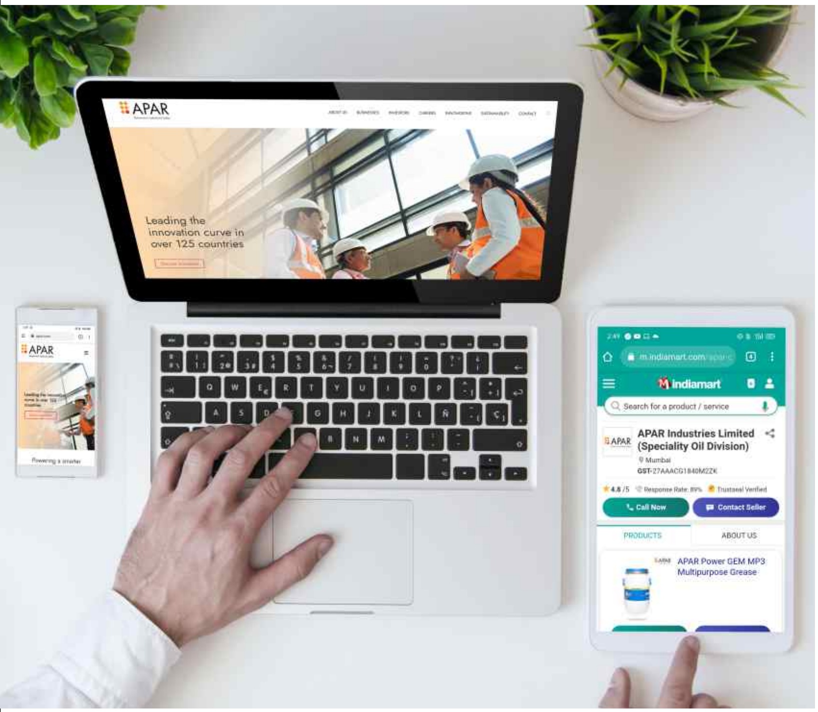
ARKOS is a series of products launched in our speciality automotive division with a vision to offer smart solutions to simplify customers' lives. Under the brand ARKOS, we have launched two-wheeler batteries, oils, and specialised auto lubricants.

In the vehicle battery industry, it is compulsory to retain the physical warranty card of the product. The warranty gets void if the physical card is lost. But today, when everything in our lives is going 'online', we wondered why we could not take the warranties too online!

As a result, ARKOS has become the first Indian battery brand to offer online warranty registration to make customers' lives easier. With easy online registration through our Android application (BOLTCARE) or website (https://wms.arkos.in), a customer can activate the warranty for the product after the purchase. After registration, complete details about the battery is available 24x7 to the buyer by just entering the serial number on the website or the app.

Evolving Digitally ...

to provide tomorrow's solutions today

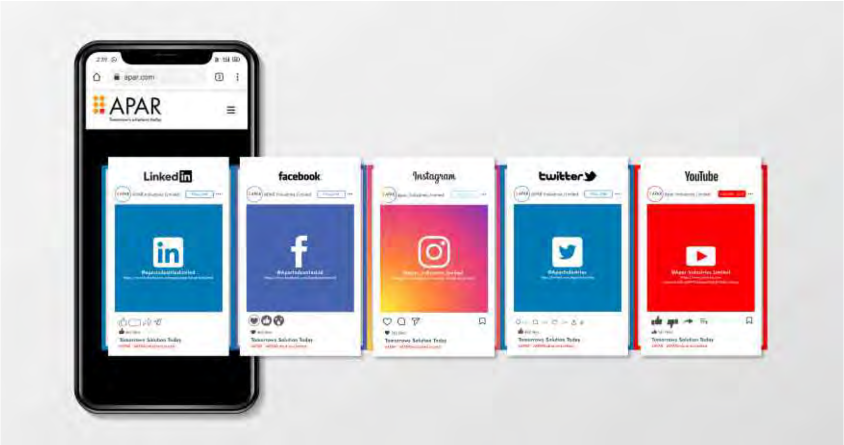


Oils and Cables Business gets a digital boost with IndiaMart

APAR is now a premier partner of IndiaMart (India's largest online business marketplace) for our oils and cables businesses. The IndiaMart marketplace platform has over 102 million buyers and 37 million+ trades that transact every month. In addition, the majority of the customers are from Tier 2 and Tier 3 cities, which provides us with unprecedented reach.

Being a premier partner of IndiaMart gives us the maximum visibility for our products across the country and prospective customers can connect with us 24x7. With this partnership, we are well on the way to fuse our digital and physical processes. All our prospective leads from IndiaMart get integrated into our CRM where leads are qualified and order negotiations are done. Real-time dashboards are created to monitor customers' requirements and ensure a seamless service.

Visit our brand new website & social media handles today



Along with a new brand identity, in February 2021, we launched our newly-designed corporate website www.apar.com which is faster, easier to navigate, and more user-friendly. As industry leaders, we need to make information regarding our products, leadership, growth and trends easily accessible for our current and prospective clients. Thus, our new website is designed to level the customer experience for both B2B as well as B2C space.

Our website has an average of 500+ daily visitors who easily navigate through 100s of our products across our business verticals and place their enquiries. Enquiries from both the website and other platforms go directly into our CRM system creating a seamless business opportunity.

Powered with the latest trends of UI & UX (User Interface & User Experience) design, our new site acts as our robust ambassador.

We have also launched APAR's corporate social media handles on LINKEDIN, FACEBOOK, INSTAGRAM, TWITTER and YOUTUBE. In the past six months, over 10,000 new followers have joined us on our social media pages, following us for live and recent updates of our business, product performance, new launches, and new ventures, among others.

Chairman & MD *Message*

Dear Shareholders,

It has been a challenging year for the world as Covid-19 wreaked havoc. The pandemic has taken millions of lives and affected the way we live. While various measures, including vaccinations and government initiatives, are gaining ground, the return to normalcy or emergence of a new normal will take time.

Facing the pandemic head on:

Given this backdrop, I want to start by paying tribute to what we call the APAR Parivar or family. They left no stone unturned to ensure our plants were kept running, our customers were well taken care of, our team safe, our morale maintained and, most important, our faith in the future strong. The team was able to show remarkable adaptability and resilience to rise to the occasion. Whether it be rapid implementation of best-in-class safety protocols, to quick and efficient adaptation, to remote 'work from home' practices. I cannot express how proud I am today to be a member of your Company.

Despite multiple COVID-19 waves hitting plant operations, logistics and both domestic and global demand, we grew our adjusted PAT by 27% YoY to ₹ 171 crore, and return on equity for FY21 was up 106 bps YoY to 12.5%, driven by 42% reduction in finance cost. Consolidated revenues for FY21 stood at ₹ 6,410 crore, down 14% YoY, mainly due to lower domestic revenues as a result of the national lockdown in the initial months of the year which affected demand and very low commodity prices in Q1 FY21 and Q2FY21. We were able to buffer the turbulence in the domestic market through our operations in the global markets. Export revenues grew 3% YoY in FY21 to reach ₹ 2,558 crore, contributing 41% to overall revenues.

Innovation as a mantra for success:

Innovation in our response to the pandemic is not surprising. At APAR, innovation is our means of staying relevant. Our motto is Tomorrow's Solutions Today and is evident in the strong management focus on developing new products and new market segments. We have put in place a growing range of new-generation products across our businesses, i.e. technologically advanced high-efficiency conductors, copper transpose conductors, medium voltage covered conductors, biodegradable high transformer oils, a new range of automotive oils that meet the Bharat VI emission standards and a large range of lubricants resulting in longer drain intervals.

Going forward, we expect strong spending across the world in installations of ESG power generation, transmission and distribution in which our products including our bundle of newer higher performance products should see strong demand. This year our two smaller verticals, Polymers and Speciality Automotives, also made progress. In Polymers, APAR is successfully manufacturing ISO-certified thermoplastic elastomers, thermoplastic vulcanizates, zero halogen flame-retardant materials, various other polymer compounds and customisable products under the brand Aparprene®. Our Speciality Automotive business has seen strong growth of AdBlue, an additive to diesel to reduce emmissions and battries for mobility. .

A significant ₹95-crore CAPEX plan has been put in place to substantially increase our capacity in the cables business for the wind and solar segment to address the growing installations of renewable energy. A window of opportunity has clearly opened up and the China+1 strategy presents us with a great opportunity. Exports are set to play a larger role as we go forward.

Segments poised for growth:

I am happy to announce that our Oils business recorded growing revenues and the highest-ever EBITDA per kL post forex adjustments at ₹7,032 with premiumisation of the product-mix, and strict focus on working capital management. The state-of-the-art Hamriyah (Sharjah) plant operated at 79% utilization in FY21, up from 69% in FY20. The strategically located plant has already begun playing a significant role in our global expansion.

Conductors faced unprecedented headwinds towards the end of the year due to steep rise in commodity prices, especially steel, which is not possible to hedge, shipping rates and lockdowns. However, we continue to see strong traction in our newer higher-value products launched in the last 3 years. During the year, we also executed 220 circuit kilometres with GAP type conductor for PGCIL, thus adding another important milestone in the journey of this product line.

Cables saw subdued demand for most of the year from our target sectors. During the year, the company has installed the third E-beam machine of 2.5 MeV class using in-house expertise. There was considerable delay in adapting to manufacturing amongst our key railway and defence segment customers due to Covid protocols required. This resulted in a significant slowdown in dispatches to them and new ordering. We expect that in FY22 there will be a catchup from pent-up demand.We have further increased our export thrust in the business. During the last one year, we have received various US approvals, which are mandatory for the sale of electrical cables to the US market. We have also received global supply approvals from some of the largest windmill producers in the world. Our cables business should benefit from the China+1 strategy of global buyers.

Strong industry growth drivers:

I would also like to touch upon a few industry highlights. The year saw continued encouraging policy initiatives and developments. The Government announced not just a ₹ 1.35-lakh-crore liquidity infusion for DISCOMs to tide over the pandemic, but also a ₹ 3.05-lakh-crore reform-based results-linked scheme for the revamp of DISCOMs. Draft guidelines have already been issued for the same. A speedy implementation would be a big boost to the financial health of DISCOMs, and hence, India's T&D sector. India needs about 400,000 charging stations to meet the requirement for two million EVs that could potentially ply on its roads by 2026. There are 1,800 charging stations in India as of March 2021 for ~16,200 electric cars, including the fleet segment.

About 16,750 circuit kilometres of new transmission lines were added in FY21, up 44% from FY20. The addition was 6% higher than planned. There are 22 TBCB transmission projects under construction. Four new LOIs were issued in FY21 for TBCB projects. Most of these are for evacuation of upcoming renewable capacity. Indian Railways electrified more than 6,015 RKM in FY21, up 37% YoY achieving 71% railway electrification by FY21 end, and targets 100% by December 2023.

Future is bright:

In conclusion, FY21 has been a challenging year for us. FY22 has started on a slightly difficult note because of the second wave. But as I mentioned, as we progress through the year, we expect things to improve. We would like to continue to broaden our focus on the export markets. Our portfolio of products is increasingly being focused on safety first, greater environment friendliness and more energy efficiency as the ESG theme dominates infrastructure investments. We are also awaiting the details of the mega investment pushed by the Biden Administration in the US. We are very well placed to service this opportunity as it unfolds.

Warm Regards

Kushal Desai

Our Team in Action : Covid-19 Response

APAR is a company that considers employees as one of the most important stakeholders, or as we fondly call them, members of the APAR Pariwar. Every APARite takes ownership and responsibility for their work and is ready to go above and beyond the ordinary call of duty. The APAR Pariwar remains a close-knit team, looking out for each other and driving the long-term success of the company.

This global pandemic has forced businesses to make drastic changes at the workplace. The pandemic has taken a toll, both physically and mentally, on working professionals across the globe. The ones recovering from Covid-19 undergo most of the suffering due to the post-recovery trauma.

To tackle this, we at APAR undertook special initiatives at both our corporate offices and factories. We responded with a mix of cautious engagement, rigorous health and safety protocols, responsible and common-sense practices, and virtual engagement, which have resulted in controlled incidences of Covid-19 transmitted at work, high retention of the workforce, community effect to help those that were affected, and finally, reinforcing ourselves as a 'people-first' company. We operated our plants throughout Covid-19 lockdowns.

Initiatives for employees at our factories (among 1st to receive permission to restart):

- In-house free lodging & boarding facility arranged for workers during the lockdown
- Substantial retention of workers through extensive communication and trust-building at the time of huge worker migration
- Daily shop floor training for workers on COVID-19 protocols to avoid careless errors
- Audio and video series of awareness programs related to Health, Hygiene, Yoga and COVID-19 precautionary measures at canteen and shop floor through periodic reinforcement
- Extended 24x7 Ambulance (with Medical Oxygen availability) service

Initiatives for employees at our corporate office (working from home):

With the support of the entire HR, IT and Admin teams, we were able to execute work from home (WFH) by providing all necessary equipment. To motivate and inspire employees to give their best during the crisis and drive transformation through digitization, our HR team undertook various initiatives around the year, including:

- Virtual APAR town halls
- Felicitating long service awards & recognising employees for their special efforts in the presence of their family members
- Virtual Workshop on "Culture of Leadership"
- APAR Virtual HR Conclave 2021
- Workshop on 'Post Covid Care - Restoring Health'
- Encouraging employees for 'out-of-the-box' thinking
- Training to all employees concerning APAR values
- Succession planning in all departments
- Organize many online programs for mental health & wellness

Our Covid Warriors

Over 210 employees overcame Covid-19 through their grit and determination. They led by example and inspired thousands of others, to do their best even in the most adverse situation.

The HR Department at the factories and offices played a key role in ensuring that the operations were up and running during the pandemic. Their innovation for this purpose encompassed quick adaptation to Work From Home (WFH), other collaboration tools, coordination with other functions for ensuring smooth business operations, social distancing, hygiene maintenance, accommodation, meals & transport for contract workmen, RT-PCR, R-Antigen, Antibodies and other tests, facilitation for hospital, oxygen, critical medicines and expert medical panel consultation available for employees and their relatives. Learning & Development scaled a new high. So did Employee Communication meant to address employee anxiety, stress, etc.

APAR salutes these Covid Warriors for rising above the constraints imposed by the pandemic and for continuing to work with dedication. No words are enough to express this gratitude.

Your absence will always be felt

Unfortunately, we lost some of our key employees due to Covid-19. APAR acknowledges and salutes their dedication and commitment in building the organization and playing a pivotal role in its success.

APAR will forever remain indebted for their decades of invaluable contribution towards the organization's mission, vision & goals. [HN Shah – Ex Director, CFO, Advisor, Dorai also Ex-Senior Vice President, Advisor; Maithy – Sr. GM, Advisor]

Mr. HN Shah
(June 20, 1928 - December 4,2020)
Director
50 Years (date of joining – June 1, 1970)

Mr. SC Maity
(January 3,1951 - May 06, 2021)
Senior General Manager – Corporate Services
27 Years (date of joining – February 1, 1994)

Mr. Chand Bahadur Damar
(June 30, 1974 – April 22, 2021)
Maint. Technician - Engineering
14 Years (date of joining – April 1, 2007)

Mr. EN Doraiswami
(September 05, 1946 - June 6, 2020)
Senior Vice President – HR & Admin
54 Years (date of joining – May 2, 1966)

Mr. Harish Singh
(March 15, 1969 – May 7, 2021)
Senior General Manager – Operations & Production
17 Years (date of joining – July 15, 2003)

Mr. Sunil Mishra
(October 1, 1975 – April 13, 2021)
Manager - Maintenance Mechanical / Utility
9 Years (date of joining – January 17, 2012)

Mr. MD Bhadgaonkar
(August 31,1964 – August 2, 2020)
General Manager – Operations & Production
27 Years (date of joining – July 22, 1993)

Mr. M.Veerapandi
(September 9, 1960 – July 8, 2020)
Deputy Manager - Projects
5 Years (date of joining – March 25, 2015)

Together, as we journey towards a safe, secure and prosperous future, a few of our cherished members of the APAR Pariwar will no longer be by our side, but their dedication, love and strong spirit will forever be in our hearts. The loss for their families is irreplaceable, but we have pledged to provide support to help rebuild their dependents' lives. As we navigate these unprecedented times, we assure APARites and their families that they are protected under the safety net of the APAR Pariwar.

Community upliftment: Spreading inspiration through our actions

Our founders have always believed that everyone should receive a quality education regardless of religion, gender, caste or class. The CSR projects that APAR works with are long-term multi-year commitments to bring about lasting transformational change in society in the fields of education and healthcare, with an emphasis on supporting the weaker sections of society in primary healthcare, rural women empowerment and rural youth skill development.

Initiatives in Gujarat:

Dharmsinh Desai University (DDU)

Established in 1968 at Nadiad, Gujarat, DDU is an Independent University of higher education in Engineering, Technology, Medical Sciences, Dental Science, Management and Pharmacy. DDU provides education in diploma and degree courses to more than 8,000 students annually.

Our Dental College at DDU is the most renowned in the state of Gujarat. Every year, over 120,000 patients undergo quality dental care, dental imaging, implants, oral surgeries and dentures at exceptionally nominal rates. The Oral Cancer Centre is at the forefront of treating, and through education, preventing oral cancer resulting from chewing tobacco, as Nadiad lies in the heart of one of the largest tobacco belts of the country.

In the last few years, the university has established the **Dr ND Desai Hospital and Medical College.** The college is situated on a sprawling 20-acre campus which integrates a medical college, a hospital and a healthcare research centre, as per the vision of our late Chairman Dr ND Desai and under the current able leadership of Vice-Chancellor Dr. HM Desai. It has a capacity of 750 medical students.

In the first phase, a FREE multi-speciality hospital with a facility of 350 beds was set up. Over 35,000 patients have received treatments/surgeries, free of cost, since its opening in May 2018. There are 11 functional operation theatres.

The ND Desai Hospital operates 200 Covid beds and has given free Covid treatment to over 2,000 in-patients and over 6,000 out-patients. The second phase will be ready in 2022, which will have another 400+ hospital beds.

Dharmsinh Desai Memorial Methodist Heart Institute

Catering mainly to patients from economically backward strata, the institute strives to provide world-class cardiac care in the town of Nadiad, Gujarat. It is a lifeline for heart patients in Gujarat and surrounding areas, run through a charitable trust.

A generous donation from APAR helped renovate the surgical theatre complex into a state-of-the-art facility. The complex also houses a well-designed CSSD (Central Sterile Service Department), keeping in mind the latest Hospital Infection Control protocols. The hospital has a Blood Bank which works round the clock.

Even during the lockdown of the first wave, the hospital was operational for emergencies and was able to take care of several patients with heart attacks and severe heart failure. During the second wave, the ICU was converted into a Covid ICU to help take care of the unprecedented number of patients affected by Covid-19.

Initiatives in Maharashtra:

Teacher Training for Anganwadi and Zilla Parishad Schools - Wada District, Maharashtra

Young women from villages are selected and trained by Muktangan (a Teacher Training Organisation based in Mumbai) to teach in Anganwadis and ZP schools.

APAR has adopted 25 Anganwadis and 4 ZP schools and provided infrastructure, a positive environment, clean drinking water, teaching aides and trained the teachers to nurture children's knowledge and values.

Bhaktivedanta Kaushal Vikas Kendra (BKVK) - Wada District, Maharashtra

In collaboration with Govardhan Eco Village (GEV), APAR is in the process of helping set up a skill development centre for rural youth to get them gainfully employed. The centre includes multi-disciplinary training in welding, electrical, plumbing, carpentry, baking, farming and many others areas of vocational training. Students are taught from among 70 skill areas to select their specialisation and are then helped to get placed in nearby companies for internships which can translate into jobs.

A residential facility is being created for the students to stay in the hostel and learn skills and values to become well-rounded, responsible citizens.

Science on wheels

APAR has created a mobile science van with more than 400 hands-on science models to make science fun for the village students. The models enable village children to set up science exhibitions in their schools.

Women's Empowerment - Wada

An initiative to help these rural women become self-sufficient. Village women are organised into Self-Help Groups and taught skills, handicrafts, kitchen gardening, health and hygiene, home remedies, sewing, and jewellery-making to supplement their family income. The aim is to help and empower them economically, socially, medically, emotionally, and spiritually.

PAN India

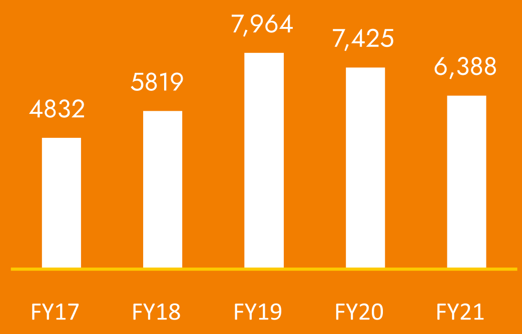
APAR also actively supports the following NGOs by lending financial support every year:

- Adruta Girls Home – Bhubaneshwar, Odisha
- Annamrita Foundation across India
- Katalyst India
- Mata Pita Trust, Rajkot
- Sister Nivedita Foundation, Rajkot

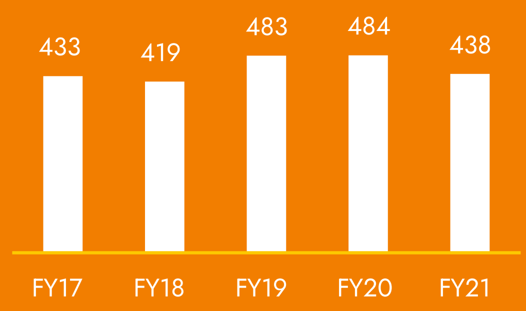
Performing consistently despite headwinds

Consolidated financials, in ₹ crore

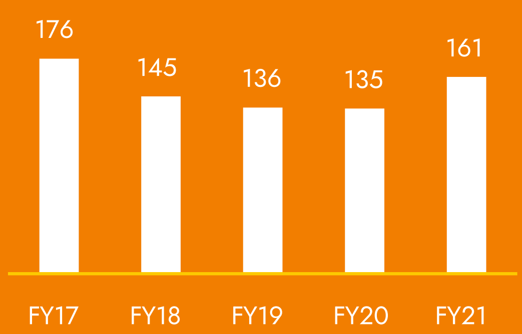
Revenue



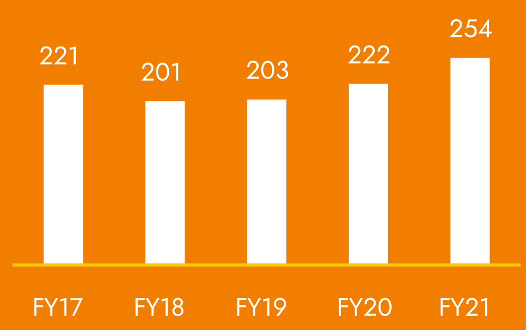
EBITDA



Net Profit

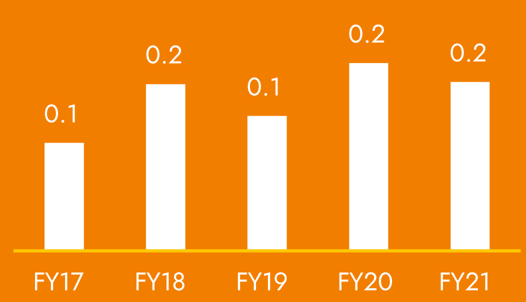


Cash Profit



RoE

D/E



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. C N K & Associates LLP
Chartered Accountants,
Mumbai.

CHIEF FINANCIAL OFFICER

Mr. V. C. Diwadkar

COMPANY SECRETARY

Mr. Sanjaya Kunder

BANKERS

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

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
Tele 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	2020-21	2019-20	2018-19	2017-18	2016-17
PROFIT AND LOSS ACCOUNT DATA :					
Revenue from Operations	6,388	7,425	7,964	5,819	4,832
% of Growth	(14)	(7)	37	20	(5)
Exports	2,558	2,469	2,443	2,023	1,359
Materials, Operating and other costs	5,812	6,790	7,351	5,288	4,321
Employee cost	160	169	148	126	107
Depreciation	93	87	67	56	45
Finance Cost	136	228	200	140	114
Profit before tax, exceptional & Extraordinary Items	208	169	216	223	273
% of Growth	23	(22)	(3)	(19)	54
Taxation	48	34	80	78	97
Profit after tax (PAT)	161	135	136	145	176
Exceptional items	-	-	-	-	-
Other Comprehensive Income	82	(83)	2	(27)	20
Associate profit/(loss)	(0)	-	-	-	0
Minority Interest (Profit)/loss	-	-	-	-	-
Balance of Profit	243	52	138	118	196
% of Growth	370	(63)	17	(40)	57
BALANCE SHEET DATA:					
Share Capital	38	38	38	38	38
Reserves & Surplus	1,371	1,128	1,164	1,070	998
Net worth	1,409	1,166	1,202	1,108	1,036
Minority interest	-	-	-	(0)	-
Loan Funds	264	317	253	273	254
Deferred Tax (Net)	20	1	40	35	46
Total Liabilities	**1,694**	**1,484**	**1,496**	**1,416**	**1,336**
Net Block	907	939	810	663	594
Investments including Goodwill on Consolidation/amalgamation	0	-	2	5	7
Net Current assets	787	545	684	748	734
Total Assets	**1,694**	**1,484**	**1,496**	**1,416**	**1,336**
KEY RATIOS:-					
PAT to Sales (%)	2.51	1.82	1.71	2.49	3.65
Return on Net Worth (%)	12.46	11.41	11.78	13.50	18.65
Asset Turns (Revenue to total Assets)	1.33	1.54	1.72	1.51	1.51
Return on Capital Employed (%)	21.67	26.65	28.58	26.36	30.03
Debt to Equity Ratio	0.17	0.19	0.14	0.17	0.11
Earning per Equity Share (Basic) Rs.	41.94	35.32	35.55	37.82	45.88
Rate of dividend % p.a.	95%	95%	95%	95%	100.00%
Book value per Equity Share Rs.	368.24	304.80	314.19	289.59	270.75
Share Price as on 31st March (BSE)	474.15	287.75	674.05	728.00	748.85

NOTICE

NOTICE is hereby given that the **32nd (Thirty-Second)** Annual General Meeting (AGM) of the Equity Shareholders of **APAR INDUSTRIES LIMITED** ('the Company') will be held on **Friday, August 13, 2021 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, 2021, 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, 2021, together with the Report of the Auditors thereon.

2. To declare dividend at the rate of ₹ 9.50 (95%) per Equity Share of face Value of ₹ 10/- each, fully paid up, for the financial year 2020-21.

3. To appoint a Director in place of Mr. Rishabh K. Desai (DIN: 08444660), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business :

4. **Payment of remuneration to the Cost Auditors of the Company for the FY 2021-22.**

   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 & 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, 2022, be paid remuneration not exceeding ₹ 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."

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 : 31st May, 2021.

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,General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (Collectively refered to as 'SEBI Circulars'), have permitted the holding of Annual General Meeting through Video Conferencing ('VC') or other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), amended 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 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 Director as required under Regulation 36(3) of SEBI Listing 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 Act.

6. The Company has fixed Friday, August 6, 2021 as Cut-off-date (Record Date) for determining entitlement for remote

e-voting as well as e-voting of shareholders holding shares in physical or dematerialized form.

7. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from Saturday, August 7, 2021 to Friday, August 13, 2021 both days inclusive, in connection with the AGM and for the purpose of payment of dividend, if declared at the Meeting. The dividend of ₹ 9.50/- per fully paid-up equity share of ₹ 10/- each if approved by the members at the AGM will be paid Subject to the deduction of Income-tax at source ('TDS').

8. Members holding shares in electronic form may note that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agent, Link Intime India Private Limited (Registrar), cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant ("DP") of the members with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar.

9. 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.

10. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. With the said change coming into effect from April 1, 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.

11. 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.

12. 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.

13. **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 2013-14 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
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 2012-13 (Final Dividend) has been transferred to IEPF on 23rd September, 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, 2020, 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 IEPF 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 and

(4) 6,370 Equity Shares of the shareholders whose dividend had remained outstanding for a period of 7 years from 2012-13 to 2018-19, on 9th October, 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:

https://apar.com/investor/

The Members / claimants whose shares, unclaimed dividend have been transferred to the Fund may claim the shares / dividend or apply for refund by making an application to IEPF Authority in Web Form IEPF 5 (available on iepf.gov.in).

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

14. The 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 DP(s) 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.

15. 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.

16. **(a)** As stated in Para No. 7 of the Directors' Report, the Company has not attached the Annual Financial Statement, Reports and other Statements in respect of its four Subsidiaries and Associate Company with the Annual Report of the Company for the financial year ended March 31, 2021.

(b) A Statement showing information in aggregate of the said subsidiary Companies and Associate Company 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.

17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021, printing and despatch of physical Annual Reports of 2020-21 to the shareholders has been dispensed with. Hence the Notice of the AGM along with the Annual Report 2020-21 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 2020-21 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 above mentioned website . Members holding shares in electronic mode are, therefore, requested to ensure to keep their email addresses updated with the DP(s). Shareholders / Members can register their email address, by sending an Email at investor.services@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

18. 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 Annual General Meeting (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 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 atleast 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. 17/2020 dated April 13, 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 (an agency

appointed for providing the Remote e-Voting facility and e-voting facility 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 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period begins on **10:00 Hrs. of Monday, August 9, 2021** and ends on **17:00 Hrs. of Thursday, August 12, 2021**. 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) **Friday, August 6, 2021** 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are **https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com** and click on Login icon and select New System Myeasi. 2) After successful login, the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. **CDSL/ NSDL/ KARVY/ LINK INTIME** as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at **https://web.cdslindia.com/myeasi/Registration/EasiRegistration** 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.

Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following **URL:https://eservices.nsdl.com** either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com.** Select "Register Online for IDeAS "Portal or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** 3) Visit the e-Voting website of NSDL. Open web browser by typing the following **URL: https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & for physical shareholders.

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

2) Click on "Shareholders" module.

3) 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.

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

5) 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.

6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form (other than individual) 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 (3).

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

(vii) 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.

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

(ix) Click on the EVSN of APAR Industries Limited on which you choose to vote.

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

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

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

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

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

(xv) 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.

(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- 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.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as per the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 Monday, August 9, 2021 to Wednesday,August 11, 2021. 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.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. 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.

10. 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.

11. 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. Friday, August 6, 2021 should follow the same procedure as mentioned above for e-Voting.

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.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 022-23058542/43.

19. 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 Monday, August 9, 2021
End of e-voting period	Upto 17:00 Hrs. of Thursday, August 12, 2021

E-voting shall not be allowed beyond 17.00 Hrs. of Thursday, August 12, 2021. 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. Friday, August 6, 2021, 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 Friday, August 6, 2021.

(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, in two working days 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.

RegisteredOffice:
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 Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. Rahul Ganesh Dugal & 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 on 31st March, 2022 (2021-22).

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. 4 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, Cable and Polymer divisions of the Company for the financial year ending on 31st March, 2022 (2021-22).

The Board accordingly, recommends the resolution at Item No. 4 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. 4 of the Notice.

By Order of the Board
For APAR Industries Limited

Sanjaya Kunder
Company Secretary

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

Place : Mumbai
Date : 31st May, 2021.

Profile of the director 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. Rishabh K. Desai**
DIN	08444660
Date of Birth	16.05.1992
Date of Appointment	07.05.2019
Qualifications	Bachelor of Science in Business Management & Entrepreneurship from Babson College, USA
Expertise in specific functional areas	Expertise in Business, Finance and Strategic Management
Experience	5 Years
Directorship held in other Listed Companies as on 31st March, 2021.	None
Chairmanship / Membership of Committee held in other Listed Companies as on 31st March, 2021.	None
Number of Equity Shares held in the Company as on 31st March, 2021.	42,398 (0.111%)
Relationship with other directors and Key Managerial Personnel	Related to – Mr. Kushal N. Desai (Father), CMD and Mr. Chaitanya N. Desai (Father's Brother), MD
Number of Board Meetings attended during the Financial Year 2020 -21	4
Terms and Conditions of Appointment	Retirable by rotation, Non-Executive and Non-Independent
Details of remuneration sought to be paid	No Remuneration except sitting fees
Remuneration last drawn by the Director	-
List of Directorship held in other Companies as on 31.03.2021	1. Petroleum Specialities FZE, Sharjah, UAE
	2. Petroleum Specialities Pte. Ltd., Singapore

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take immense pleasure in presenting the 32nd Annual Report of the Company together with the Audited Annual Financial Statements (Standalone and Consolidated) showing the financial position of the Company for the Financial year ended March 31, 2021.

1. **FINANCIAL PERFORMANCE**

   The financial performance of your Company for the Financial year ended March 31, 2021 is highlighted below:

(₹ in crore)

Particulars	Company			Consolidated		
	2020-21	2019-20	% of Increase	2020-21	2019-20	% of Increase
Sales Turnover	5,960.82	7,017.15	-15%	6,388.02	7,425.45	-14%
Other income	25.77	24.53	5%	22.26	17.99	24%
Profit for the year before finance cost, depreciation and tax expenses.	398.81	469.90	-15%	437.75	484.18	-10%
Deducting therefrom:						
- Depreciation / amortization	84.87	79.15	7%	93.44	87.12	7%
- Finance Costs	129.24	219.08	-41%	136.04	227.65	-40%
PROFIT BEFORE TAXATION FOR THE YEAR	**184.70**	**171.67**	**8%**	**208.27**	**169.41**	**23%**
Deducting therefrom:						
- Tax expenses	47.88	32.69	46%	47.77	34.26	39%
NET PROFIT FOR THE YEAR AFTER TAXATION AND BEFORE MINORITY INTEREST	136.82	138.98	-2%	160.50	135.15	19%
Adjustment of :						
Share in Profit (Loss) of Associate	-	-	-	-	-	-
NET PROFIT AFTER TAXATION AND ABOVE ADJUSTMENTS	136.82	138.98	-2%	160.50	135.15	19%
Add: Profit brought forward from previous year	645.78	608.44	6%	716.24	682.73	5%
Amount available for appropriations :						
- Reserves	(14.00)	(14.00)	0%	(14.00)	(14.00)	0%
- Dividend (including tax)	-	(87.64)	-100%	-	(87.64)	-100%
Leaving balance of profit carried to balance sheet	768.60	645.78	19%	862.74	716.24	20%
Earnings per equity share (EPS)						
- Basic & Diluted before & after extraordinary items	35.75	36.32	-2%	41.94	35.32	19%

2. NOTE ON COVID-19

The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available up to the date of approval of these financial accounts and concluded that no adjustment is required in these results. Based on its assessment of business / economic conditions, the Company expects to recover the carrying value of its assets. The Company will continue to evaluate the pandemic related uncertainty arising from the on-going second wave and will continue to assess its impact.

3. INDIAN ACCOUNTING STANDARDS

The Financial Statements for the year ended on March 31, 2021 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.

Considering the financial results and the performance of the Company during the year under review, as compared to the previous year, the Board of Directors has recommended the dividend of ₹ 9.50 (95 %) per share on 38,268,619 Equity Shares of the face value of ₹ 10/- each for the Financial Year 2020-21.

This dividend amounting to ₹ 36.36 Crores is payable after declaration by Shareholders at the ensuing Annual General Meeting (AGM) and you are requested to declare the same.

5. TRANSFER TO RESERVES

The Company proposes to transfer an amount of ₹ 14 Crore to the General Reserves. An amount of ₹ 862.74 Crores is proposed to be retained in the Consolidated Statement of Profit and Loss for FY 2020-21.

6. MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

ECONOMIC OVERVIEW

Global Economy & Outlook

The global economy contracted by an estimated 3.3% in 2020 due to the impact of the COVID-19 pandemic. Many countries faced multi-layered crises comprising domestic economic disruptions, plummeting of external demand, capital flow reversals and commodity price collapse.

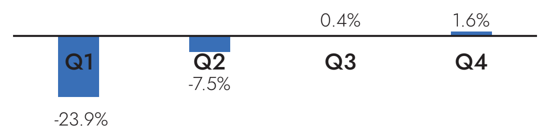
The IMF has projected the global economy to grow at 6% in 2021, before moderating to 4.4% in 2022. The growth is, however, subject to high uncertainty. Future growth will depend on the path the health crisis takes, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic, the effectiveness of policy actions to limit the persistent economic damage, the evolution of financial conditions and commodity prices and the adjustment capacity of the economy.

Indian Economy & Outlook

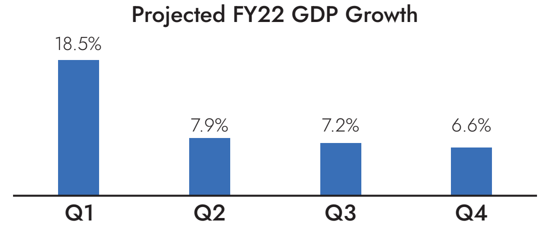
India's GDP contracted by 7.3% in FY21. The COVID-19 pandemic significantly affected the Indian economy with the national lockdown in April 2020, followed by phased unlocking and localized lockdowns in March 2021, as the second wave of the pandemic hit the country. Despite such unprecedented circumstances, Q3 & Q4 FY21 saw GDP growth led by agriculture, construction, electricity, gas, water supply and other utility services.

RBI has forecasted India's FY22 GDP to grow at 9.5%. The forecast of a normal monsoon, the resilience of agriculture and the farm economy, the adoption of COVID-19-compatible operational models by businesses, and the gathering momentum of global recovery are forces that can provide tailwinds to revival of domestic economic activity when the second wave abates.

FY 21 GDP Growth



Projected FY22 GDP Growth



INDUSTRY OVERVIEW

APAR Industries is a leading global manufacturer of conductors, cables, speciality oils, polymers and lubricants. Your Company has identified six major growth drivers:

Growth Drivers	APAR Products	APAR Advantage
Rising Global ESG Investments	Conductors, Cables and Transformer oils (T-oils)	• Largest conductor manufacturer. • 3rd largest manufacturer of transformer oils. • Largest in India for special application cables.
Accelerating Indian Railways Industry	Copper Conductors, XLPE & Elastomeric Cables & Harnesses	• Largest in India for special application cables and harnesses.
Strong pullback for Automotive Sector	Auto Lubes, Automotive Cables	• 10th largest domestic player in lubricants. • OEM relationships with leading Tier 1 tractor players.

Telecom Industry	Optical Fiber Cables (OFC), Optical Ground Wire (OPGW)	• Significant player in both these segments.
Defense Sector Infra Spending	Elastomeric Cables & Speciality Cables	• Major supplier of speciality elastomeric cables to the Indian Navy manufacturing establishments and to DRDO.
Exports	41% of revenue contribution in FY21	• Exports to over 125 countries. • Al-Hamriyah, Sharjah plant.

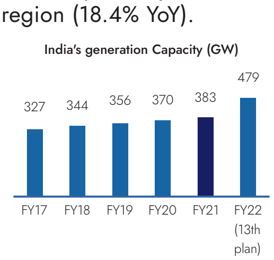
T&D Industry

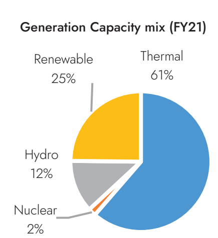
Rising global Environmental, Social and Governance (ESG) investments:

All major economies of the world are increasingly becoming more cognisant of the impact of global warming and are trying to reduce environmental impact by shifting to non-conventional energy that includes wind and solar. The Biden government in the US is also in the process of passing a $500-bn plus infrastructure-spending bill, which includes numerous ESG proposals.

Renewable Energy

Globally, efforts continued towards transition to a low-carbon-energy regime. Global renewable generation capacity reached 2,799 GW in 2020, with capacity increase of 261 GW. Solar energy was up 127 GW (22% YoY), followed by wind energy at 111 GW (18% YoY). Asia accounted for 64% of new capacity in 2020, increasing its capacity by 167.6 GW to reach 1.29 TW. Capacity in Europe and North America expanded by 34 GW and 32 GW, respectively. Oceania remained the fastest growing region (18.4% YoY).





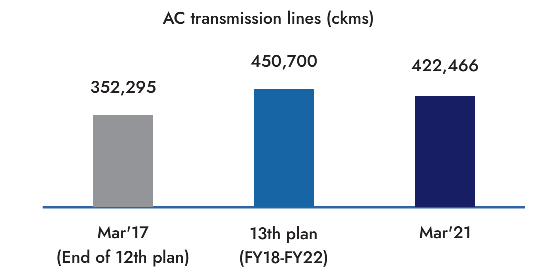
Renewable Energy Outlook

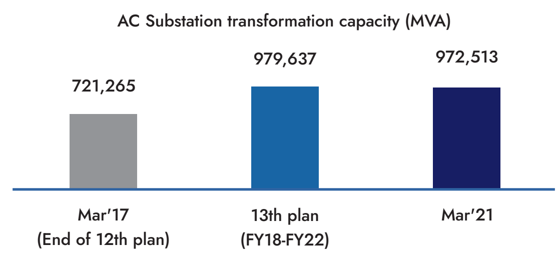
IEA estimates global energy demand to increase by 4.6% in 2021, more than offsetting the 4% contraction in 2020. Renewables dominate investment in new power generation, and are expected to account for 70% of 2021's total of $530-bn spend on all new generation capacity.

India aims at 450 GW of renewable energy generation capacity by 2030. Against its renewable energy target of 175 GW by 2022, India is at 94.5 GW and is on track to achieve 65-69% of the target. Solar is expected to add capacity additions in the range of 15-20 GW and wind is expected to add between 6-8 GW in FY22.

T&D progress as targeted in 13th Plan

16,462 ckms of transmission lines were added in FY21, 6.1% more than targeted and up 41% YoY. 33,120 MVA of sub-station transformation capacity was added in FY21, down 46% YoY.





Other T&D

- Electricity consumption contracted by 0.8% YoY in FY21 due to lower demand from the industrial and commercial sector impacting DISCOM revenues. ICRA estimates a revenue gap of ₹ 30,000 crore for DISCOMs in FY21 due to lockdown restrictions and absence of tariff revisions.
- The government sanctioned a liquidity package of ₹ 1.35 lakh crore in FY21 to help the stressed DISCOMS. This resulted in a 3.4% YoY reduction in outstanding dues owed by DISCOMs to power generators to ₹ 74,510 crore as on 31st March 2021.
- Power transmission projects, structured on the tariff-based competitive bidding (TBCB) mechanism and associated with large-scale evacuation of renewable energy, gained traction in FY21. Four new LOIs were issued in FY21 for these projects.

Other T&D Outlook

Global power sector investment is set to increase by ~5% in 2021 to over $820 bn. The projected requirement for new T&D lines is 80% greater over the next decade than in the last 10 years (IEA WEO 2020). The global market for power transmission and distribution conductors is expected to reach $6.6 bn and $26.9 bn, respectively, in 2024. Global transformer oil market is set to expand from $2.2 bn in 2020 to $3 bn by 2025 – or, 6.9% CAGR – by power grid updates in developing countries.

Budget 2021-22 allocation for the Indian Power Sector

- ₹ 15,322 crore to Power Ministry, up 40% YoY over FY21 Revised Estimate (R.E.):
- IPDS at ₹ 5,300 crore, up 33% YoY.
- DDUGJY at ₹ 3,600 crore, up 80% YoY.
- ₹ 575 crore outlay to Ministry of New and Renewable

Energy, up 60% YoY over FY21 R.E.:

- Green energy corridors at ₹ 300 crore, up 88% YoY.
- Wind Power (grid interactive + off-grid) at ₹ 1,100 crore, up 4% YoY.
- Solar power (total) at ₹ 2,606 crore, up 66% YoY.

Revamped reforms-based result-linked power distribution sector scheme:

The scheme is to be launched with an outlay of ₹ 3,05,984 crore over 5 years providing assistance to DISCOMS. It targets:

- Reduction of AT&C losses to 12-15% by FY25.
- 1,005 metering booths for consumers and agriculture.
- Reduce ACS and ARR losses to 0 by FY25.
- Capital Expenditure outlay for metering and infrastructure work is ₹ 1.5 lakh crore each for a period of 5 years.

Indian Railways Industry

The Indian Railways is also accelerating its addition of locomotives and coaches that require specialised cables and harnesses. In FY21, there was a great slowdown in production across government units, but planning to accelerate the catch up in FY22 and FY23. Indian Railways has set a target to achieve 100% 'Made in India' production of rail coaches by the end of 2022. Indian Railways achieved highest ever electrification of sections in FY21, covering 6,015 rkms in a single year. It has now electrified 45,881 rkms or 71% of total broad-gauge network. It also commissioned a record 56 Traction Sub Stations in FY21, up 33% YoY. 706 locomotives and 7,276 coaches were added in FY21.

Indian Railways Industry Outlook: The entire Indian Railways network, in order to reduce its carbon footprint, will be electrified by 2023. Further, they are targeting to install 20GW of solar power by 2030 to support the electrification process.

Automotive Industry

There has been a substantial expansion in the demand for agriculture equipment such as tractors. We expect this trend to continue for the next few years. Recovery in domestic automobile sales is expected from Q2 FY22 onwards, contingent on a faster vaccination drive and no new waves of Covid-19.

Overall domestic automobile sales volumes declined 13% YoY in FY21. However, tractor sales, the segment your Company focuses on, recorded a boom of 26.9% YoY with strong rural demand, enabled by healthy farm cash flows, and stable crop prices supported by the government's focus on procurement, and support programmes.

Automotive Industry Outlook: CRISIL estimates tractor sales to grow at 3-5% in FY22. Budget FY22 allocated ₹ 757 crore (up 138% compared to FY21 R.E.) to the Faster Adoption and Manufacturing of Hybrid and Electric Vehicle (FAME India) scheme to provide clean mobility solutions.

Telecom Industry

India is currently implementing BharatNet – the world's largest rural broadband access network. As the telecom industry matures with increased data traffic and speed, the demand for optical fibre networks is poised to grow. 5,21,322 Km of Optical Fibre Cables (OFC) was laid as on 14th May, 2021 under the Bharat Net program. Number of Gram Panchayats for which agencies decided to install Wi-Fi/FTTH stood at 1,32,600.

Telecom Industry Outlook: FY22 Budget allocation to Bharat Net was ₹ 7,000 crore, up 27% YoY.

Defence Industry

Under the Atmanirbhar Bharat campaign, the defence sector has been identified as one of the core areas to boost 'Make in India'. The government's push to promote indigenous defence equipment is evident in the Defence Acquisition Procedure 2020, which prioritises capital acquisitions from domestic players over foreign ones.

Defence Industry Outlook: Union Budget 2021-22 has given a historic push to defence modernisation by increasing the defence capital outlay by 18.8% to ₹ 1,35,061 crore.

Exports

With the spread of COVID-19 through multiple waves hitting countries at different times, your Company is focusing on exports, to hedge geographic diversification and capture the ESG derived opportunities in the US, Europe, Australia and Latin America.

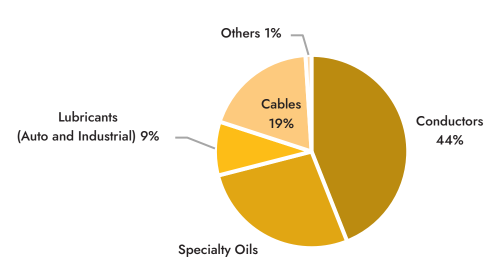
Exports Outlook: The Federation of Indian Export Organisations has set an export target of $ 400 bn in FY22. This is being buoyed by demand from western nations, where the impact of COVID-19 is waning.

OVERALL BUSINESS PERFORMANCE

In ₹ Cr	FY17	FY18	FY19	FY20	FY21
Revenue	4,832	5,819	7,964	7,443	6,410
EBITDA	433	419	483	484	438
PAT	177	145	136	135	161
Cash Profit	222	201	203	222	254
ROE	19%	13%	12%	11%	12%
D/E	0.1	0.2	0.1	0.1	0.1

Numbers are as per Ind AS.

FY21 SEGMENTAL REVENUE=MIX



The Company posted 19% YoY growth in PAT in FY21 despite the unprecedented disruptions caused by the pandemic. Consolidated revenue in FY21 was at ₹ 6,410 crore, down 14% YoY, mainly due to lower domestic revenues as a result of the national lockdown in the initial months of the year coupled with persistent low demand. Export revenue increased 3% YoY, contributing 41% to revenues in FY21. Consolidated EBITDA was at ₹ 438 crore and EBITDA margin improved to 6.8% in FY21 from 6.5% in FY20 with increasing share of higher-value products. Speciality Oils achieved a historically highest EBITDA of ₹ 7,032 per KL in the year, up 135.2% YoY.

SEGMENT-WISE PERFORMANCE

Conductors - Largest manufacturer globally

Your Company is the largest global manufacturer of Conductors with 1,80,000 MTPA capacity. ₹ 344 crore of strategic capex was undertaken over FY15-FY21 to launch several innovative solutions in the space:

- Pioneered turnkey solutions for re-conducting with HEC, live line installation with OPGW.
- 1st to develop copper-magnesium conductors as per R.D.S.O. specifications.

Revenue for the conductors' segment declined 19.2% YoY to ₹ 2,908 crore as domestic revenues declined 37.0% YoY, mainly due to COVID-19-related headwinds.

In ₹ Crore	FY21	FY20	Growth (%)
Order Book	1,649	2,003	-18%
Turnover	2,908	3,600	-19%
Segment Profit/(Loss)	68	158	-57%
Volume (MT)	1,28,460	1,58,104	-19%

- Exports' contribution was up to 52.1% versus 40.6% in FY20.
- Higher-value products (High-Efficiency Conductors (HEC) + Copper Conductors + OPGW + Copper Transpose Conductors (CTC)) contribution was at 32.6% vs. 39.4% in FY20.
- HEC: Revenue was down 36.9% YoY.
- Copper conductor for Railways: Revenue was down 45.9% YoY.
- CTC: Revenue up 286.4% YoY.
- OPGW: Revenue up 83.3% YoY.
- New order inflow of ₹ 2,425 crore in FY21 was down 7.4% YoY.

EBITDA per MT after forex adjustment down 26.5% YoY at ₹ 7,926: Unprecedented low profitability realized in Q4 FY21 due to steep increase in international freight costs, aluminum premium and steel prices for fixed-price orders. Global freight costs were up 3-4x due to scarcity of containers in this quarter. Additionally, there was delay in customers' clearances due to COVID-19/travel restrictions. The MEIS benefit of 2% of FOB value of exports was withdrawn by the government in Q3, and the alternate scheme was not finalized. These factors were beyond the Company's control to manage.

Outlook

- Expect the ongoing 2nd COVID-19 wave to impact H1 FY22 operations and H2 FY22 to be closer to pre-COVID-19 times.
- ₹ 500 crore+ worth orders already received in April 2021, though EPC players have delayed ordering due to steep rise in aluminum and steel prices.
- As COVID-19 gets in control, strong T&D demand is expected from the renewable projects under construction/ bidding, and the government's commitment to higher share of clean energy. Similarly, Railways electrification, and EV charging infrastructure will be key demand drivers.
- Focus on higher-value products such as HEC, Copper Conductors, CTC and OPGW to help profitability.

Risks and Concerns: Additional shutdowns due to higher COVID-19 spread, and additional waves in India and other major markets may impact operations and demand. International freight prices remain high and container availability remains a major issue. In the larger TBCB projects, where your Company is a vendor, profitability may be impacted because of the fixed-price nature of the contracts and the lag between the pre-bidding stage and actual ordering. Increase in steel prices and no hedgeable mechanism for the same may affect future profitability. 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 customers' side may have an impact. Regional political instability and changes in the external environment in certain export markets may affect execution.

Speciality Oils - Highest EBITDA per KL

The Company is the 3rd largest global manufacturer of transformer oils. In FY 21, your Company became the 10th largest lubricant marketer in India. This puts the Company at an advantage in terms of economies of scale for manufacture and distribution, adding to the premiumization of the oil division business. ₹ 208 crore was invested in FY15-21 on higher-value products:

Introduced the best performing Premium Natural Ester-based transformer oil in the world:

- This oil provides a high degree of safety, is 99% biodegradable, has the lowest carbon footprint in its manufacture and offers the best viscosity and oxidation stability (parameters to determine the life of the oil) in its class globally.
- NE Premium has been showcased to various global OEMs and is under field trials.

FY21 became the best performing year for the division:

Revenue grew 2% YoY to ₹ 2,364 crore, driven by 11.4% YoY growth in exports. This was spread across industry sub-verticals.

In ₹ Crore	FY21	FY20	Growth (%)
Turnover	2,364	2,311	2%
Segment Profit/(Loss)	266	121	121%
Volume (MT)	3,99,214	4,03,626	-1.1%

- Exports contribution up to 41% versus 37% in FY20.
- White oil sales volumes up 16.1% YoY, driven by strong growth in exports.
- Transformer oil volumes down 16.4% as domestic volumes declined due to both demand and cash flow issues.
- Revenue from automotive oils and industrial oils up 14.6% YoY in FY21.

Recorded highest-ever profitability:

EBITDA per KL after forex adjustment in FY21 was at ₹ 7,032, up 135.2% YoY, with improved premiumization of product-mix, supported by stable base oil prices and strict focus on working capital management.

Reached Capacity Utilization target ahead of its time:

The new state-of-the-art Hamriyah (Sharjah) plant operated at 79% utilization in FY21, up from 69% in FY20.

Outlook

- The Company expects FY22 to be tougher with both offtake and margins affected due to the 2nd wave of COVID-19, especially with rural areas also being affected this time.
- 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.
- Another growth year expected for tractor sales in FY22.
- Rising ESG Investments will support the innovative NE Premium product.

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 – Largest domestic player in renewables

The Company is the largest domestic player in renewables with one of the widest ranges of medium-voltage and low-voltage XLPE cables, elastomeric cables, fibre optic cables and speciality cables. The Company boasts of 60% share in domestic wind sector. ₹ 265 crore has been invested over FY15-21 developing new-age solutions:

- Launched India's most advanced E-beam facility and now has 3 operating machines.
- High-voltage power cables using the latest CCV technology.
- Introduced Medium Voltage Covered Conductor (MVCC) for increased safety and uninterrupted power distribution in high population density and forested areas.

Focus on exports during low domestic demand:

Revenues from the Cables segment declined 21% YoY to reach ₹ 1,270 crore as Elasto/E-beam cable business was affected due to reduced offtake in solar, wind, railways and defence business.

In ₹ Crore	FY21	FY20	Growth (%)
Turnover	1,270	1,600	-21%
Segment Profit/(Loss)	33	155	-79%
Segment Profit margin	2.6%	9.7%	-73%

- Exports contribution at 20% versus 17% in FY20.
- Power cable continues to be highly competitive.
- During the year, the Company installed the 3rd E-beam machine of 2.5 MeV class with in-house expertise.
- Telecom cables/OFC revenue was up by 21.2% YoY.
- EBITDA margin post forex adjustments down 66.4% YoY to ₹ 60 crore in FY21.

Taking giant leaps to bolster exports revenue:

- Received various UL approvals which are mandatory for the sale of electrical cables to the US market.
- The Company received global supply approvals from some of the largest windmill producers in the world, including General Electric and Vestas.

Outlook

- In FY22, the Company will continue its focus on growing exports and premium products: MVCC, automotive cables and harnesses.
- Expecting increased sales in FY22 with our solar, wind, railways and defence customers starting up from June-July of 2021.
- The Company is planning ₹ 95 crore capex over next 12 to 18 months to substantially increase cables for solar & wind segment as well as target the US market, as the Company sees an opportunity in the China plus One strategy.

Risks and Concerns: The excess capacity in the power cables segment impacts pricing. Collection periods can get extended and delivery schedules 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. The Company's 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 the stressed financial condition of customers.

Internal Control Systems (ICS) and Their Adequacy

The Company has established adequate ICS in respect of all the divisions of the Company. The ICS aims to promote operational efficiencies and achieve savings in cost and overheads in all business operations. 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 were discussed at the Audit Committee meetings and appropriate corrective steps have been taken. Further, all business segments prepare their annual budgets, which are reviewed along with performance at regular intervals.

Development of human resources

The Company promotes an open and transparent working environment to enhance teamwork and build business focus. The Company gives equal importance to development of human resources (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 has performance / production-linked incentive schemes and introduced the Employees Stock Option Scheme. The Company also takes adequate steps for in-house training of employees and maintaining a safe and healthy environment.

Key Financial Ratios with details of significant changes

The Company has identified the following as key financial ratios:

Consolidated Ratios	FY21	FY20	% Change
EBITDA Margin	6.9%	6.5%	5.1%
PAT Margin	2.5%	1.8%	38.0%
ROE	12.5%	11.4%	9.2%
Debtor Turnover	108	99	8.4%
Inventory Turnover	98	75	30.5%
Current Ratio	1.22	1.13	7.3%
Debt/Equity Ratio	0.17	0.19	-10.0%
Interest Coverage Ratio	2.5	1.7	45.1%
Net Fixed Asset Turnover	6.9	8.5	-18.4%

During the year, the Company strictly focused on working capital management, as domestic revenues were impacted by COVID-19-related issues. The reduction in interest rates and strict focus on working capital management were the main drivers behind the 42% YoY decrease in interest costs that reflected in improved Interest Coverage Ratio and PAT margin. PAT margin was also helped by 31 bps improvement in EBITDA margin, driven by improved Oils profitability and focus on per-order metrics. Towards the end of the year, the second wave of COVID-19 had started resulting in local-level lockdowns and travel restrictions at places, resulting in transient higher inventory as customers' clearances to inspect and dispatch finished goods got delayed.

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 ASSOCIATE COMPANIES

Your Company has the following subsidiaries and associate as at March 31, 2021:

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,
4. APAR Distribution & Logistics Private Limited – Wholly Owned Subsidiary of the Company and
5. Ampoil Apar Lubricants Private Limited – Associate of the Company with 40% stake along with PPS Motors Pvt. Ltd. and Others.

The Company has not attached the Balance Sheet, Statement of Profit & Loss Accounts and other documents of its four Subsidiaries and Associate. 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 and Associate for the financial year ended March 31, 2021 in **Form AOC – 1** is included in the annual report and shall form part of this report as **"Annexure VIII"**. The annual accounts of the said Subsidiaries and Associate and other 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 and Associate, are available on the website of the Company at www.apar.com.

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 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 – V".**

10. BUSINESS RESPONSIBILITY REPORT

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

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Re-appointments

At the 32nd Annual General Meeting (AGM), Mr. Rishabh K. Desai, Director (DIN: 08444660) shall retire by rotation and being eligible, offers himself, for re- appointment.

The Board of Directors, on the recommendation of the Nomination and Compensation-cum-Remuneration Committee has recommended re-appointment of Mr. Rishabh K. 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 March 31, 2021.

12. MEETINGS

During the year, four Board Meetings and four Audit Committee Meetings were convened and held. In view of the pandemic situation due to COVID-19, all the Meetings were held through Video Conferencing as permitted by Ministry of Corporate Affairs (MCA) & Securities and Exchange Board of India (SEBI). The intervening gap between the Meetings was within the period prescribed under the Act except the relaxation given by MCA and SEBI to hold such meetings. 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 March 31, 2021.

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, 2021, 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 March 31, 2021 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 the 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 Committee, Audit Committee and the Board of Directors review the risk assessment and minimization procedures on regular basis.

18. ANNUAL RETURN

In compliance with Section 92(3) and 134(3)(a) of the Act, Annual Return is uploaded on Company's website and can be accessed at https://apar.com/investor/.

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 – IX"** 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 the 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 March 31, 2021.

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 statutory auditors in their report read with the relevant notes as given in the notes to the financial statement for the financial year ended on March 31, 2021 are self- explanatory and are devoid of any reservation, qualification or adverse remarks.

The present Statutory Auditors, M/s. C N K & Associates LLP, Chartered Accountants (Firm Registration No. 101961W/W100036), Mumbai were appointed at the 31st Annual General Meeting of the Company held on 17th August, 2020 for a first term of 5 years so as to hold office upto the 36th Annual General Meeting 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, Cables and Polymer 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 & 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 on March 31, 2022 (2021-22) on a remuneration not exceeding ₹ 1,20,000/- p.a.

A Resolution seeking members' ratification of remuneration payable to M/s. Rahul Ganesh Dugal & Co., Cost Auditor is included at Item No. 4 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, Practicing Company Secretaries, Vadodara, Gujarat, to undertake the Secretarial Audit of the Company for the financial year 2020-21. 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 a Whistle Blower Policy (APAR's OMBUDSMEN Policy) effective from 1st March, 2014 by setting a vigil mechanism in place.The details of the whistle blower 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, annual reports etc. are being sent to shareholders via electronic mode.

Further, the Company has started using recyclable steel drums in place of wooden pallets in order to protect the environment and reduce costs for the Company and other initiatives are provided in the Report of conservation of Energy in **Annexure IV** and Business Responsibility Statement in **Annexure VI**.

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 Develoment, Empowerment of physically / mentally challenged and underprivileged children, adults and providing free education, Relief and rehabilitation for combating with COVID-19 pandemic related activities, Free ration in the rural areas, Empowering women socially & economically etc.

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 Plan 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 -VII"** 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"** and forms 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.
5) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
6) There was no instance of onetime settlement with any Bank or Financial Institution.

32. ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the continuous cooperation, support and assistance provided by all stakeholders, financial institutions, banks, government bodies, technical collaborators, customers, dealers and suppliers of the Company. We thank the Government of Sharjah, UAE and Singapore where we have operations.

Your Directors also wish to place on record their sincere appreciation for the contribution made by our dedicated and loyal employees at all levels particularly during the pandemic. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board

Kushal N. Desai
Chairman & Managing Director
DIN - 00008084

Place : Mumbai
Date : : May 31, 2021.

Annexure - I to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT
For the financial year ended 31st March, 2021

[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, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2021, generally 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, 2021 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:

(i) Secretarial Standards under the provisions of the Companies Act, 2013 and 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.
- During the audit period, there were no such specific 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.:

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 : F004965C000396301

Date: 31.05.2021
Place: Vadodara

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 since the same have been subject to review by the Statutory Auditors and other designated professionals.

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. Due to COVID-19 outbreak and Lockdown situation, in respect of part of the Audit, we have relied on the information, details, data, documents and explanation as provided by the Company and its officers and agents in electronic form without physically verifying their office.

7. 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 : F004965C000396301

Date: 31.05.2021
Place: Vadodara

Annexure – II to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities 2020-21

1. **BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:**

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. Relief and rehabilitation for combating with COVID-19 pandemic related activities
7. Free ration in the rural areas
8. Empowering women socially & economically

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

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

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Kushal N. Desai	Chairman & Managing Director and Chief Executive Officer (CEO)	4	4
2.	Mr. F. B. Virani	Independent & Non-Executive Director	4	4
3.	Mr. Chaitanya N. Desai	Managing Director	4	4

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

For CSR Committee : https://apar.com/wp-content/uploads/2021/02/1.-Compositions-of-Various-Committees.pdf

For CSR Policy : https://apar.com/wp-content/uploads/2021/03/CSR-Policy.pdf

For CSR Projects : https://apar.com/wp-content/uploads/2021/06/APAR-CSR-Annual-Action-Plan-FY-2021-22.pdf

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

- **Not Applicable** - as the Company does not have an average CSR obligation of ₹ 10 Crores or more in the three immediately preceding financial years.

5. **Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
---- Not Applicable as no amount is required to be set-off ---			

6. **Average net profit of the company as per section 135(5).**

₹ 207.01 Crores.

7. **(a) Two percent of average net profit of the company as per section 135(5):**

₹ 4.14 Crores.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

₹ Nil

(c) Amount required to be set off for the financial year, if any:

₹ Nil.

(d) Total CSR obligation for the financial year (7a+7b-7c).

₹ 4.14 Crores.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
4,17,22,900/-	Nil	--N. A. --	--N. A. --	Nil	--N. A. --

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes /No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Imple-men-tation Direct (Yes/No)	Mode of Impleme-ntation Through Impleme-nting Agency.	
				STATE	DISTRICT						Name	CSR Regist-ration number
---- Not Applicable ---												

(c) Details of CSR amount spent against other than ongoing projects for the Financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr No	Name of project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/ No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
1.	Federation of Industries Association, Silvassa - Free ration to needy people in Silvassa during Covid 19 pandemic situation	Item i	Yes	Union Territory of Dadra & Nagar haveli	–	5,50,000/-	No	Federation of Industries Association, Silvassa	–
2.	Maa Aparna Mission Shakti Group, Jharsuguda - For preparation & distribution of mask to people for combating with COVID-19 pandemic situation.	Item i	Yes	Odhisha	Jharsuguda	3,40,000/-	No	Office of the District Magistrate & Collector, Jharsuguda	–
3.	Annamrita Foundation, Mumbai - Welfare to the underprivileged children & providing education to them	Item ii	Yes	Maharashtra	Mumbai	1,82,900/-	No	Annamrita Foundation, Mumbai	CSR00-001973
4.	Anganwadi Project at Govardhan Eco Village, Bhaktivedanta Kaushal Vikas Kendra BKVK Project (Skill dev.) & Women's Empowerment	Item ii, iii, x	No	Maharashtra	Thane	47,00,000/-	No	Sri Chaitanya Seva Trust, Thane	–

5.	Sister Nivedita School on Wheels - Scholarship for economically challenged Girls, Reading workshop for Schools and Environmental awareness for Students	Item ii, x	No	Gujarat	Rajkot	5,00,000/-	No	Sister Nivedita Foundation, Rajkot	CSR 0000 7042
6.	Adruta Children Home - Rehabilitation of abandoned, unclaimed, parentless and destitute children, especially girl children, in need of care & protection	Item ii, iii	No	Odhisha	Bhub-aneswar - Khordha district	10,00,000/-	No	Rawa Academy, Bhuba-neshwar, Odisha	CSR 0000 2778
7.	Procurement of life saving ICU equipment at Dharmsinh Desai Memorial Methodist Institute of Cardiology and Cardiovascular Surgery Nadiad, Gujarat	Item i	No	Gujarat	Nadiad – Kheda District	30,00,000/-	No	Gujarat Methodist Church Cardiac Care & Research Society Nadiad, Gujarat	CSR 0000 6972
8.	Welfare of underprivileged children & skill training programs for women & spastics children welfare	Item i, ii, iii	No	Mahar-ashtra	Nasik	3,00,000/-	No	Help Care Society, New Delhi	--
9.	Liberate socio-economically disadvantaged women	Item ii, iii	Yes	Mahar-ashtra	Mumbai	5,50,000/-	No	Human Capital For Third Sector (Project Katalyst), Mumbai	--

10.	Setting computer center for the orphans & economically backward students for imparting free education	Item ii, iii	No	Ramgarh	Uttara-khand	5,00,000/-	No	Jivan Mangalaya Trust, Rajkot,	--
11.	Rural development programmes for Anganwadi and BKVK Project (Skill dev.) at Wada	Item ii, iii, x	No	Mahar-ashtra	Mumbai	2,81,00,000/-	No	Sri Nityananda Educational Trust	CSR00-000725
12.	Upliftment of poor and underprivileged society, education to weaker section of the society, medical assistance to the poor, needy in the vicinity of Gujarat, UT of Dadra & Nager Haveli, Silvassa etc. including the activities undertaken by Federation of Industries Association, Silvassa (FIAS) of providing nutritious ration kits to the patient suffering from diseases like Anemia, Tuberculosis, Sickle Cell, Leprosy, HIV etc. in the above mentioned area.	Item i , ii	No	Gujarat	Nadiad – Kheda District	20,00,000/-	No	Dharmsinh Desai Foundation, Nadiad	CSR 0000 7252
	Total					4,17,22,900/-			

(d) Amount spent in Administrative Overheads	Not Applicable
(e) Amount spent on Impact Assessment, if applicable	Not Applicable
(f) Total amount spent for the Financial (8b + 8c + 8d + 8e)	**Rs. 4,17,22,900/-**

(g) Excess amount for set-off, if any

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	4,14,02,881/-
(ii)	Total amount spent for the financial Year	4,17,22,900/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,20,019/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii) – (iv)]	3,20,019/-

9. (a) Details of Unspent CSR amount for the preceding three financial years

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
--- Not Applicable ---							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the Project- Completed / ongoing
--- Not Applicable ---								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.

(asset-wise details) : Not Applicable

a. Date of creation or acquisition of the capital asset(s)	--
b. Amount of CSR spent for creation or acquisition of capital asset.	--
c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	--
d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	--

11. Spacify the reason(s), if the Company has failed to spend two per cent of the average net profits as per Section 135(5):

- Not Applicable -

Sd/-

(Kushal N. Desai)
Managing Director & CEO
Chairman – CSR Committee
DIN – 00008084
Mumbai, May 31, 2021

Sd/-

(Chaitanya N. Desai)
Managing Director
DIN-00008091

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 2020 -21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020 -21.

Sr. No.	Name of Director/KMP and Designation	% increase/decrease in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Kushal N. Desai, Chairman & Managing Director	-34%	32.98:1
2.	Mr. Chaitanya N. Desai, Managing Director	- 36%	32.35: 1
3.	Mr. F. B. Virani Independent Director	-13 %	00.60 : 1
4.	Mr. Rajesh Sehgal Independent Director	04 %	00.48 : 1
5.	Mrs. Nina Kapasi Independent Director	- 15 %	00.48: 1
6.	Mr. Rishabh K. Desai * Non Executive –Non Independent Director	00 %	00.27 : 1
7.	Mr. V. C. Diwadkar, Chief Financial Officer	00 %	
8.	Mr. Sanjaya R. Kunder, Company Secretary	00 %	

Notes :

1. Independent directors are paid only sitting fees.
2. The percentage increase in the median remuneration of employees for the financial year 2020-21 was around 3.27 %.
3. There were 1,379 permanent employees on the rolls of the Company as on March 31, 2021.
4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was -5 % due to cost reduction program and percentage increase in the managerial remuneration for the same financial year was -35% due to voluntary foregone monthly salary by Managing Directors.
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, 2021.

Names	Age (Years)	Designation / Nature of Duty	Qualifications	Experience (Years)	Remuneration (₹)	Date of Commencement of Employment	Last Employment and Designation
Mr. Kushal N. Desai	54	Chairman & Managing Director	B.Sc. (Hons.), (Ele. Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	32	2,16,80,994	24.03.1999	GE Lighting (India) Ltd. - President
Mr. Chaitanya N. Desai	49	Managing Director	B.Sc. (Hons.), (Chem.Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	27	2,12,64,985	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 except Ms. Gaurangi K.Desai, Manager - Branding & Digital initiatives, Daughter of Mr. Kushal N.Desai, Sister of Mr. Rishabh K.Desai and niece of Mr. Chaitanya N. Desai.
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, 2021.

I. CONSERVATION OF ENERGY:

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

Conductor Division:

i. Installed 275 KW Solar Plant & 225 KW rooftop solar panel for green energy generation.

ii. Installed Auto temperature control by PLC of Copper melting furnace.

iii. Copper melting furnaces - Chimney drive panel prepared & installed (In-House).

iv. All Copper melting furnaces –Automation done for Copper Cathode charging in furnaces.

v. OPGW conforming lines power switch over to ATRC power from Conductor power.

vi. Installed servo drive system in place of PMDC system in 12 cage of S & P machine.

vii. CTC Conductor short detector system online on mobile through WI-FI.

viii. CTC - COPTECH make Rolling mill synchronization with PLC, dancers & edgers.

ix. Use of common manifold Plant-1 from 912KWH/day to 600 KWH/day.

x. Use of compressor with 5HP motor instead of compressor with 50HP motor.

xi. Installed VFD in Hydrant Jockey pump.

xii. Modification of 3 Nos of ageing furnace for heat treatment of AL59 Rod to increase productivity of AL59 conductor manufacturing.

xiii. Replaced fire hydrant jockey pump starter to VFD saving energy up to 10%.

xiv. Replaced CCR-1 coiler drive in higher capacity.

xv. Made common connection of Air line of Bull block section through single air compressor instead of earlier running 2 nos compressors.

xvi. Installed air proof panel cabin in 30 tonne old crane to prevent VFD and decrease the downtime up to 20%.

xvii. Earlier 75 KW air compressor was the only option for running the CCRs but now we use newly installed 37 KW air compressor for running 1 CCR.

Oil Division:

i. 398000 KWH Solar power generated through existing 395KWp Roof top PV Solar power plant and reduced the carbon emissions by 326 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. Generation of 12,47,240 units of electricity through 936 KWP & 576 KWP Roof Top Solar Plant, resulting into reduction of 1162 metric ton (approx) of CO2 emission and was equivalent to planting 78077 mature trees. Another 763 KWP Rooftop Solar plant was also installed.

ii. Saving of 31,640 KWH (Units) by replacing MH lights and tube lights by LED lights and 53,832 KWH (Units) by replacing some old DC motors into AC Motor capacity reduction, Furnace Fan side drive fittings etc.

iii. 3,52,391 units saved in form of PF rebate by maintaining good power factor. 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 Interchange of RBD machines boost the productivity compare to old RBD machine approximately benefit of 42,870 KWH on yearly basis. Old RBD per MT/KHW was 243 on the other side new RBD consumption per MT/KWH is 192.

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. Energy Management system – Automation system

ii. Modification/ automation in CCR, Conductor (HTLS), Conductor greasing & PA rod

iii. Replacement of capacitor with harmonics filter and auto operated capacitor bank 3 nos, reduced harmonics effect from system.

iv. VFD to be provided at cooling tower pump motor at CT - 02 & CT - 03, (Total 2-Nos), approx. 15% energy saving & smooth operation.

v. VFD to be provided for blowers of ageing furnaces (total 4-nos) for reduction in power consumption from 24KWH/hr. to 13 KWH/hr.

vi. If provided harmonic filter auto operated 400 KVAR capacitor bank (2 nos.) then this modification will reduce harmonic effect from the system and reduces the energy consumption up to 10%.

vii. CCR Screw air compressor 75kw Star-delta starter (2 nos.) to be converted in AC drive for 15% energy saving.

viii. If provided VFD at CT pump motor at BB 1, 2 (Total 3 nos), approx. 15% of energy can be saved & smoother operation.

ix. Installation of solar project in process at various location which result into further reduction of purchase units.

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

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

xii. Additional 550 KWp proposal for roof top solar power plant.

xiii. Provision of hot Insulation to all heating vessel to reduce the thermal energy loss.

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

i. Automation, control & analysis, identification of ghost load/energy consumption help to reduce energy consumption.

ii. Plant automation & modification for energy saving, process control, quality improvement.

iii. Automation through PLC PROFIBUS & VFD system for energy saving.

iv. VFD system for energy saving in close loop synchronization.

v. Energy saving through LED lights with same lux level.

vi. Utilization of sun light in a day time & enrgy cost saving.

vii. Develop 5th RBD in-house for AAAC Aster 12.5mm drawing.

viii. Energy saving in air compressors through screw type.

ix. Grease consistency & saving in on line conductor grease application at RST machines.

x. Generation of energy through natural resources & saving Grid electrical consumption.

xi. Reduction in power consumption of compressor of Plant - 2 from 500KWH/day to 90 KWH/day.

xii. Saved 10 % in power by installing VFD in Hydrant jockey pump.

xiii. Reduction in down time and increase in productivity up to 15 %.

xiv. Common connection of air line is saving energy up to 10%.

xv. Newly installed 37 KW air compressor saves energy up to 40%.

xvi. Reduced harmonics effect from system and reduced energy up to 10%.

xvii. VFD at cooling tower pump motor and blowers resulted into energy saving.

xviii. Conversion to VFD drive to result into saving of 10%.

xix. Conversion of DC drive into VFD drive will result into saving of 38 KW/day from air compressors.

xx. Installation of solar power plant with save fuel to the tune of 15%.

xxi. Installation of panel with Harmonics to reduce energy cost.

xxii. Reduction of CO_2 in atmosphere.

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

(A) Power and Fuel Consumption:

(i) Electricity:

		2020-21	2019-20
(a)	Purchased units	7,97,55,181	9,30,60,304
	Total Amount (₹ / crore)	55.35	63.72
	Rate/Unit (₹)	6.94	6.85
(b)	Own Generation Through Diesel Generator (Units)	8,93,751	12,67,145
	Average Units generated per liter of diesel oil	2.93	2.74
	Average Cost of Unit (₹)	24.29	24.98

(ii) Furnace Oil:

Quantity (Kl.)	5,125	5,351
Total Amount (₹ / crore)	14.12	18.15
Average Rate/Kl. (₹)	27,555	33,918

(iii) Natural Gas:

Quantity (M3)	13,14,392	12,37,005
Total Amount (₹ / crore)	4.65	4.24
Average Rate/M3. (₹)	35.34	34.26

(iv) LPG:

Quantity (Kl.)	33,740	33,173
Total Amount (₹ / crore)	0.14	0.14
Average Rate/Kl. (₹)	42.38	41.62

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

		2020-21				2019-20			
		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	8.26	0.15	1.75	-	8.62	0.28	1.81	-
(ii)	Conductors Division : Per MT output of Aluminium/Alloy Conductors	370	39	-	0.64	340	32	-	0.55
(iii)	Cable Division: Per Km. of cable	123	-	54	-	166	-	60	-

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) Expansion of R&D Laboratory to accommodate higher testing volume and high efficiency of testing.

b) Development, testing and simulation of Emissivity measurement of surface treated/ coated conductor. Project undertaken for development of high efficiency coated conductor for reduced CO_2 emission.

c) Laboratory set-up and test facility expansion for OPGW Cable and CTC conductor for testing and handling higher volumes and customers inspection.

d) Project undertaken for pollution free in-house patenting process of steel for ACS.

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

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

g) Development of special MVCC cables of different specifications, aerial FS cable.

h) Fire resistant, Biodegradable Transformer oil "NE premium" with Superior Oxidation Stability ("First of its Kind") which has oxidative life 4 times more than any other product in the market is launched. Commercial Production completed and Field trials are in progress.

i) Two season study of Spray oils field trials for efficacy and phyto toxicity studies on Cotton, Apple were completed at AAU (Anand) & PAU (Punjab), YS Paramar University, H.P. respectively. Toxicology studies of the product is completed and application is filed for registration. Awaiting for approval from CIBRC.

j) PTFE Antiseize grease and PTFE grease for EV (Electric vehicle) are in progress.

k) PTFE Grease-Lithium complex grease launched.

l) NSF approved Thermic Fluid "POWER THERM 600 FG" released in the market.

m) Computational Fluid Dynamics (CFD) studies for Transformer thermal behavior in collaboration with Dharmsinh Desai University, Nadiad is an ongoing project currently. This will be extended to other lubricants.

n) Collaborative research work with Dharmsinh Desai University, Nadiad on refining of base oils for special applications is in progress.

o) High temperature chain oil is introduced. Work started to introduce synthetic ester chain oils.

p) Concrete form releasing agent "Poweroil Shuttering fluid" is launched.

q) Environmentally Acceptable Lubricants (EAL) segment is the focus and test facilities for biodegradability of the products by OECD 301B & 301D are established and validation under progress.

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

a) 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,

b) Enhancement of competency, skill and innovation towards solutions and Make in India.

c) Project undertaken for master data management and data analytics for quality improvement.

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

e) First of its kind high performance biodegradable renewable transformer oil were launched.

f) Papers presented at various conferences and invited lectures delivered at various universities.

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

h) During the pandemic times, indigenously manufactured cleaning liquids, handwash and in – house sanitizers were supplied to various APAR plants situated pan India.

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

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

a) Type testing and pilot transmission line simulation of comparative benefits of AERO-Z conductors.

b) Development of absorptivity of coated conductor and simulation of parameters and validation.

c) Commercial production of coated conductor and business development.

d) Project undertaken for Carbon foot print evaluation and reduction of CO2e for sustainability goal.

e) 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.

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

g) Capture OEM segments in Transformer oil for "NE premium" like SECI,NTPC etc.

h) Field Trials/condition monitoring of Natural Easter based Transformer oils for distribution transformers in progress.

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, EAL'S, EV LUBRICANTS, ANTI SEIZE GREASES, HTCO'S(High temperature chain oils),Nano induced Fuel additives, Shuttering fluids.

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.

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

a) Capital = Rs. 0.93 crore

b) Revenue = Rs. 5.68 crore

c) Total = Rs. 6.61 crore

d) Total R&D Expenditure as a percentage of total turnover = 0.11%.

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)

		2020-21	2019-20
(a)	Raw Materials (CIF)	2,703.38	2,923.20
(b)	Stores & Spares	6.34	5.09
(c)	Capital Goods	0.44	16.59
(d)	Others	83.26	102.74
		2,793.42	**3,047.62**

(ii) Total foreign exchange earned:

(₹ in crore)

		2020-21	2019-20
(a)	Physical Exports	1,793.72	1,936.88
(b)	Deemed Exports (eligible for export incentives)	77.52	56.10
(c)	Others	79.03	70.40
		1,950.27	**2,026.43**

Annexure V 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 solutions 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") as amended till date, 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 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 :** Chemical 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	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.

* 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, 2021.

(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 financial statements, 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 2020-21.

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 2020-21, four Board Meetings were held on June 25, 2020, August 6, 2020, November 5, 2020 and February 4, 2021. In view of the pandemic situation due to COVID-19, all the Meetings were held through Video Conferencing as permitted by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI). The last Annual General Meeting (31st AGM) was held on August 17, 2020 at 2:30 P.M. through Video Conferencing (VC).

Attendance record of each of the Directors at the Board Meetings during the Financial Year 2020-21 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)	9,208,503	4	4	Yes
Mr. Chaitanya. N. Desai (CND)	9,058,946	4	4	Yes
Mr. Rishabh K. Desai (RKD)	42,398	4	4	Yes
Mr. F. B. Virani (FBV)	5,000	4	4	Yes
Mr. Rajesh Sehgal (RS)	4,000	4	4	*NO
Mrs. Nina Kapasi (NK)	1,000	4	4	Yes

* Due to Covid related issues.

(e) Profile of Directors seeking Re-appointment

- Mr. Rishabh K. 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(3) 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**	3	3	KND **	4	4
FBV	4	4	FBV	1	1	KND	3	3	CND	4	4
RS	4	4	NK	1	1	CND	3	3	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**	1	1
CND	1	1
NK	1	1
RS	1	1
Mr. V. C. Diwadkar#	1	1
Mr. V. K. Lele#	1	1
Mr. Samir Mehta#	1	1

** Chairperson of the Committee

Other Committee Members from the Management

(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 such other programmes. The details of such programmes are put up on the website of the Company at the link:

https://apar.com/wp-content/uploads/2021/02/3.-Familiarisation-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 through Video Conferencing (VC) on February 20, 2021, 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 revised 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 2020 -2021 :

- 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 2020-21, four Audit Committee Meetings were held on June 25, 2020, August 6, 2020, November 5, 2020 and February 4, 2021. In view of the pandemic situation due to COVID-19, all the Meetings were held through Video Conferencing as permitted by MCA / SEBI. The Audit Committee includes three Independent Directors.
- Details of the constitution of the Audit Committee and attendance of the members during the financial year 2020-21 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 31st Annual General Meeting of the Company held on August 17, 2020 through Video Conferencing (VC).

(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 2020 -21:

During the financial year 2020-21, three Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee meetings were held on June 25, 2020, November 5, 2020 and February 4, 2021. In view of the pandemic situation due to COVID-19, all the Meetings were held through Video Conferencing as permitted by MCA / SEBI.

Details of the constitution of the Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee and attendance of the members during the financial year 2020-21 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, 2021.

(c) The details of complaints received, cleared and pending during the financial year 2020-21 are given as under:

1.	No. of complaints received from SEBI (SCORES)	Nil
2.	No. of complaints received from BSE	4*
3.	No. of complaints resolved	4*
4.	No. of complaints not solved to the satisfaction of the investors as at 31st March, 2021.	Nil
5.	Complaints pending as at 31st March, 2021.	Nil

* There were 4 complaints received by the Company from BSE Limited (BSE) through email and the said complaints were pertaining to the SEBI SCORES which were re-directed to the Company by BSE instead by SCORES site. Out of 4 complaints, 3 complaints were identical and similar in nature and 1 complaint pertaining to other matter, hence effectively there were only two complaints.

Further, the Company's –

(i) Conductor division received total 38 complaints and all 38 (100%) complaints were resolved. Out of total 38 complaints, 20 complaints are related to wire and wire rod business and rests were on conductors (Exports and domestic).

(ii) Cable division of the Company received total of 166 customer complaints, out of which 155 (93.37%) were resolved and 11 complaints are pending for resolution and

(iii) Oil Division of the Company received total 116 complaints, out of which 114 (98.3%) were resolved and 2 complaints are under resolution.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

a. Composition and attendance during the financial year 2020-21.

During the financial year 2020-21, four CSR Committee meetings were held on June 25, 2020, August 6, 2020, November 5, 2020 and February 4, 2021. In view of the pandemic situation due to COVID-19, all the Meetings were held through Video Conferencing as permitted by MCA / SEBI. The Board of Directors approved the amended Corporate Social Responsibility (CSR) Policy of the Company as per the amendments made by the MCA vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, notified on 22nd January, 2021.

Details of the constitution of the CSR Committee and attendance of the members during the financial year 2020-21 is given in Para 2(f) above.

b. Terms of Reference:

Broad terms of reference of the CSR Committee inter alia are:

(a) formulate and recommend to the Board, a CSR Policy, which shall include the activities to be undertaken by the Company as specified in Section 135 (3) and Schedule VII of the Act:

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

(c) monitor the CSR Policy of the Company from time to time and

(d) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy.

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 2020 -21:

During the financial year 2020-21, one NRC meeting was held on June 25, 2020. In view of the pandemic situation due to COVID-19, the Meeting was held through Video Conferencing as permitted by MCA / SEBI.

Details of the constitution of the NRC Committee and attendance of the members during the financial year 2020-21 is given in Para 2(f) above.

(b) Terms of Reference:

The broad terms of reference of the 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 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 Committee Members from the Management 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 2020-21, one meeting of Risk Management Committee was held on February 4, 2021. In view of the pandemic situation due to COVID-19, the said Meeting was held through Video Conferencing as permitted by MCA / SEBI.

Details of the constitution of the Risk Management Committee and attendance of the members during the financial year 2020-21 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 – ₹. 4,018 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	
Aluminium (Al)	1,867	1,23,194	MT	0%	0%	0%	96%	96%
Copper (Cu)	688	12,830	MT	0%	0%	0%	66%	66%
Zinc (Zn)	19	883	MT	0%	0%	0%	28%	28%
Steel #2	171	31,274	MT	0%	0%	0%	0%	0%
Oil #2	1,272	3,07,051	KL	0%	0%	0%	0%	0%

#1 - Exposure is based on the total purchases of particular commodity during the reporting year

#2 - These commodities are not hedgeable

Terms of Reference:

The broad terms of reference covering the matters specified for Risk Management Committee under Regulation 21 read with Part D of Schedule II to the Listing Regulations, which are mainly, amongst others, as follows:

- Review & monitoring of Risk Management policy, risk management plan and risk management process from time to time;
- ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

8. REMUNERATION OF DIRECTORS

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

The 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.

In view of the severe Pandemic situation due to COVID-19 and resulting lockdown in the entire country during the financial year 2020-21, Mr. Kushal N. Desai, Chairman & Managing Director and Chief Executive Officer (CEO) and Mr. Chaitanya N. Desai, Managing Director of the Company, had voluntarily foregone their monthly gross salary for the entire Financial Year of 2020-21 and in lieu thereof they opted for a gross salary of Rs. 108/- per month as a token for the entire F.Y. 2020-21.

(b) Remuneration paid to Executive Directors :

The break-up of remuneration paid / payable to the Managing Directors for the FY 2020-21 is as under:

Name of Directors	Mr. K. N. Desai	Mr. C. N. Desai
Designation	Chairman & Managing Director	Managing Director
Salary (₹)	1,296	1,296
Commission (₹)	1,93,06,201	1,93,06,201
Perquisites / Allowances (₹)	23,73,497	19,57,488
Total (₹)	2,16,80,994	2,12,64,985
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	3,92,500	Nil
Mr. Rajesh Sehgal	3,17,500	Nil
Mr. Rishabh K Desai *	1,80,000	Nil
Smt. Nina Kapasi	3,17,500	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 and Associate, 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 & Share Transfer Agent 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
31st 2019 -20	August 17, 2020 at 2:30 P.M.	Through Video Conferencing (VC)	-
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.	- 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.

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, 2021 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, 2020.	477	8,129
ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2020- 2021.	1	24
iii)	Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2020-2021.	1	24
iv)	Number of Shareholders whose shares were transferred from the Unclaimed Suspense Account to the IEPF Authority during the year 2020-2021 pertaining to the Financial Year 2012-2013.	27	262
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, 2021.	449	7,843

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 6,370 Equity Shares of the shareholders whose dividend had remained unclaimed/outstanding for a period of 7 years from 2012-13 to 2018-19 on 9th October, 2020 to IEPF Authority.

Further, the Company has transferred an amount of Rs. 13,497/- (belonging to 213 equity shareholders) to Investor Education and Protection Fund (IEPF Fund) on 17th December, 2020 pertaining to Unpaid / Unclaimed Sale proceeds of Fractional Shares for the Financial Year 2012-2013, which were remained unclaimed / unpaid for a period of Seven years.

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, 2020. The said Cost Audit Reports were filed in XBRL mode with MCA on 2nd September, 2020 (due date of filing was 30th September, 2020).The due date for filing the Cost Audit Reports for the financial year ended 31st March, 2021 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 & 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 Accountants of India (ICAI), as a Cost Auditor of the Company for the financial year 2020-21.

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" (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. 44 of the audited accounts for the FY 2020-21, 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 –

   https://apar.com/wp-content/uploads/2021/02/6.-Policy-on-Related-Party-Transaction.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

https://apar.com/wp-content/uploads/2021/05/12.-Apars-Policy-on-Material-Subsidiaries.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.

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 March 31, 2021.

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 2020-2021.

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

32nd Annual General Meeting Day, Date and Time	:	Friday, August 13, 2021 at 2:30 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
Financial Year	:	1st April, 2021 to 31st March, 2022 The financial results will be adopted as per the following tentative schedule: First Quarter : On or before 14th August, 2021. Second Quarter : On or before 14th November, 2021. Third Quarter : On or before 14th February, 2022. Fourth Quarter : On or before 30th May, 2022.
Book Closure Dates/ Cut-off-Date (Record Date)	:	As mentioned in the Notice of this AGM
Dividend Payment	:	Dividend Warrants will be dispatched after the AGM, but before the expiry of statutory period of 30 days from the date of AGM.
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, 2021:

Particulars	31st March, 2021	
No. of Demat Shares	No. of Shares	%
- NSDL	3,31,94,086	86.74
- CDSL	49,51,173	12.94
No. of Physical Shares	1,23,360	0.32
Total	**3,82,68,619**	**100.00**

Distribution of shareholding as on 31st March, 2021:

No. of shares ranging From	–	To	No. of Shareholders	% to Total Shareholders	No. of Shares	% to Total Issued Capital
1	-	500	27,223	95.07	15,13,995	3.96
501	-	1000	624	2.18	4,83,984	1.26
1001	-	2000	350	1.22	5,21,178	1.36
2001	-	3000	115	0.40	2,91,707	0.76
3001	-	4000	75	0.26	2,68,488	0.70
4001	-	5000	36	0.13	1,65,552	0.43
5001	-	10000	108	0.38	7,76,469	2.03
10001	&	above	104	0.36	3,42,47,246	89.50
Total:			**28,635**	**100.00**	**3,82,68,619**	**100.00**

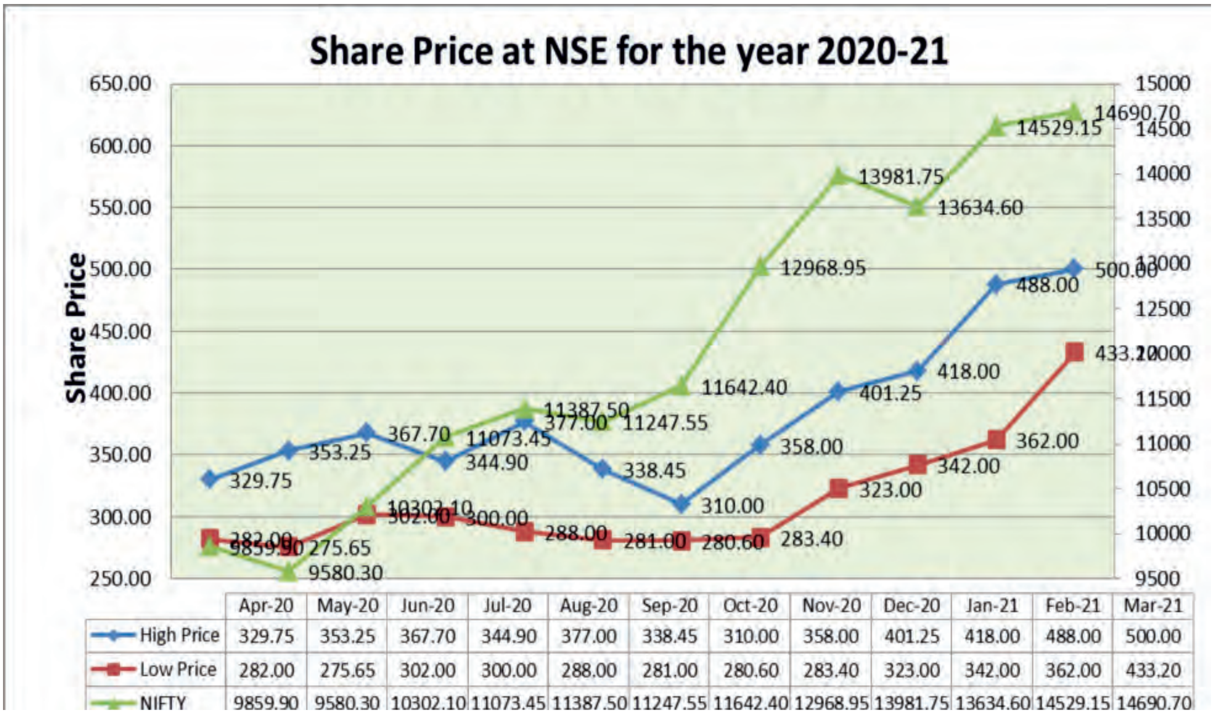
ISIN for NSDL & CDSL : INE372A01015

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 2020-2021 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-20	349.00	285.30	1,992	33,717.62	329.75	282.00	2,37,874	9,859.90
May-20	349.00	275.00	3,986	32,424.10	353.25	275.65	6,05,317	9,580.30
Jun-20	366.00	295.20	6,671	34,915.80	367.70	302.00	6,81,251	10,302.10
Jul-20	345.90	300.15	4,646	37,606.89	344.90	300.00	4,48,900	11,073.45
Aug-20	376.80	286.45	15,520	38,628.29	377.00	288.00	23,00,918	11,387.50
Sep-20	337.50	277.55	7,844	38,067.93	338.45	281.00	8,68,486	11,247.55
Oct-20	303.75	277.55	4,131	39,614.07	310.00	280.60	3,06,949	11,642.40
Nov-20	360.00	283.85	9,108	44,149.72	358.00	283.40	11,23,244	12,968.95
Dec-20	401.55	323.35	12,473	47,751.33	401.25	323.00	13,13,548	13,981.75
Jan-21	417.75	341.80	17,031	46,285.77	418.00	342.00	34,82,740	13,634.60
Feb-21	487.40	363.00	22,691	49,099.99	488.00	362.00	66,30,483	14,529.15
Mar-21	499.60	434.00	11,882	49,509.15	500.00	433.20	14,22,911	14,690.70
Total Shares Traded			1,17,975				1,94,22,621	
Average Shares Traded			9,831				16,18,552	

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



Shareholding Pattern as at 31st March, 2021:

Category	No. of Equity Shares	% of Share Holding
Promoters / Persons Acting in concert	23,139,064	60.465
Banks, Financial Institutions and Insurance Companies	337	0.001
Alternate Investment Fund	434,643	1.136
Mutual funds	7,022,031	18.349
Foreign Institutional Investors / Foreign Portfolio Investors	1,600,107	4.181
NRIs / OCBs	263,905	0.690
Corporate Bodies	727,540	1.901
Central Government / State Government / President of India IEPF	89,412	0.234
Resident Individuals (Public)	4,991,580	13.043
Total	**38,268,619**	**100.00**

Registrar & 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 External Commercial Borrowing /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 SEBI / MCA / 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 2020-21.

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 2020-21 (₹ Crores) APAR	Fees for the year 2020-21 (₹ Crores) ATDPPL	Fees for the year 2020-21 (₹ Crores) ADLPL	Fees for the year 2020-21 (₹ Crores) Total
1.	Audit Fee	0.44	0.00	0.00	0.44
2.	Other Services	0.01	0.00	0.00	0.01
3.	Out-of-pocket expenses	0.02	0.00	0.00	0.02
	Total	**0.47**	**0.00**	**0.00**	**0.47**

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	0
Number of complaints disposed off during the financial year	0
Number of complaints pending as on end of the financial year	0

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 2020 - 21 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, 2021.

Place: Mumbai
Date : May 31, 2021

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 your appointment letter dated 29th April, 2021

2. This report contains details of compliance of conditions of Corporate Governance by APAR Industries Limited ('the Company') for the year ended 31 March, 2021, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C and D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March, 2021.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes 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. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated 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 for the year ended 31 March, 2021.

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 and provided to the members of the Company solely for the purpose of enabling the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or 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 person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Mumbai

Date : 31st May, 2021

For C N K And Associates LLP

Chartered Accountants
Firm's registration no. 101961W/W-100036

Himanshu Kishnadwala

Partner
Membership no. 037391
UDIN: 21037391AAAACS1354

Annexure VI 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), India
4.	Website	:	www.apar.com
5.	E-mail id	:	com.sec@apar.com
6.	Financial Year reported	:	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	1920 – Transformer & Speciality Oils 2732 – AAC / AAAC / ACSR Conductors 2732 – 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	:	45 - Both International and National
i	Number of International Locations	:	2 Locations through Subsidiaries
ii	Number of International/National Locations	:	43 Locations (Factories, Offices including leased offices and depots) including 1 international office.
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, 2021.

Section B: Financial Details of the Company :

1.	Paid up capital (INR)	:	₹ 38.27 Crores
2.	Total Turnover (INR)	:	₹ 5,960.82 Crores
3.	Total Profit after taxes (INR)	:	₹ 136.82 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	₹ 4.17 (3.05%)
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. Relief and rehabilitation for combating with COVID-19 pandemic related activities 7. Free ration in the rural areas. 8. Empowering women socially & economically

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		
	1. DIN	:	00008084
	2. Name	:	Mr. Kushal N. Desai
	3. 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 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?	https://apar.com/wp-content/uploads/2021/02/2.-Business-Responsibility-Policies.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 2020-21 and upload the same on the Company's website at www.apar.com. BRR for FY 2019-20 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 solutions 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 4 complaints received by the Company from BSE Limited (BSE) on behalf of the Shareholder of the Company through email and the said complaints were pertaining to the SEBI SCORES which were re-directed to the Company by BSE instead by SCORES site, all of which (100 %) were promptly attended to and redressed suitably to the satisfaction of shareholder and replied to the Statutory Authority also viz. BSE.

Further, the Company's –

(i) Conductor division received total 38 complaints (both export and domestic business) and all 38 (100%) complaints were resolved. Out of total 38 complaints, 20 complaints were related to wire and wire rod business and rests were on conductors.

(ii) Cable division of the Company received total of 166 customer complaints, out of which 155 (93.37%) were resolved and 11 complaints are pending for resolution and

(iii) Oil Division of the Company received total 116 complaints, out of which 114 (98.3%) were resolved and 2 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. Conductor division (Lapanga Plant) using liquid molten metal from the primary aluminum producer to reduce energy consumption and cost optimization.

   d. Conductor division installed 528 KWp Solar power towards green energy generation drive.

   e. 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 4,00,000 KWH during 2020-21 through solar power and fed into the main grid.

   f. 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 26 Cr of Packing Drums, about Rs 4.00 Cr Steel drums were used, thus reducing the consumption of wooden drums to reduce environment concerns.

   g. Company's cable division recycles the scrap of Aluminum (100%); Copper (> 80%) and Thermoplastic compound (> 90%).

   h. The cable division has started replacing the wooden outer laggings by PP sheet by almost 35%.

   i. The Cable division has supplied approx. 12,000 Km Fiber Optic medium sized cables in Coils format (earlier supplied on wooden drums). This could save approx. 4000 drums which have furthermore significant potential for reducing the wooden 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 is sourcing Carbon fiber composite core for ACCC conductor (HTLS) manufacturing and turnkey project as per transmission line and scheduled length to avoid any wastage.

      Company equipped with advance world class type testing facility for conductor with NABL accreditation for Conventional conductors/ HTLS and OPGW cables and cost saving by more than ₹ 4 Crores in FY 20~21 and also resulted timely execution of type testing and orders.

      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) 12,47,240 units of electricity during the Financial year 2020-21 for in-house energy consumption through their 936 KWP Roof top Solar Plant. This has reduced 1,162 metric ton of CO_2 emission in this year in the atmosphere and was equivalent to planting 78,077 mature trees. Another 763 KWP Rooftop Solar plant installed at F-building start from 1st April 2021.

The company has saved 31,640 KWH (Units) by replacing MH lights and tube lights by LED lights and 53,832 KWH (Units) by replacing some old DC motors into AC, Motor Capacity Reduction, Furnace Fan side drive fittings etc. at cable division.

LED light worth ₹ 10.00 Lacs was procured in FY 20-21 and added Unit saving approx. 1,944 KWH (Units)

Company's cable division had utilized 36,957.37 M^2 of rooftop area for Rainwater harvesting & on the computed average rainfall scale, a total of 72,346 M^3 water has been discharged into well.

Reduction in carbon footprint (approx. 48.26 tCO_2) 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 222 export containers. These containers were shipped from ICD Tumbh to JNPT.

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.

Company consistently putting efforts for vendor development locally for high quality premium grade products (Ultra high strength steel, Export quality packaging material, specially designed tools and spares).

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 (>80%) and Thermoplastic compound (>90%) 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.

Company's Cable Division had set up STP (Sewage Treatment Plants) & ETP (Effluent Treatment Plants) for recycling of water thereby saving water during the operation. The total water saving in ETP for FY 2020-21 is 2,942 KL. Similarly, the total water saving in STP for FY 2020-21 is 10,721 KL.

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.

The Company's divisions have a zero accident rate during the year under review.

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

   1379 Nos. (excluding temporary and contractual employees).

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

   a. Temporary - 45 Nos.

   b. Contractual - 3622 Nos.

   c. Casual - 415 Nos.

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

   82 Nos.

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

   01 No.

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?**

   8.09% of total Cable Division Employees.

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 – 86%

   b. Permanent Women Employees – 34%

   c. Casual / Temporary / Contractual Employees – 81%

   d. Employees with Disabilities – 13%

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 activities relating to rehabilitation of abandoned, unclaimed, parentless and destitute children, especially girl children, in need of care and protection, empowerment of women socially & economically, Relief and rehabilitation for combating with COVID-19 pandemic related activities, services to mentally under- developed girls, education to rural / slum children, 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 right 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 4 complaints received by the Company from BSE Limited (BSE) on behalf of the Shareholder of the Company through email and the said complaints were pertaining to the SEBI SCORES which were re-directed to the Company by BSE instead by SCORES site, all of which (100%) were promptly attended to and redressed suitably to the satisfaction of shareholder and replied to the Statutory Authority also viz. BSE.

   Further, the Company's –

   (i) Conductor division received total 38 complaints (both domestic and export) and all 38 complaints were resolved. Out of total 38 complaints, 20 complaints are related to wire and wire rod business and rests were on conductors.

   (ii) Cable division of the Company received total of 166 customer complaints, out of which 155 (93.37%) were resolved and 11 complaints are pending for resolution and

   (iii) Oil Division of the Company received total 116 complaints, out of which 114 (98.3%) were resolved and 2 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.

However the company's all the units complied and certified with ISO 9001, ISO 14001, ISO 45001.

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.

Company's Cable Division has successfully maintained zero discharge for FY 2020-21.

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. Cable and Conductor Manufacturers Association of India (CACMAI)
c. EEPC India (Formerly Export Engineering Promotion Council).
d. Indian Electrical & Electronics Manufacturers' Association (IEEMA)
e. IMC Chamber of Commerce and Industry
f. Manufacturers of Petroleum Specialities Association (MPSA)
g. Confederation of Indian Industry
h. Indian Transformer Manufacturers Association (ITMA)
i. Electrical Research & Development Association

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 also developed special high conductivity alloy conductor with Aero-dynamic (drag resistant) conductor which can sustain very high storm (hurricane and tornado) and sustain the power transmission without potential blackout.

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/weaker sections of society and Environment sustainability. The Company has contributed for activities relating to rehabilitation of abandoned, unclaimed, parentless and destitute children, especially girl children, in need of care and protection, empowerment of women socially & economically, Relief and rehabilitation for combating with COVID-19 pandemic related activities, services to mentally under- developed girls, education to rural / slum children, all aiming to engage with the disadvantaged, vulnerable and marginalized stakeholders / sections of society.

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, transportation 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, Copper conductors for Rly electrification, Transformer winding wires 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 38 complaints and all 38 (100%) complaints were resolved. Out of total 38 complaints, 20 complaints are related to wire and wire rod business and rests were on conductors (Exports and domestic).

   (ii) Cable division of the Company received total of 166 customer complaints, out of which 155 (93.37%) were resolved and 11 complaints are pending for resolution and

(iii) Oil Division of the Company received total 116 complaints, out of which 114 (98.3%) were resolved and 2 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 VII 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. 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 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	: : : : :	4,000* Nil 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 2020-21).

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 accompanying Financial Statements of APAR Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2021, the net 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 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 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 together with the independence requirements that are relevant to our audit of the Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the 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.

Sr. no	Key audit matters	Auditor's Response
1.	Revenue Recognition including related rebates, discounts, sales returns We have identified the following key areas for consideration of revenue recognition as key audit matters: • Cut-off procedures • Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in conformity with Ind AS 115 • Recognition of related rebates, discounts, sales return etc. The application of the Accounting Standard Ind AS 115 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, 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 is recognised net of accrual for sales returns, rebates and discounts, etc. The estimates relating to the accruals are important given the significance of revenue and considering the distinctive terms of arrangement with customers. These estimates are complex and requires significant judgement and estimation by the Company for establishing an appropriate accrual mechanism. Accuracy of revenues may deviate because of change in judgements and estimates. Revenue from operations (net of rebate, discount, sales return) for the year ended 31st March 2021 is Rs. 5960.82 crores (Refer Note 25 to the Standalone Financial Statements).	To address this key audit matter, our procedure included: • Obtaining an understanding of the accounting processes and relevant controls relating to the accounting of revenue and related costs • Performing walkthroughs of the revenue recognition processes and assessed and tested the design effectiveness as well as operative effectiveness of key controls. • Reviewing significant existing / new contracts/ orders to understand the terms and conditions and their impact on recognition of revenue. • Performing cut off tests to ensure appropriate accounting of revenue related to the accounting year under audit. • Assessing the adequacy of the Company's disclosures on revenue recognition as given in notes 25 and 47 to the Standalone Financial Statements. • Performing analytical procedures for reasonableness of revenue disclosed by type and service offerings. With regard to rebates, discounts, sales returns: • We obtained Management's calculations for accruals and assessed the assumptions used with reference to the Company's commercial policies and the terms of the applicable contracts. • We assessed management analysis of the historical pattern of accruals to validate management's assumption for creation of such provisions and estimates made in the earlier years. • We also performed analytical procedures to test the recording of revenue and the related costs in appropriate period Based on the procedures performed we consider that revenue and the related costs are fairly stated in the Standalone Financial Statements.

2.	Litigations, Provisions and Contingent Liabilities There are several litigations pending before various forums against the Company. These also include matters under various statutes and involves significant management judgement and estimates on the possible outcome of the litigations and consequent provisioning thereof or disclosure as contingent liabilities. We identified this as a key matter as the estimate of these amounts involve a significant degree of management judgement and high estimation uncertainty. (Refer Note 45 to the Standalone Financial Statements)	To address this key audit matter, our procedures included Obtaining from the management details of matters under disputes including ongoing and completed tax assessments, demands and other litigations. • Evaluation and testing of the design of internal controls followed by the Company relating to litigations and open tax positions for direct and indirect taxes and process followed to decide provisioning or disclosure as Contingent Liabilities; • Discussing with Company's legal team and taxation team for sufficient understanding of on-going and potential legal matters impacting the Company. • We also involved our firms internal experts to evaluate the management's underlying judgements in making their estimates with regard to such matters.

Other Information

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in Director's Report including Annexures, Management Discussion and Analysis Report, Corporate Governance Report and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Responsibilities of Management and Those Charged with Governance for the 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 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 Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error;

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 also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements:

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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.

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"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report 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 Cash Flow Statement dealt with by this report are in agreement with the relevant books of account;

(d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

(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, 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 Financial Statements – Refer Note 45 to the Financial Statements;

ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv)

i. The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. In respect of dividend declared or paid during the year, the Company has complied with the Section 123 of the Companies Act, 2013.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Himanshu Kishnadwala

Partner

Membership no. 037391

UDIN: 21037391AAAACQ1545
Mumbai, 31st May 2021

Annexure 'A' to the Independent Auditor's Report

(Referred to in Para 1 ' Report on Other Legal and Regutory Requirements' in our Indenpendent Auditor's Report to the members of the Company on Standalone Financial Statement for the year ended 31st march 2021)

(I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;

(b) As informed to us, physical verification of fixed assets could not be undertaken by the Company at the year-end in view of the lockdown. We are therefore unable to comment on discrepancies, if any, as compared to book records.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the confirmations from the banks provided to us, we report that, the title deeds, comprising all the immovable properties which are freehold and leasehold, are held in the name of the Company as at the Balance Sheet date;

(II) As per the information and explanations given to us, , the Company has carried out physical verification of inventory during the year / at year end. In our opinion the frequency of verification is at reasonable intervals. The discrepancies observed on physical verification, which in our opinion are not material, have been appropriately 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, para 3(iii) of the Order is not applicable to the Company for the year under audit;

(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) The Company has not accepted any deposits during the year to which the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in this regard in the case of the Company.;

(VI) The maintenance of cost records 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 these accounts and records with a view to determine whether they are accurate or complete.

(VII) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, , income-tax, Goods and Service Tax (GST), custom duty, cess and other statutory dues. Except for municipal taxes of Rs 0.85 crore, there are no undisputed statutory dues outstanding as at 31st March, 2021, for a period of more than six months from the date they became payable ;

(b) According to the information and explanations given to us and the records examined by us, the statutory dues not deposited on account of disputes pending before appropriate authorities are as under:

Name of Statute	Nature of Dues	Amount (₹ in crore)	Period to which the amount relates	Forum from where the dispute is pending
The Central Sales Tax Act 1956	Value Added Tax/ Sales Tax/Central Sales Tax/Entry Tax	0.13	1998-99 2001-02 to 2004-05 & 2010-11	Comm. Tax Officer
		0.06	2011-12 & 2012-13	Dy. Comm. (appeal)
		0.21	2015-16 & 2016-17	Joint comm.(appeal)
		0.13	2013-14	Addl. Commissioner
		5.44	2002-03 2004-05 2006-07 2011-12 to 2013-14	Commissioner
		5.81	1998-99 2006-07 2008-09 2009-10 2015-16 to 2017-18	Tribunal
Central Excise Act, 1944	Excise duty (Including interest and penalty thereon)	0.00	2004-05 to 2006-07	Comm. (Appeals)
		1.33	2012-13 to 2016-17	Tribunals
		0.02	2017-2018	Jt. Secretary to GOI
Goods and Service Tax Act,2017	Goods and Service Tax	21.73	2017-18 to 2020-21	Gujarat AAAR
Finance Act, 1994 (Service Tax)	Service Tax	2.40	2005-06 to 2007-08	Comm. (Appeals)
Customs Act,1962	Custom Duty	0.86	1999-2000	Tribunal
		1.05	1999-2000 to -2005-06	High Court
Income Tax Act	Income Tax	11.03	2015-16 to 2016-17	Comm. Of Income Tax Appeals

(VIII) Based on our audit procedure and according to the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has not issued any debentures.

(IX) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer or further public offer including debt instruments. In our opinion the term loans availed during the year have been applied for the purpose for which they were raised.

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

(XI) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(XII) In our opinion and according to the information and explanation given to us, the provisions related to Nidhi Company are not applicable to the Company.

(XIII) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(XIV) According to the information and explanations given to us and based on our examination of records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

(XVI) In our opinion and according to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For C N K & Associates LLP

Chartered Accountants

Firm's registration no.101961W/W-100036

Himanshu Kishnadwala
Partner
Membership no. 037391
UDIN: 21037391AAAACQ1545
Mumbai, 31st May 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company 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 with reference to Financial Statements of the Company 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 Act.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to Financial Statements of the company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements of the company 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to Financial Statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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 C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership no. 037391
UDIN: 21037391AAAACQ1545
Mumbai, 31st May 2021

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Balance Sheet As at March 31, 2021

(₹ in crore)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	720.21	722.02
Right to use Assets	2A	11.10	17.99
Capital work-in-progress	2	28.71	54.67
Other Intangible assets	2B	1.81	2.43
Intangible asset under development	2B	-	0.04
Financial Assets			
Investments	3	1.67	0.28
Trade receivables	9A	7.69	3.06
Derivative assets	4	4.25	-
Other financial assets	5	12.03	12.21
Deferred Tax Assets (net)	19	-	2.18
Non current Tax Assets (net)		24.48	21.68
Other non-current assets	6	7.12	8.63
Total non current assets		**819.07**	**845.19**
Current Assets			
Inventories	7	1,479.01	1,268.00
Financial Assets			
Investments	8	60.00	-
Trade receivables	9	1,792.21	1,803.58
Cash and cash equivalents	10	185.73	141.93
Bank balances other than above	11	12.42	12.31
Loans	12	17.12	30.04
Derivative assets	4	24.21	24.80
Other current assets	13	275.61	187.84
Total current assets		**3,846.31**	**3,468.50**
TOTAL ASSETS		**4,665.38**	**4,313.69**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14A	38.27	38.27
(b) Other equity	14B, 14C	1,267.49	1,050.69
Total equity		1,305.76	1,088.96
Non current liabilities			
Financial liabilities			
Borrowings	15	184.63	156.61
Lease liabiliies		8.70	13.31
Derivative liabilities	16	0.72	7.34
Other financial liabilities	17	3.11	3.37
Provisions	18	8.13	7.42
Deferred tax liabilities (net)	19	20.31	-
Total non current liabilities		**225.60**	**188.05**
Current liabilities			
Financial liabilities			
Borrowings	20	21.49	63.75
Lease liabiliies		3.61	5.72
Trade payables	21		
a) Total Outstanding dues of micro enterprises and small enterprises		27.77	17.23
b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		2,850.54	2,689.51
Derivative liabilities	16	46.92	123.03
Other financial liabilities	22	45.58	56.49
Other current liabilities	23	124.78	79.52
Provisions	24	2.00	1.43
Current tax liabilities (net)		11.33	-
Total current liabilities		**3,134.02**	**3,036.68**
Total liabilities		**3,359.62**	**3,224.73**
Total Equity and Liabilities		**4,665.38**	**4,313.69**
See accompanying notes to financial statement	1		

As per our report attached
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

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, 2021

(₹ in crore)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue			
I. Revenue from operations	25	5,960.82	7,017.15
II. Other income	26	25.77	24.53
III. Total Income		**5,986.59**	**7,041.68**
IV. Expenses			
Cost of materials consumed	27	4,373.73	5,390.43
Purchases of Stock-in-Trade	28	78.97	148.60
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	29	39.09	(163.39)
Employee benefits expense	30	150.43	160.02
Finance costs	31	129.24	219.08
Depreciation and amortization expense	2,2A,2B	84.87	79.15
Other expenses	32	946.09	1,037.26
Total expenses		**5,802.42**	**6,871.15**
Less : Transfer to property, plant & equipments		0.53	1.14
Net total expenses		**5,801.89**	**6,870.01**
V. Profit before exceptional items and tax		**184.70**	**171.67**
VI. Exceptional items		-	-
VII. Profit before tax		**184.70**	**171.67**
VIII. Tax expense:			
1. Current tax		51.43	45.69
2. Deferred tax		(4.07)	(13.00)
3. Taxes of earlier years (net)		0.52	-
		47.88	32.69
IX. Profit/(Loss) for the year from continuing operations		**136.82**	**138.98**
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		0.73	(1.17)
Income tax relating to items that will not be reclassified to profit or loss		(0.18)	0.30
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		105.83	(114.75)
Income tax relating to items that will be reclassified to profit or loss		(26.38)	28.04
Total Other comprehensive income (OCI)		**80.00**	**(87.58)**
XI. Total comprehensive income for the year (IX+X)		**216.82**	**51.40**
XII. Earnings per equity share (Face Value of ₹ 10)	33		
Basic		35.75	36.32
Diluted		35.75	36.32

As per our report attached
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

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, 2021

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	184.70	171.67
Adjustments for		
Depreciation on non current assets	78.65	69.92
Amortisation of intangible assets	0.89	3.08
Amortisation of Right of use assets	5.33	6.15
(Gain)/loss on sale of property, plant and equipment	(0.49)	2.81
Finance costs	100.02	149.38
Finance income	(5.27)	(5.14)
Provision for Doubtful Debts made / (written back/reversed)	5.55	6.52
Unrealised exchange loss/(gain)	(3.11)	40.55
Profit on sale of investments	(1.05)	(3.15)
Movement in working capital		
(Increase) / decrease in trade and other receivables	(76.20)	300.93
(Increase) / decrease in inventories	(211.01)	(44.66)
Increase/ (decrease) in trade and other payables	237.37	(513.96)
Tax paid	(43.42)	(78.65)
Net cash generated from / (used in) operating activities	**271.96**	**105.45**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(57.60)	(135.13)
Acquisition of intangible assets	(0.24)	(0.40)
Proceeds from sale of property, plant and equipment	0.68	0.67
Sale / (purchase) of investment in subsidiary & associate	(1.39)	(0.01)
Sale / (purchase) of investments - net	(59.06)	189.82
Net cash generated from / (used in) investing activities	**(117.61)**	**54.95**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings - net	(42.27)	(27.67)
Proceeds/(repayments) of long-term borrowings - net	40.71	64.90
Repayment of Lease Liabilities	(4.29)	(4.83)
Interest received/(paid) - net	(104.17)	(146.93)
Dividend Payment (incuding Dividend Distribution tax)	(0.12)	(87.48)
Net cash (used in) / generated from financing activities	**(110.14)**	**(202.01)**
Net increase / (decrease) in cash and cash equivalents	44.21	(41.61)
Effect of exchanges rate changes on cash and cash equivalents	(0.41)	0.12
Cash and cash equivalents at the beginning of the year	141.93	183.42
Cash and cash equivalents at the end of the year	**185.73**	**141.93**

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 property, plant and equipment includes movement of capital work-in-progress during the year.
3) Cash and cash equivalents represents cash and bank balances and includes unrealised loss of ₹ 0.41 crore; (previous year unrealised gain of ₹ 0.12 crore) on account of translation of foreign currency bank balances.

Changes in liabilities arising from Financing Activities

Particulars*	Long Term Borrowings	Short Term Borrowings	Total
Opening balance as at April 1, 2019	**106.68**	**87.82**	**194.50**
Proceeds/(repayments) from financing activities - net	64.90	(27.67)	37.22
Foreign exchange adjustments	2.43	3.61	6.04
Closing balance as on March 31, 2020	**174.01**	**63.75**	**237.76**
Proceeds/(repayments) from financing activities - net	40.71	(42.26)	(1.55)
Foreign exchange adjustments	(1.78)	(0.00)	(1.78)
Closing balance as on March 31, 2021	**212.94**	**21.49**	**234.43**

*Please refer note 15C for long term borrowings & note 20 for short term borrowings.

As per our report attached

C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

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, 2021		As at March 31, 2020	
	No. of Shares	Amount (₹ in Crore)	No. of Shares	Amount (₹ in crore)
Balance at the beginning of the reporting period	3,82,68,619	38.27	3,82,68,619	38.27
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	**3,82,68,619**	**38.27**	**3,82,68,619**	**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, 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**
Total comprehensive income for the year								
Profit for the year	136.82							136.82
Other comprehensive income for the year						79.45	0.55	80.00
Total comprehensive income for the year	**136.82**	**-**	**-**	**-**	**-**	**79.45**	**0.55**	**216.82**
Transactions with the owners of the Company								
Contributions and distributions								
Dividends	-							-
Transfer / Receipt	(14.00)	14.30		(0.30)				0.00
Balance at March 31, 2021	**768.60**	**268.30**	**205.18**	**23.46**	**14.98**	**(11.11)**	**(1.92)**	**1,267.49**

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 that 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 in FY 2015-16

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
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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 offering value added products and services in Power Transmission Conductors, Petroleum Specialty Oils and Power & Telecom Cables. 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. The Company has manufacturing plants in state of Maharashra, Gujarat, Orissa and Union territory of Dadra & Nagar Haveli.

These financial statements are approved for issue by the Board of Directors on May 31, 2021.

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.

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, 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 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 corresponds 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 unabsorbed depreciation 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, unabsorbed depreciation and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

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

Note	1	Significant Accounting Policies

- **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 Futures Contracts are determined using the fair value reports provided by merchant bankers and London Metal Exchange (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 estimate of benefits 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 is made for such incentives.

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 observable 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 functional currency of the Company at the exchange rate prevailing at the date of the transaction.

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 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. Accordingly, the exchange rate for translation of foreign currency transaction; in cases when Company receives or pays advance consideration is earlier of:-

Note	1	Significant Accounting Policies

- 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

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 are satisfied; 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 is satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. 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 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 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 to the customer as per agreed terms and the Company has unconditional right to consideration.

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;

- 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 measures 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.

Note	1	Significant Accounting Policies

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 customers 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 discount, rebate 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 incentives 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.

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.

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 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.

- 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 the scheme 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 recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	1	Significant Accounting Policies

iv. **Other long-term employee benefits**

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

D. **Finance income and finance costs**

The Company's finance income and finance costs include:

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

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

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. The capital grant will be 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;

a. to the extent that it relates to a business combination, or

b. items recognised directly in equity or in OCI. Such as;

   i. Items that will not be reclassified to profit or loss and their related income tax effects

      1. Re-measurements of the defined benefit plans

   ii. Items that will be reclassified to profit or loss and its related income tax effects;

      1. The effective portion of gain and loss on hedging instruments in a cash flow hedge

i. **Current tax**

Current tax comprises the expected tax payable on taxable income or tax receivable on the taxable 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 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.

Note	1	Significant Accounting Policies

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

G. Inventories

Inventories are measured at the lower of cost and net realizable value. Inventory of scrap is valued at estimated realizable value. The cost of inventories is determined using the weighted average cost method. Cost includes direct materials, labour, other direct cost and manufacturing overheads. Inventories of finished goods also includes applicable taxes.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

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 statement of profit and 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 and the cost of the item can be measured reliably.

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 method (SLM) or the Written Down Value method (WDV) based on the method consistently followed by the respective divisions in the Company. The depreciation method followed by each division is as below:

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	1	Significant Accounting Policies

Particulars	Conductor Division	Oil Division	Cable Division	Head Office
Leasehold Land	SLM	SLM	SLM	SLM
Buildings	SLM	SLM	SLM	SLM
Plant and Equipments	SLM	SLM	SLM	SLM
Furniture and Fixtures	SLM	WDV	SLM	WDV
Office Equipment's	SLM	WDV	SLM	WDV
Motor Vehicles	SLM	WDV	SLM	WDV

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 in Plant & Equipments are as below:

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

I. Intangible Assets

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

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

Amortisation

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

Enterprise Resource Planning Software 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 receives 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 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

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 securities premium.

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 Exchange Forward Contracts, Commodity Future Contracts, Interest Rate Swaps, Currency Options and embedded derivatives in the host contract.

Financial instruments also cover 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 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 financial assets are classified 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 management of 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 marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company 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 Fair Value through Other Comprehensive Income (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.

Investments into Equity instruments and Mutual Funds

- All investments in the scope of Ind-AS 109 are measured at fair value. Equity instruments and mutual funds which are held for trading are classified as at FVTPL. For all other equity instruments and mutual funds, the Company 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.
- Equity instruments and mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	1	Significant Accounting Policies

Derecognition

- A financial asset (or, where applicable, a part of a financial asset) 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's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

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

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

ii. **Financial liabilities**

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss.

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.

Note	1	Significant Accounting Policies

Offsetting of financial instruments

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

iii. Derivative financial instruments and hedge accounting

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

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

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

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

Cash Flow Hedges

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

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

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

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

Provisions and contingent liabilities

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

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

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 equal to Lease liability on date of initial application (April 1, 2019). 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 1 Significant Accounting Policies

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 is comprising 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 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 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 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's cash management.

Q. Segment Reporting

The Chief Operational Decision Maker (CODM) 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. Operating segments have been identified on the basis of nature of products / services.

Note	1	Significant Accounting Policies

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

R. Earnings per share

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

S. Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

T. Dividends

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

8. Recent Amendments

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments, relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, are as below:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as:
  - Compliance with approved schemes of arrangements
  - Compliance with number of layers of companies
  - Title deeds of immovable property not held in name of company
  - Loans and advances to promoters and directors, key managerial personnel (KMP) and related parties
  - Details of benami property held
  - Various ratios:
    - Current Ratio
    - Debt-Equity Ratio
    - Debt Service Coverage Ratio
    - Return on Equity Ratio
    - Inventory turnover ratio
    - Trade Receivables turnover ratio
    - Trade payables turnover ratio
    - Net capital turnover ratio
    - Net profit ratio
    - Return on Capital employed
    - Return on investment

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	2	Property, plant and equipment

(₹ in crore)

	Gross block					Depreciation				Net Block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in excha-nge rates	As at 31-03-2021	As at 31-03-2020	For the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
(i) Tangible assets											
Land- Freehold	38.68	0.55			39.23	-			-	39.23	38.68
Land-Leasehold	10.61				10.61	0.70	0.14		0.84	9.77	9.91
Building (Refer Note a. below)	240.64	24.85			265.49	32.17	9.78		41.95	223.54	208.47
Plant and Equipments (Refer Note a & b below)	614.82	37.57	(0.53)	0.26	652.13	180.89	61.75	(0.12)	242.52	409.61	433.93
Furniture and fixtures	9.78	3.78	(0.05)		13.51	3.32	1.66	(0.02)	4.96	8.55	6.46
Office Equipments	32.79	9.69	(0.47)		42.01	12.15	4.34	(0.42)	16.07	25.94	20.64
Motor vehicles	8.03	0.72	(0.99)		7.76	4.11	0.98	(0.90)	4.19	3.57	3.93
Sub total (i)	**955.36**	**77.16**	**(2.04)**	**0.26**	**1,030.74**	**233.34**	**78.65**	**(1.46)**	**310.53**	**720.21**	**722.02**
(ii) Capital work-in-progress											
Buildings					-				-	6.84	22.55
Plant and Equipments					-				-	21.87	32.12
Sub total (ii)	-	-	-	-	-	-	-	-	-	**28.71**	**54.67**
Grand Total										**748.92**	**776.69**

	Gross block					Depreciation				Net Block	
	As at 01-04-2019	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2020	As at 31-03-2019	For the year	Deductions/ adjustments	As at 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 Equipments (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
Office 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 Equipments					-				-	32.12	87.46
Sub total (ii)	-	-	-	-	-	-	-	-	-	**54.67**	**103.49**
Grand Total										**776.69**	**701.96**

Note **2A** **Right to use Assets**

(₹ in crore)

	Gross Block					Amortisation				Net Block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in exchange rates	AS at 31-03-2021	As at 31-03-2020	For the year	Deductions/ adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Righ of use Assets	23.81	0.41	(4.32)	-	19.90	5.82	5.33	(2.36)	8.80	11.10	17.99
Grand Total	23.81	0.41	(4.32)	-	19.90	5.82	5.33	(2.36)	8.80	11.10	17.99

(₹ in crore)

	Gross Block					Amortisation				Net Block	
	As at 01-04-2019	Additions	Deductions	Effect of movement in exchange rates	AS at 31-03-2020	As at 31-03-2019	For the year	Deductions/ adjustments	As at 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	(1.05)	-	23.81	-	6.15	(0.33)	5.82	17.99	-

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 2B Intangible Asset

(₹ in crore)

	Gross Block					Amortisation				Net Block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in exchange rates	AS at 31-03-2021	As at 31-03-2020	For the year	Deductions/ adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Specialised software	7.01	0.27	-	-	7.28	4.71	0.84	-	5.55	1.73	2.30
Non compete fee	0.41	-	-	-	0.41	0.28	0.05	-	0.33	0.08	0.13
	7.42	0.27	-	-	7.70	4.99	0.89	-	5.88	1.81	2.43
Intangible asset under development					-				-	-	0.04
Total	**7.42**	**0.27**	-	-	**7.70**	**4.99**	**0.89**	-	**5.88**	**1.81**	**2.47**

(₹ in crore)

	Gross Block					Amortisation				Net Block	
	As at 01-04-2019	Additions	Deductions	Effect of movement in exchange rates	AS at 31-03-2020	As at 31-03-2019	For the year	Deductions/ adjustments	As at 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**

Note

a. Includes expenditure on research and development ₹ 0.94 crore, (Previous Year ₹ 1.64 crore) for plant and machinery (refer note 46)

b. Addition to fixed assets includes ₹ 0.26 crore (Previous Year ₹ 0.05 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 ₹ 6.06 crore (Previous Year ₹ 7.31 crore)

c. The Company had contractual commitments of ₹ 10.92 crore (Previous Year ₹ 8.12 crore).

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

e. CWIP for building includes ₹ 0.50 crore paid for acquisition of land in Lapanga pending registration in the name of the Company.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 3 Investments - Non current

(₹ in crore)

	March 31, 2021	March 31, 2020
a. Investments in equity instruments		
In subsidiary companies (carried at cost)		
- 100,000; (Previous year 100,000) Ordinary shares of S$ 1 each fully paid in Petroleum Specialities Pte Ltd, Singapore	0.26	0.26
- 10,000 (Previous year 10,000) Equity shares of APAR Transmission & Distribution Projects Private Ltd of ₹ 10 each, fully paid up	0.01	0.01
- 10,00,000 (Previous year 10,000) Equity shares of APAR Distribution & Logistics Private Limited of ₹ 10 each, fully paid up	1.00	0.01
In associate company (carried at cost)		
- 400,000 (Previous year Nil) Equity shares of AMPOIL APAR Lubricants Private Limited of ₹ 10 each, fully paid up	0.40	-
	1.67	**0.28**
a. Aggregate amount of quoted investments	-	-
b. Aggregate amount of un-quoted investments	1.67	0.28
c. Aggregate amount of impairment in values of investments	-	-

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

Name of Company	Principal place of business	Effective Proportion of ownership (%)		Effective Proportion of voting power (%)	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Subsidiary Company					
Petroleum Specialities Pte Ltd	Singapore	100%	100%	100%	100%
APAR Transmission & Distribution Projects Private Limited	India	100%	100%	100%	100%
APAR Distribution & Logistics Private Limited	India	100%	100%	100%	100%
Associate Company					
AMPOIL APAR Lubricants Private Limited	India	40%	0%	40%	0%

Note 4 Derivative assets

(₹ in crore)

	March 31, 2021	March 31, 2020
Derivative contracts used for hedging - Non current	4.25	-
Derivative contracts used for hedging - Current	24.21	24.80
	28.46	**24.80**

Note 5 Other financial assets - non current

(₹ in crore)

	March 31, 2021	March 31, 2020
Unsecured, considered good		
Security deposits	8.36	8.42
Other financial assets (Refer Note i below)	3.67	3.79
	12.03	**12.21**

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

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 6 Other assets - non current

(₹ in crore)

	March 31, 2021	March 31, 2020
Capital advances	3.84	5.09
Balance with government authorities	3.28	3.54
	7.12	**8.63**

Note 7 Inventories

(₹ in crore)

	March 31, 2021	March 31, 2020
Raw materials and components	502.34	446.97
Raw materials-in transit	342.79	147.76
Work-in-progress	203.51	222.82
Finished goods	356.89	374.57
Finished goods - in transit	18.24	22.07
Stock-in-trade	15.23	13.70
Stock-in-trade - in transit	0.20	-
Stores and spares	39.81	40.11
	1,479.01	**1,268.00**

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, 2021	March 31, 2020
a. Investment in mutual funds		
Union KBC Liquid Fund Growth - Direct Plan No. of units : 50455.28 (March 31, 2020: Nil)	10.00	-
Application for units of Union KBC Liquid Fund Growth - Direct Plan No. of units : 252156.72 (March 31, 2020: Nil) (refer note below)	50.00	-
	60.00	-

Note : Application money of ₹ 50.00 crore was paid on March 31, 2021 against which 252156.72 units were allotted on April 5, 2021

a. Aggregate amount of quoted investments		
Book value	10.00	-
Market value	10.00	-
b. Aggregate amount of un-quoted investments	-	-
c. Aggregate amount of impairment in values of investments	-	-

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 36

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 9 Trade receivables - current

(₹ in crore)

	March 31, 2021	March 31, 2020
Considered good, secured	0.52	0.52
Considered good, unsecured (Refer note (iii) below)	1,791.69	1,803.06
Trade Receivables which have significant increase in credit risk	-	-
Trade receivables, credit impaired	47.48	41.93
	1,839.69	1,845.51
Less: Loss allowance	47.48	41.93
	1,792.21	**1,803.58**

Note

i) For receivables offered as security against borrowing - refer note 20

ii) For allowances for expected credit loss - refer note 37

iii) Includes receivable from subsidiaries/ down-stream subsidiaries/associate and contract assets as below;

(₹ in crore)

	March 31, 2021	March 31, 2020
Petroleum Specilities Pte Ltd.	0.02	-
Petroleum Specilities FZE	3.92	5.76
APAR Transmisstion & Distribution Projects Private Limited	0.07	-
APAR Distribution & Logistics Private Limited	0.11	-
Ampoil Apar Lubricants Private Limited	0.28	-
Due from a related parties (refer note 44)	**4.40**	**5.76**
Contract assets (refer note 47)	**0.73**	**6.15**
	5.13	**11.91**

The Company's exposure to credit and currency risk related to trade receivables are disclosed in note 37 and note 39 respectively.

Note 9A Trade receivables (Non-Current)

(₹ in crore)

	March 31, 2021	March 31, 2020
Considered good, secured	-	-
Considered good, unsecured	7.69	3.06
Trade Receivables which have significant increase in credit risk	-	-
Trade receivables, credit impaired	-	-
	7.69	3.06
Less: Loss allowance	-	-
	7.69	**3.06**

Note 10 Cash and cash equivalents

(₹ in crore)

	March 31, 2021	March 31, 2020
Balances with banks	167.17	106.05
On deposits with original maturity of less than three months*	0.00	35.00
Balance in cash credit bank account	18.05	-
Cash on hand	0.25	0.24
Cheques on hand	0.26	0.64
	185.73	**141.93**

Note:

Bank balances include ₹ 2.31 crore (Previous Year ₹ 0.22 crore) held in foreign currencies which have restriction on repatriation.

*Less than ₹ 0.50 lacs

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 11 Bank balances other than (Note 10) above

(₹ in crore)

	March 31, 2021	March 31, 2020
Deposits with original maturity for more than 3 months but less than 12 months(refer note i below)	11.65	11.41
Margin money deposit (refer note ii below)	-	0.01
Unclaimed dividend account (refer note iii below)	0.77	0.89
	12.42	**12.31**

Note

i) Includes fixed deposit of ₹ 11.47 crore (Previous Year ₹ 11.25 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, 2021 (Previous year Nil)

Note 12 Loans

(₹ in crore)

	March 31, 2021	March 31, 2020
Considered good - Unsecured, unless otherwise stated #		
Loans and advances to related parties	0.32	0.19
Others	-	-
Security deposits	14.53	26.56
Interest accrued but not due on fixed deposits	0.70	0.74
Interest accrued but not due on security deposits	0.14	0.05
Other receivable	1.43	2.50
	17.12	**30.04**
Loans and advances to related party		
APAR Investments (Singapore) Pte Ltd.	0.08	0.04
Petroleum Specialities FZE	0.15	0.15
APAR Distribution & Logistics Private Limited	0.09	-
	0.32	**0.19**

(₹ 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, 2021	March 31, 2020
APAR Investments (Singapore) Pte Ltd.	0.08	0.04
Petroleum Specialities FZE	0.15	0.15
APAR Distribution & Logistics Private Limited	0.09	-

Note 13 Other Current Assets

(₹ in crore)

	March 31, 2021	March 31, 2020
Balances with statutory/government authorities	165.08	86.74
Prepayments	25.71	19.71
Claims receivable	62.51	48.19
Other current assets	22.31	33.20
	275.61	**187.84**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	14A	Equity Share Capital

(₹ in crore)

		March 31, 2021	March 31, 2020
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
	Total	**38.27**	**38.27**

(₹ in crore)

		March 31, 2021	March 31, 2020
d	Reconciliation of number of shares outstanding at the beginning and end of the year :		
	Outstanding at the beginning of the year	3,82,68,619	3,82,68,619
	Changes during the year	-	-
	Outstanding at the end of the year	3,82,68,619	3,82,68,619

(₹ in crore)

e	Aggregate no. and class of shares bought back during the period of five years immediately preceding the reporting date:	March 31, 2021	March 31, 2020
	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.

Events after the reporting date

The Company declares and pays dividends in Indian rupees. The Board of Directors of the Company have recommended final dividend for the financial year 2020 - 21 @ ₹ 9.50 per share aggregating to ₹ 36.36 crore on 38,268,619 Equity shares of ₹ 10/- each fully paid. This will be paid after approval by shareholders at the ensuing Annual General Meeting. The actual dividend amount is dependent upon the relevant share capital outstanding as on the record date / book closure.

		31 March 2021		March 31, 2020	
g.	Shareholders holding more than 5% shares in the company is set out below:	No of shares	%	No of shares	%
	Kushal N. Desai	92,08,503	24.06	90,48,503	23.65
	Chaitanya N. Desai	90,58,946	23.67	89,64,946	23.43
	Maithili N. Desai Family Pvt. Trust No. 2 - Trustee Maithili Trusteeship Services Private Limited	44,02,687	11.51	43,60,000	11.39
	HDFC Trustee Company Limited	35,39,727	9.25	35,39,727	9.25
	Reliance Capital Trustee Company Limited	-	-	24,12,738	6.31
	L&T Mutual Fund Trustee Limited	20,21,139	5.28	23,41,249	6.12

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 14B Other Equity (Refer Note below)

(₹ in crore)

	March 31, 2021	March 31, 2020
Capital reserve	23.46	23.77
Securities premium	205.18	205.18
Capital Redemption Reserve	14.98	14.98
General reserve	268.30	254.00
Retained earnings - Surplus	768.60	645.78
	1,280.53	**1,143.71**
Note: The nature & purpose of each of the Reserves have been explained under Statement of changes in Equity		
Capital reserve		
Opening balance	23.77	23.77
Increase/(decrease) during the year	(0.30)	-
Closing Balance	**23.46**	**23.77**
Securities premium		
Opening balance	205.18	205.18
Increase/(decrease) during the year	-	-
Closing balance	**205.18**	**205.18**
Capital Redemption Reserve		
Opening balance	14.98	14.98
Increase/(decrease) during the year	-	-
Closing balance	**14.98**	**14.98**
General reserve		
Opening balance	254.00	240.00
Increase/(decrease) during the year	14.30	14.00
Closing balance	**268.30**	**254.00**
Retained earnings - Surplus		
Opening balance	645.78	608.44
Increase/(decrease) during the year	122.82	37.34
Closing balance	**768.60**	**645.78**

Note 14C Items of other comprehensive income (OCI)

(₹ in crore)

	March 31, 2021	March 31, 2020
Hedging reserve	(11.11)	(90.55)
Other items of OCI	(1.92)	(2.47)
	(13.03)	**(93.02)**
Hedging reserve		
Opening balance	(90.55)	(3.84)
Increase/(decrease) during the year	79.45	(86.71)
Closing balance	**(11.11)**	**(90.55)**
Remeasurement of defined benefit liability (asset)		
Opening balance	(2.47)	(1.60)
Increase/(decrease) during the year	0.55	(0.87)
Closing balance	**(1.92)**	**(2.47)**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 15 Borrowings

(₹ in crore)

	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non current		Current	
Term loans (Secured)				
Rupee term loans from banks	47.74	67.61	19.87	16.87
Foreign currency term loans from banks	136.89	89.00	7.83	(0.29)
	184.63	**156.61**	**27.70**	**16.58**

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Notes 38, 39 and 40 respectively

Details of security:

a Rupee term loan and foreign currency loan from banks are secured as under:

i The rupees term loan from Kotak Mahindra Bank is secured by charge on property located at Jharsuguda and Lapanga (Movable & Immovable Fixed Assets)

ii The Foreign Currency Term Loan from State Bank of India, Tokyo is secured by way of a First Charge on movable and immovable assets of the company by way of Hypothecation/Equitable Mortgage of Khatalwad Unit and Office Building (Building No. 4 Corporate park, Chembur). 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 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. The interest is payable at 8.30% p.a.

ii 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 ₹ 2.71 crore each, next 5 installment of ₹ 4.06 crore each, next 1 installment of ₹ 5.41 crore, next 5 installment of ₹ 9.48 crore each, subsequent 2 installment of ₹ 10.83 crore each and last 3 installments of ₹ 13.54 crore each. The interest is payable at 3 months Libor + 1.70% on quarterly basis.

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

c Borrowings reconciliation

(₹ in crore)

Borrowings as at	March 31, 2021	March 31, 2020
Short term borrowings (Refer note 20)	21.49	63.75
Interest accrued but not due on above	-	-
Long term borrowings	212.33	173.19
Interest accrued but not due on above	0.61	0.82
Net borrowings	**234.43**	**237.76**

Note 16 Derivatives-Liability

(₹ in crore)

	March 31, 2021	March 31, 2020
Derivatives used for hedging - Non Current	0.72	7.34
Derivatives used for hedging - Current	46.92	123.03
	47.65	**130.37**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 17 Other financial liabilities - non current

(₹ in crore)

	March 31, 2021	March 31, 2020
Deposits from dealers (Refer Note*)	3.11	3.37
	3.11	**3.37**

*Note : Measured at amortised cost

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Notes 38, 39 and 40 respectively

Note 18 Provisions - non current

(₹ in crore)

	March 31, 2021	March 31, 2020
Provision for Employee benefits (Refer Note 35)		
Provision for gratuity - In respect of directors	1.45	1.29
Provision for leave benefits	6.68	6.13
	8.13	**7.42**

Note 19 DEFERRED TAX BALANCES (NET)

(a) Movement in deferred tax balances

(₹ in crore)

		2020-21		March 31, 2021		
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(40.57)	0.27		(40.30)	-	(40.30)
Derivatives	29.91	0.84	(26.38)	4.37	4.37	-
Loans and borrowings	(0.58)	0.10		(0.48)	-	(0.48)
Employee benefits	2.54	0.62	(0.18)	2.98	2.98	-
Lease Expenses	0.33	(0.02)		0.31	0.31	-
Deferred income	-	0.10		0.10	0.10	-
Provisions	10.55	2.16		12.71	12.71	-
Security Deposits	0.00	(0.00)		0.00	0.00	-
Tax assets (liabilities)	2.18	4.07	(26.56)	(20.31)	20.47	(40.78)
Set off of deferred tax asset						20.47
Net tax assets (liabilities)						**(20.31)**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(b) Movement in deferred tax balances

(₹ in crore)

		2019-20		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	0.19	(0.19)	-	-		-
Tax assets (liabilities)	**(39.16)**	**13.00**	**28.34**	**2.18**	**43.33**	**(41.15)**
Set off of deferred tax asset						**43.33**
Net tax assets (liabilities)						**2.18**

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 and the period over which deferred income tax assets will be recovered.

Note 20 Borrowings

(₹ in crore)

	March 31, 2021	March 31, 2020
Secured Loans		
Working capital loans from banks (Refer Notes below)		
Bank Overdraft	-	0.00
Packing credit loan in foreign currency from banks	-	63.75
Unsecured Loans	**-**	**63.75**
Buyer's credit facilities		
	21.49	**-**
	21.49	**63.75**

Note :

Working capital loans from banks 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 21 Trade and other payables

(₹ in crore)

	March 31, 2021	March 31, 2020
Acceptances	1,963.50	1,720.75
Due to Micro, Small and Medium Enterprises	27.77	17.23
Due to other than micro and small and medium enterprises	865.49	965.32
Due to subsidiary companies	21.55	3.44
Total	**2,878.31**	**2,706.74**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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).

(₹ in crore)

		March 31, 2021	March 31, 2020
(a)	i) Principal amount unpaid as on March 31	27.77	17.23
	ii) Interest due as on March 31	0.05	-
(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	0.05	-
(d)	Interest accrued but not due	-	-
(e)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Note 22 Other financial liabilities - current

(₹ in crore)

	March 31, 2021	March 31, 2020
Current portion of long-term foreign currency loan (Refer Note 15)	7.83	(0.29)
Current portion of long-term Rupee loan (Refer Note 15)	19.87	16.87
Interest accrued but not due	8.21	17.59
Creditors for capital expenditure	8.46	15.87
Channel Finance	-	1.62
Bill Discounting with Recourse	-	0.83
Unclaimed dividend (Refer Note*)	0.77	0.89
Book Overdraft	-	2.44
Deposit from Dealers	0.44	0.67
	45.58	**56.49**

Note:

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2021.

Note 23 Other liabilities - current

(₹ in crore)

	March 31, 2021	March 31, 2020
Contract Liabilities (Refer note 47)	106.50	69.77
Statutory dues towards Government	7.65	5.29
Other payables (refer note i below)	10.63	4.46
	124.78	**79.52**

Note:-

i. Other payables includes security deposits of ₹ 0.45 crore (previous year ₹ 0.01 crore)

Note 24 Provisions - current

(₹ in crore)

	March 31, 2021	March 31, 2020
Provision for employee benefits		
Provision for leave benefits (Refer Note 35)	2.00	1.43
	2.00	**1.43**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 25 Revenue from operations

(₹ in crore)

	2020-21	2019-20
Sale of products (Refer Note 25.1)		
Finished goods	5,741.61	6,688.82
Raw materials	14.33	49.54
Traded goods	98.95	165.20
Total	**5,854.89**	**6,903.56**
Sale of services	77.50	65.41
Other operating revenue		
Scrap Sales	15.19	20.42
Export Incentives	12.50	26.22
Duty Drawback	0.74	1.54
Total	**28.43**	**48.18**
Revenue from operations	**5,960.82**	**7,017.15**

Note 25.1 Details of products sold

(₹ in crore)

	2020-21	2019-20
Finished goods sold		
Transformer Oils and Speciality Oils	1,891.64	1,873.22
Conductors	2,600.49	3,247.16
Cables	1,214.65	1,544.00
Thermoplastic Elastomers	34.83	24.44
	5,741.61	**6,688.82**
Raw materials sold		
Base Oils and additives	0.15	1.06
Ferrous metal and Non-ferrous metals	13.68	47.80
Others	0.50	0.68
	14.33	**49.54**
Traded goods sold		
Thermoplastic Elastomers	5.63	8.22
Lubricants	21.92	25.52
Aluminium, HTLS Hardware & GSW Steel Wire, etc	57.05	119.61
Others	14.35	11.85
	98.95	**165.20**
	5,854.89	**6,903.56**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 26 Other Income

(₹ in crore)

	2020-21	2019-20
Interest income on financial assets measured at amortized cost	5.27	5.14
Gain on foreign exchange translations (net)	3.97	-
Profit on sale of Property, plant & equipments (net)	0.49	-
Commission on Corporate Guarantee	1.62	-
Gain on sale of investments (net)	1.05	3.15
Provision no longer required (net)	6.86	3.82
Miscellaneous Income	6.51	12.42
TOTAL	**25.77**	**24.53**

Note 27 Cost of materials consumed

(₹ in crore)

	2020-21	2019-20
Inventory at the beginning of the year	594.73	716.45
Add : Purchases	4,624.13	5,268.71
	5,218.86	**5,985.16**
Less: Closing Inventory	845.13	594.73
TOTAL	**4,373.73**	**5,390.43**

Note 28 Purchases of Stock-in-Trade

(₹ in crore)

	2020-21	2019-20
Thermoplastic Elastomers	4.95	3.83
Lubricants	16.41	20.37
HTLS Hardware	44.51	68.93
Others	13.10	55.47
	78.97	**148.60**

Note 29 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2020-21	2019-20
Inventories at the beginning of the year		
Finished goods	396.64	304.70
Work-in-progress	222.82	151.64
Traded goods	13.70	13.43
	633.16	**469.77**
Inventories at the end of the year (Refer Note 29.1)		
Finished goods	375.13	396.64
Work-in-progress	203.51	222.82
Traded goods	15.43	13.70
	594.07	**633.16**
	39.09	**(163.39)**

Note 29.1 Details of Inventory

(₹ in crore)

	2020-21	2019-20
Finished goods		
Transformer Oils and Speciality Oils	45.38	61.14
Conductors	243.52	228.06
Cables	85.16	106.37
Thermoplastic Elastomers	1.07	1.07
	375.13	**396.64**
Work-in-progress		
Transformer Oils and Speciality Oils	23.74	23.37
Conductors	97.65	102.08
Cables	81.96	97.33
Thermoplastic Elastomers	0.16	0.04
	203.51	**222.82**
Traded goods		
Thermoplastic Elastomers	4.20	4.56
Lubricants	5.79	4.58
Others	5.44	4.56
	15.43	**13.70**

Note 30 Employee benefits expense

(₹ in crore)

	2020-21	2019-20
Salaries, wages, bonus, etc.	133.57	142.38
Contribution to provident and other funds	8.24	7.46
Gratuity expense	0.15	1.37
Staff welfare expenses	8.47	8.81
	150.43	**160.02**

Note 31 Finance costs

(₹ in crore)

	2020-21	2019-20
Interest on borrowings	98.75	147.74
Interest on lease liabilities	1.27	1.64
Other borrowing cost	19.04	16.51
Applicable net loss on foreign currency transactions and translation	10.18	53.19
	129.24	**219.08**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 32 Other expenses

(₹ in crore)

	2020-21	2019-20
Consumption of stores and spares	32.76	39.36
Packing materials	194.39	215.65
Storage charges	12.89	11.54
Power, electricity and fuel	77.76	91.04
Processing charges, fabrication and labour charges	166.26	183.28
Freight and forwarding charges	236.18	221.79
Rent (Refer note 48)	0.09	0.21
Statutory levies, Duties and taxes	5.29	7.85
Insurance	11.23	10.17
Repairs and maintenance		
Plant and machinery	5.35	6.65
Buildings	1.68	2.60
Others	6.90	8.09
Advertising and sales promotion	4.75	5.96
Sales commission	42.32	44.22
Travelling and conveyance	8.57	23.64
Printing and stationery	1.52	2.22
Legal and professional fees	12.99	16.09
Loss on foreign exchange translations	-	20.78
Directors' sitting fees	0.12	0.13
Commission to Directors	3.86	3.57
Discount and rebates	-	0.22
Lease rental (Refer note 48)	0.64	0.58
Corporate Social Responsibility Activities (Refer note 32B below)	4.25	4.75
Donations	0.11	0.05
Royalty	39.91	13.57
Bank charges and commission	18.66	24.53
Bad debts and advances written-off	13.78	22.09
Less: LossAllowances utilised	(11.27)	(6.01)
Loss Allowances for doubtful debts and advances	18.03	12.96
Loss on sale of Property, plant and equipments (net)	-	2.81
Miscellaneous expenses (Refer note 32A below)	37.07	46.87
	946.09	**1,037.26**

Note 32A Auditors' remuneration (included in miscellaneous expenses)

(₹ in crore)

	2020-21	2019-20
Auditor remuneration as		
Auditor	0.44	0.44
for other services	0.01	0.09
for reimbursement of expenses	0.02	0.00
	0.47	**0.53**

Note 32B Corporate Social Responsibility Activities

(₹ in crore)

	2020-21	2019-20
Details of corporate social responsibility expenditure		
Amount required to be spent by the Company during the year	4.14	4.83
Amount spent during the year (in cash)	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above (refer note below)	4.25*	4.75

*Note - includes ₹ 0.07 crore pertaining to FY 2019-20

Note 33 Earnings per share (EPS)

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders (basic)

(₹ in crore)

	March 31, 2021	March 31, 2020
Profit (loss) for the year, attributable to ordinary shareholders	136.82	138.98
Weighted average number of shares at March 31	3,82,68,619	3,82,68,619
Basic and Diluted EPS (₹)	**35.75**	**36.32**
Face value per Share (₹)	10.00	10.00

Note 34 Tax expense

Tax expense

(a) Amounts recognised in profit and loss

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current income tax	51.95	45.69
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(4.07)	(13.00)
Deferred tax expense	(4.07)	(13.00)
Tax expense for the year	**47.88**	**32.69**

(b) Amounts recognised in other comprehensive income (₹ in crore)

	For the year ended March 31, 2021			For the year ended March 31, 2020		
	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)	0.73	(0.18)	0.55	(1.17)	0.30	(0.87)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	105.83	(26.38)	79.45	(114.75)	28.04	(86.71)
	106.56	**(26.56)**	**80.00**	**(115.92)**	**28.34**	**(87.58)**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(c) Reconciliation of effective tax rate (₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	184.70	171.67
Enacted Income tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	46.48	43.21
Tax effect of:		
Non-deductible tax expenses	1.11	0.61
Deduction under chapter VIA	(0.42)	(0.42)
Change in deferred tax balances due to change in income tax rate	-	(11.54)
Employee benefits	0.18	-
Others	0.53	0.83
	47.88	**32.69**

Note 35 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 ₹ 1.95 crore (previous year ₹ 2.10 crore) for superannuation contribution and other retirement benefit contributions in the Statement of Profit and Loss.

The Company recognised ₹ 4.85 crore (previous year ` 5.36 crore) for provident fund 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.

(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 Company provides for leave encashment liabiltiy as per the acturial valuation carried out as at March 31, 2021. The Company has recognised ₹ 1.45 crore (previous year ₹ 2.69 crore) for leave encashment liability in the Statement of Profit and Loss.

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, 2021. 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, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Table showing change in benefit obligation		
Defined benefit obligation at beginning of the year	16.89	13.80
a) Included in statement of profit and loss		-
Current service cost	1.44	1.18
Interest cost	1.17	1.08
	2.61	**2.26**
b) Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
financial assumptions	(0.14)	0.95

experience adjustment	0.32	0.50
	0.18	**1.46**
c) Other		
Benefits paid	(1.52)	(0.62)
	(1.52)	**(0.62)**
Defined Benefit obligation at end of the year	**18.16**	**16.89**

(₹ in crore)

	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Table showing change in Fair Value of Plan Assets		
Fair value of plan assets at beginning of the year	16.89	13.46
Interest income	1.17	1.05
Return on plan assets, excluding interest income	0.90	0.28
Employer Contribution	0.71	2.72
Benefit paid	(1.52)	(0.62)
Fair value of plan assets at year end	**18.16**	**16.89**
Actual return on plan assets	2.08	1.33
Expected contribution for next year	1.48	1.44

Defined benefit obligations

i) Actuarial assumptions

In arriving at the valuation for gratuity & leave salaries following assumptions were used:

(₹ in crore)

	March 31, 2021	March 31, 2020
	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Table (LIC)	Ultimate	Ultimate
Retirement Age	60 years	60 years
Employee Turnover rate	2.00%	2.00%
Discount Rate	7.05%	6.95%
Expected rate of return on plan assets (per annum)	7.05%	6.95%
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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.34)	1.54	(1.13)	1.31
Future salary growth (1% movement)	1.56	(1.38)	1.33	(1.16)
Employee Turnover (1% movement)	0.22	(0.24)	0.18	(0.21)

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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:

(₹ in crore)

Net asset / (liability) recognised in the balance sheet as at	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Fair value of plan assets	18.16	16.89
Present value of obligation	(18.16)	(16.89)
Amount recognised in balance sheet	-	-

(₹ in crore)

	March 31, 2021	March 31, 2020
Gratuity Payable to Directors	1.45	1.29

(₹ in crore)

Expense recognised during the year	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Included in statement of profit and Loss		
Current service cost	1.44	1.18
Interest cost	1.17	1.08
Net actuarial (gain) / loss		
Return on plan assets,excluding acturial gain or loss	(1.17)	(1.05)
Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
financial assumptions	(0.14)	0.95
experience adjustment	0.32	0.50
Return on plan assets,excluding acturial gain or loss	(0.90)	(0.28)
Net Cost	**0.72**	**2.38**

(₹ in crore)

Maturity analysis of the benefit payments: from the fund	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Projected benefits payable in future years from the date of reporting		
1st following year	1.81	4.49
2nd following year	0.73	0.71
3rd following year	1.34	0.84
4th following year	1.30	1.23
5th following year	1.48	1.11
From 6 to 10 years	9.44	5.65
From 11 years and above	20.60	19.16

(₹ in crore)

Category of Plan Assets	March 31, 2021	March 31, 2020
Insurance Funds	1.07	1.00
Mutual Funds	17.09	15.89
Fair value of plan assets	**18.16**	**16.89**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	36	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, 2021	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										
- Non-current	3				1.67	1.67		-		-
- Current	8		60.00			60.00	60.00			60.00
Loans										
- Non-current										-
- Current	12				17.12	17.12				-
Trade Receivables										-
- Non-current	9A				7.69	7.69				
- Current	9				1,792.21	1,792.21				
Cash and Cash Equivalents	10				185.73	185.73				-
Other Bank Balances	11				12.42	12.42				-
Other financial assets										
- Non-current	5				12.03	12.03				-
- Current										
Derivatives										-
- Non-current	4	4.25	-	4.25		4.25		4.25		4.25
- Current	4	24.21	-	24.21		24.21		24.21		24.21
Total financial assets		**28.47**	**60.00**	**28.47**	**2,028.87**	**2,117.33**	**60.00**	**28.47**	**-**	**88.47**
Financial liabilities										
Borrowings						-				-
- Non-current	15				184.63	184.63				
- Current	20				21.49	21.49				
Lease liabiliies						-				
- Non-current					8.70	8.70				
- Current					3.61	3.61				
Other financial liabilities										
- Non-current	17				3.11	3.11				-
- Current	22				45.58	45.58				-
Derivatives										-
- Current	16	0.72	-	0.72		0.72		0.72		0.72
- Non-Current	16	46.92	0.61	46.32		46.92		46.92		46.92
Trade Payables	21				2,878.31	2,878.31				-
Total financial liabilities		**47.65**	**0.61**	**47.04**	**3,145.43**	**3,193.07**	**-**	**47.65**	**-**	**47.65**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(₹ in crore)

		Carrying amount					Fair value			
March 31, 2020	Note No.	Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Financial assets										
Investments										
- Non-current	3				0.28	0.28		-		
- Current	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	4	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	20				63.75	63.75				
Leases										
- Non-current					13.31	13.31				
- Current					5.72	5.72				
Other financial liabilities										
- Non-current	17				3.37	3.37				
- Current	22				56.49	56.49				
Derivatives										
- Non-current	16	7.34		7.34		7.34		7.34		7.34
- Current	16	123.03	0.01	123.02		123.03		123.03		123.03
Trade Payables	21				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**

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

Note: The fair value for financial instruments such as trade receivables, cash and cash equivalents, trade payables etc have not been disclosed because the carrying values approximate the fair value.

Refer note 1.6 for different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

C. Financial risk management

The Company 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.

Note 37 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 Company's 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:

At March 31, the maximum exposure to credit risk for trade and other receivables age wise was as follows.

(₹ in crore)

Trade receivables	March 31, 2021	March 31, 2020
Not due	1,416.05	1,133.20
past due 0-90 days	138.29	325.53
past due 91 -180 days	77.07	165.63
past due 181 days & more	215.97	224.21
Total	1,847.38	1,848.57
Less: Loss allowance	47.48	41.93
Net Total	**1,799.90**	**1,806.64**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

At March 31, the maximum exposure to credit risk for short term loans and advances age wise was as follows.

(₹ in crore)

Short Term loans and advances	March 31, 2021	March 31, 2020
Not due	17.12	30.04
past due 1-90 days	-	-
past due 91 -180 days	-	-
past due 180 days	-	-
	17.12	**30.04**

Management believes that the unimpaired amounts which are past due are fully collectible.

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
Not due	0.00%	0.00%	0.00%
past due 0-90 days	3.72%	13.98%	3.64%
past due 91 -180 days	12.90%	20.49%	14.66%
past due 181 days & more	77.39%	76.47%	66.58%

*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)

Loss Allowances for Doubtful Debts	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2019	34.24	-
Amounts provided	13.71	-
Amount written back / utilised	(7.23)	-
Balance as on 31 March 2020	40.72	-
Amounts provided	14.17	-
Amount written back / utilised	(11.60)	-
Balance as on 31 March 2021	**43.28**	-

(₹ in crore)

Allowances for Expected Credit Loss	As at 31.3.2021	As at 31.3.2020
Balance at the beginning of the year	1.21	1.16
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	2.99	0.05
Balance at the end of the year	**4.20**	**1.21**

Other non-current financial assets

Other non-current financial assets includes earnest money deposit, security deposits to customers. These advances and deposits were made in continuation of business related activities and are made after review as per companies policy.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Cash and cash equivalents

The Company holds cash and cash equivalents of ₹ 185.73 Crore (Previous Year ₹ 141.93 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.

Note 38 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, 2021	**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	212.33	212.33	27.70	38.48	132.69	13.46
Short term loan from bank (Unsecured)	21.49	21.49	21.49	-	-	-
Trade and other payables	2,878.31	2,878.31	2,878.31	-	-	-
Other financial liabilities	17.88	17.88	17.88	-	-	-
Lease liabiliies	12.31	12.31	3.61	2.20	5.38	1.12
Derivative financial liabilities						
Forward exchange contracts/ Futures used for hedging/ Natural hedging						
'- Outflow	47.65	47.65	46.92	0.72	-	-

(₹ 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	-	-	-
Lease liabiliies	19.03	19.03	5.72	3.70	6.86	2.75
Derivative financial liabilities						
Forward exchange contracts/ Futures used for hedging/ Natural hedging						
- Outflow	130.37	130.37	123.03	7.34	-	-

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 ₹ 3.11 crores (Previous year ₹ 3.37 crores) cannot be ascertained on reporting date.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	39	Financial instruments – Fair values and risk management Risk

Market

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 entered into 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 does 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, 2021					
	USD	**EUR**	**CAD**	**ETB**	**NPR**	**KES**
Trade receivables	6.40	0.53	0.03	(0.27)	-	-
Cash and cash equivalents	0.14	0.01	0.00	1.26	0.10	0.04
Long term Borrowings	(2.00)	-	-	-	-	-
Short term borrowings	(0.29)	-	-	-	-	-
Trade payables	(13.84)	0.01	-	(0.20)	-	-
Net Exposure	**(9.59)**	**0.55**	**0.03**	**0.79**	**0.10**	**0.04**

Fig. in Crore

	March 31, 2021				
	EGP	**AUD**			
Trade receivables	-	(0.00)			
Cash and cash equivalents	0.01	-			
Long term Borrowings	-	-			
Short term borrowings	-	-			
Trade payables	-	-			
Net Exposure	**0.01**	**(0.00)**			

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**

Fig. in Crore

	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**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
US Dollars (USD)	74.23	70.88	73.11	75.42
Euro (EURO)	86.61	78.80	85.75	81.88
Canadian Dollars (CAD)	56.21	53.33	58.03	53.37
Pound sterling (GBP)	97.04	90.15	100.75	93.46
Ethiopian Birr (ETB)	2.01	2.36	1.79	2.27
Nepalese Rupee (NPR)	0.63	0.62	0.63	0.62
Kenyan Shilling (KES)	0.68	0.69	0.67	0.71
Egyptian Pound (EGP)	4.70	4.34	4.65	4.75
United Arab Emirates Dirham (AED)	20.17	19.31	19.91	20.44
Austrailian Dollar (AUD)	53.36	48.34	55.70	46.19

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, 2021		
USD (1% movement)	7.12	(7.12)
EUR (1% movement)	(0.47)	0.47
CAD (1% movement)	(0.02)	0.02
ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
AUD (1% movement)	0.00	(0.00)
	6.61	**(6.61)**

(₹ 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)**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 40 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.

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, 2021	March 31, 2020
Fixed rate instruments	67.61	84.48
Variable-rate instruments*	1,465.26	1,824.33
	1,532.87	**1,908.81**

*Variable rate instruments 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.

(₹ in crore)

	Profit or loss	
	100 Basis Point increase	100 Basis Point decrease
March 31, 2021		
Variable-rate instruments	(14.65)	14.65
Cash flow sensitivity (net)	(14.65)	14.65
March 31, 2020		
Variable-rate instruments	(18.24)	18.24
Cash flow sensitivity (net)	(18.24)	18.24

Note 41 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 fair value 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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 receives or pays (in case of asset or a liability respectively) at a floating rate in return for a fixed rate asset or liability.	Cash flow hedge
2	Future contract	Highly probable purchase transaction	Mitigate the impact of fluctuations in aluminium 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	Forecasted Export Sales	Mitigate the impact of fluctuations in foreign exchange rates	Foreign currency denominated Import Purchases	Company uses its Forecasted Foreign currency denominated Import Purchases to mitigate the risk of foreign currency movement in collection of Forecasted Export Sales	Cash flow hedge

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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.

The tables below provide details of the derivatives that have been designated as hedges for the periods presented:

(₹ in crore)

As at 31 March 2021									
	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	18.28	0.07	0.93	(1.81)	(4.59)	NA	NA	(2.77)	COGS
Commodity contracts	120.27	28.40	44.73	118.72	106.93	NA	NA	(11.79)	COGS
Foreign currency denominated Import Purchases	111.54	-	0.16	(1.09)	3.49	NA	NA	4.58	Sales

(₹ 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	214.41	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
Foreign currency denominated Import Purchases	105.19	-	3.65	(4.20)	(4.27)	NA	NA	(0.07)	Sales

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

The tables below provide details of the Company's hedged items under cash flow hedges:

(₹ in crore)

	As at 31 March 2021			As at 31 March 2020		
	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
Highly probable forecast transactions	(1.81)	0.86	NA	9.88	(4.06)	NA
Highly probable purchases	118.72	16.33	NA	(215.38)	121.08	NA
Forecasted Export Sales	(1.09)	0.16	NA	(4.20)	3.65	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, 2021	March 31, 2020
Opening balance	120.65	5.91
Effective portion of changes in fair value:		
a) Interest rate risk	-	-
b) Commodity price risk	(118.72)	215.38
c)Foreign currency risk	1.81	(9.88)
d) Forecasted Export Sales	1.09	4.20
Net amount reclassified to profit or loss:		
a) Interest rate risk	-	-
b) Commodity price risk	11.79	(85.43)
c) Foreign currency risk	2.77	(9.60)
d) Forecasted Export Sales	(4.58)	0.07
Movements on reserves during the year		
Closing balance	**14.81**	**120.65**

Disclosure of effects of hedge accounting on financial performance

(₹ in crore)

March 31, 2021	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				
Foreign exchange risk	(4.59)	NA	(2.77)	COGS
Commodity price risk	106.93	NA	(11.79)	COGS
Forecasted Export Sales	3.49	NA	4.58	Sales

(₹ in crore)

March 31, 2020	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				
Foreign exchange risk	19.48	NA	9.60	COGS
Commodity price risk	(129.95)	NA	85.43	COGS
Forecasted Export Sales	(4.27)	NA	(0.07)	Sales

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 42 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, 2021	As at March 31, 2020
Borrowings	233.82	236.95
Less : Cash and cash equivalent	185.73	141.93
Adjusted net debt	**48.08**	**95.02**
Total equity	1,305.76	1,088.96
Less : Hedging reserve	(11.11)	(90.55)
Adjusted equity	**1,316.87**	**1,179.51**
Adjusted net debt to adjusted equity ratio	**0.04**	**0.08**

Note 43 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

B. Information about reportable segments

For the year ended March 31, 2021

(₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	2,742.82	1,929.77	1,246.76	5,919.35	41.47		5,960.82
Other income	15.10	6.81	0.34	22.25	3.52		25.77
Intersegment revenue	165.21	6.64	22.68	194.53	1.48	(196.01)	-
Segment revenue	**2,923.13**	**1,943.22**	**1,269.78**	**6,136.13**	**46.48**	**(196.01)**	**5,986.59**
Segment profit (loss) before tax & Finance Cost	68.34	235.63	32.80	336.77	3.46		340.23
Less :- Interest expense							129.24
Less:- Other unallocated expenditure net of unallocable income	-						26.29
Profit before tax							184.70
Tax expenses							47.88
Profit after tax							136.82
Capital Employed							
Segment assets	2,084.72	1,213.00	1,164.60	4,462.32	50.57		4,512.89
Unallocable corporate and other assets				-			152.49
Total Asset	2,084.72	1,213.00	1,164.60	4,462.32	50.57	-	4,665.38
Segment liabilities	1,570.20	782.66	722.03	3,074.89	8.43		3,083.32
Unallocable corporate and other liabilities							1,582.06
Total Liabilities	1,570.20	782.66	722.03	3,074.89	8.43	-	4,665.38
Capital expenditure	12.71	11.14	25.26	49.11	1.67	-	50.78
Capital expenditure -Unallocable							7.06
Depreciation and Amortisation expense	35.62	12.64	30.55	78.81	0.77		79.58
Depreciation and Amortisation- Unallocable				-			5.29

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)	3,499.01	1,907.48	1,577.12	6,983.61	33.54	-	7,017.15
Other income	15.57	3.58	1.79	20.94	3.59	-	24.53
Intersegment revenue	90.82	5.84	22.78	119.44	1.00	(120.44)	-
Segment revenue	**3,605.40**	**1,916.90**	**1,601.69**	**7,123.98**	**38.14**	**(120.44)**	**7,041.68**
Segment profit (loss) before tax & Finance Cost	152.20	119.55	154.59	426.34	1.77	-	428.12
Less :- Interest expense							219.08
Less:- Other unallocated expenditure net of unallocable income							37.36

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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 Segment 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	-	2,943.93
Unallocable corporate and other liabilities				-			1,369.75
Total Segment 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

Note1:

Unallocated segment liabilities in the segment information includes equity share capital and unallocated reserves excluding hedge reserve amounting to ₹ 1316.88 crore as at March 31, 2021 and ₹ 1179.51 crore as at March 31, 2020.

C. Information about geographical areas

(a) Revenue from external customers

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
- Within India*	3,840.84	4,928.25
- Outside India	2,119.98	2,088.90
	5,960.82	**7,017.15**

* include deemed exports ₹ 77.52 crore (Previous year ₹ 56.10 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	March 31, 2021	March 31, 2020
USD (US Dollar)	1,612.27	1,858.85
EUR (EURO)	150.23	117.61
CAD (Canadian Dollar)	97.09	1.10
SGD (Singapore Dollar)	0.13	-
AUD (Australian Dollar)	13.82	16.24
INR	246.44	95.10
Total	**2,119.98**	**2,088.90**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(b) Segment Assets

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
- Within India	4,665.12	4,313.43
- Outside India	0.26	0.26
	4,665.38	**4,313.69**

(₹ in crore)

Segment assets outside India currency wise	March 31, 2021	March 31, 2020
USD (US Dollar)	0.26	0.26
Total	**0.26**	**0.26**

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 44 Related party relationships, transactions and balances

The Company's related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business. All the transactions with related parties are on arm's length basis.

A. List of Related Parties

a). **Subsidiary Companies:**

(1). Petroleum Specialties Pte. Ltd, Singapore (Wholly owned subsidiary)

(2). Petroleum Specilities FZE, Sharjah (Wholly owned subsidiary of Petroleum Specialities Pte. Ltd)

(3). APAR Transmission & Distribution Projects Private Limited (Wholly owned subsidiary)

(4). APAR Distribution & Logistics Private Limited (Wholly owned subsidiary)

b). **Associate Company:**

(1). Ampoil APAR Lubricants Private Limited (Share of APAR Industries Limited - 40%) (w.e.f. September 19, 2020)

c). **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
Mrs. Nina Kapasi - Independent Director
Mr. F. B. Virani - Independent Director
Mr. Rajesh Sehgal - Independent Director
Mr. Rishabh Kushal Desai - Non Executive and Non Independent Director

d). **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. Vinaya S. Kunder
Master Akshat S. Kunder

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Mrs. Arti V. Diwadkar

Mr. Amit V. Diwadkar

e). Entities controlled 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 Limited

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

Cutting Chai Technologies Private Limited

B. Related Party Transactions in ordinary course of business

(i) Subsidiary companies:

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Sale of finished goods/ Raw materials / traded goods	11.39	9.42
2	Purchase of finished goods/ Raw materials / traded goods	52.92	37.58
3	Investment made	0.99	0.01
4	Rent Income	0.03	0.03
5	Commission Expenses	1.42	1.41
6	Guarantee given by the company on behalf of subsidiaries	237.61	426.12
7	Guarantee commission from subsidiaries	1.62	-
8	Reimbursement of Expenses	2.10	6.85

(₹ in crore)

Sr No.	Balances outstanding as at year end	2020-21	2019-20
1	Receivable from subsidiary company for supply of raw material, finished goods, capital goods, dividend and services	4.12	5.76
2	Payable to subsidiary company for supply of raw material, finished goods, capital goods, dividend and services	21.55	3.44
3	Short term advances given	0.24	0.15
4	Committments	18.56	-

(ii) Associate company:

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Sale of finished goods/ Raw materials / traded goods	0.30	-

(₹ in crore)

Sr No.	Balances outstanding as at year end	2020-21	2019-20
1	Investment made	0.40	-
2	Receivable from associate company for supply of raw material & finished goods	0.28	-

(iii) **Key Managerial Personnel :**

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Remuneration	5.82	8.09
2	Dividends paid (payment basis)	-	33.96
3	Sitting fees	0.12	0.13

(₹ in crore)

Sr No.	Balances outstanding as at year end	2020-21	2019-20
1	Commission payable	3.86	3.57

(iv) **Relatives of Key Managerial Personnel:**

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Dividends paid (payment basis)	-	0.34
2	Salary paid	0.04	-

(v) **Entities controlled by key management personnel/individuals having significant influence:**

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Rent paid	1.30	1.15
2	Dividends paid (payment basis)	-	8.58
3	Sale of finished goods/ Raw materials / traded goods/services	0.04	-
4	Purchase of finished goods/ Raw materials / traded goods/services	0.03	0.57

(₹ in crore)

Sr No.	Balances outstanding as at year end	2020-21	2019-20
1	Receivable for supply of finished goods / services	0.08	0.04
2	Payable for supply of finished goods / services	0.00	0.00
3	Security deposit given	0.08	-
4	Committments	1.19	2.49

c) **Compensation of key management personnel of the Company**

(₹ in crore)

Sr No.	Nature of transaction	2020-21	2019-20
1	Short-term employment benefits	5.50	7.86
2	Post Employment benefis	0.15	0.16
3	Other Long term employment benefits	0.17	0.07
		5.82	**8.09**

Note 44A Disclosure pursuant to Section of 186 of the Companies Act, 2013

(₹ in crore)

Sr No.	Nature of transaction (Loans given/ Investment made/guarantee provided)	Purpose of transactions	2020-21	2019-20
a	**Loan & Advances**			
i	**Subsidiary Companies**			
	Petroleum Specialities FZE	Reimbursement of Expenses	0.15	0.15
	APAR Distribution & Logistics Private Limited	Reimbursement of Expenses	0.09	-

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

b	**Investment made**			
i	**Subsidiary Companies**			
	Petroleum Specialities Pte. Ltd	Capital Contribution	0.26	0.26
	APAR Transmission & Distribution Projects Private Limited	Capital Contribution	0.01	0.01
	APAR Distribution & Logistics Private Limited	Capital Contribution	1.00	0.01
ii	**Associate company**			
	Ampoil APAR Lubricants Private Limited	Capital Contribution	0.40	-
c	**Guarantees**			
i	**Subsidiary Companies**			
	Petroleum Specialities Pte. Ltd	Corporate Guarantee for subsidiary's debt	3.66	3.77
	Petroleum Specialities FZE	Corporate Guarantee for subsidiary's debt	233.95	422.35

Note 45 Contingent liabilities and commitments

(₹ in crore)

		March 31, 2021	March 31, 2020
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	6.03	5.78
	GST	21.73	-
	Customs duty	2.40	2.40
	Sales tax	12.66	14.58
	Income tax	12.03	12.03
	ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	11.60	11.15
	iii) Labour matters	0.05	0.05
	iv) Others	19.23	18.83
b)	**Corporate Guarantees**		
i)	Guarantee given by the Company for credit facilities enjoyed by Petroleum Specialities Pte Ltd.,a wholly-owned subsidiary	3.66	3.77
ii)	Guarantee given by the Company for term loan facilities enjoyed by Petroleum Specialities FZE, a downstream subsidiary company.	233.95	422.35
B.	**Capital commitments**		
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	10.92	8.12

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 (iv) 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

4 During the year, the Company has recognised interest of ₹ 14.38 crore, being interest payable on IGST free imports during the period October 2018 to March 2021 against Advance License used for IGST paid exports cleared under rebate (refund). The IGST amount of payable in this regard is ₹ 62.39 crore which has been provided for and the Company has paid ₹ 58.35 crore till 31st March 2021. The Company has simultaneously recognised the said amount of ₹ 62.39 crore as input credit which has been partly utilised till date.

5 The Company has been listed as an approved Vendor with Research Designs and Standard Organization (RDSO) of Indian Railways. During the year, RSDO has delisted the Company from its list of approved vendors from manufacture and supply of Joint less Hard Drawn Grooved Copper Contact Wire (HDGC contact wire) 107 sqmm for a period of 1 year vide their letter dated March 30, 2021 on the ground that the Company has not purchased the raw material from their approved vendor. Further, on delisting, CORE has withheld Company's dues to the extent of ₹ 38 crores. The Company is not in agreement with the RDSO's contention and has preferred an appeal with the appropriate forum challenging the delisting. The Company has also invoked the Arbitration clause against its old outstanding dues of ₹ 38 crores and is confident of getting favorable decision in above matters.

Note 46 Expenditure on Research and Development :

(A) R & D Center-OIL (Rabale - DSIR Recognised)

(₹ in crore)

		2020-21	2019-20
a)	Salary, wages and other benefits	2.17	2.21
	Consumables and Other expenses	0.19	0.23
	sub-Total	2.36	2.44
b)	Capital expenditure		
	Building	-	-
	Plant and Equipments	0.42	-
		0.42	-
	Total	**2.78**	**2.44**

(B) R & D Center-Conductor (Silvassa)

(₹ in crore)

		2020-21	2019-20
a)	Salary, wages and other benefits	-	-
	Consumables and other expenses	2.03	4.73
	sub-Total	2.03	4.73
b)	Capital expenditure	-	-
	Building	-	-
	Plant and Equipments	0.51	1.64
	Total	**2.54**	**6.37**

(C) R & D Center-Cable (Khatalwad)

(₹ in crore)

		2020-21	2019-20
a)	Salary, wages and other benefits	0.21	0.19
	Consumables and other expenses	1.08	0.33
	sub-Total	1.29	0.52
b)	Capital expenditure		
	Building	-	-
	Plant and Equipments	-	-
		-	-
	Total	**1.29**	**0.52**
	Grand Total (A+B+C)	**6.61**	**9.33**

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 47 IND AS 115 - Revenue from Contracts with Customers

i. Revenue from contracts with customers

(₹ in crore)

	2020-21	2019-20
Revenue recognised at point in time	5,883.32	6,951.74
Revenue recognised over time	77.50	65.41
Total revenue from contracts with customers	**5,960.82**	**7,017.15**

ii. 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

(₹ in crore)

	2020-21	2019-20
Within India (including deemed exports)	3,840.84	4,928.25
Outside India	2,119.98	2,088.90
	5,960.82	**7,017.15**

iii. Sales by performance obligation

(₹ in crore)

	2020-21	2019-20
Upon shipment	5,883.31	6,951.73
Upon providing of services	77.50	65.41
	5,960.82	**7,017.15**

iv. Contract balances

(₹ in crore)

	2020-21	2019-20
Contract assets		
Unbilled revenue		
Opening Balance as at April 1	6.15	0.14
Add: Addition during the year	0.73	6.15
	6.88	6.29
Less: Trasferred to receivable	6.15	0.14
Closing balance as at Mar 31	0.73	6.15

	2020-21	2019-20
Contract liability		
Advances from customers		
Opening Balance as at April 1	69.77	79.13
Add: Addition during the year	64.73	41.44
	134.50	120.57
Less: Revenue recognised during the year	28.00	50.80
Closing balance as at Mar 31	106.50	69.77

Refer note no 9 - for contract assets balances & note no 23 for contract liabilities

v. 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 48 IND AS 116 - Leases

(₹ in crore)

	2020-21	2019-20
Right to use Assets		
Addition during the year	0.41	24.86
Deletion during the year	(4.32)	(1.05)
Amortisation for the year	5.33	6.15
Carrying value at the end of the year	11.10	17.99
Maturity Analysis of lease liabilities		
Less than 1 year	3.61	5.72
1 - 2 years	2.20	3.70
3 - 5 years	5.38	6.86
More than 5 years	1.12	2.75
Total undiscounted lease liabilities at the year end	**12.31**	**19.03**
Recognised into statement of Financial Position		
Non Current	8.70	13.31
Current	3.61	5.72
Amont recognised into Profit & Loss account		
Amortisation of Right to use assets	5.33	6.15
Interest expenses on Lease liabilities	1.27	1.64
Expenses relating to Short term leases & low value assets leases	0.72	0.79
The expense relating to variable lease payments not included in the measurement of lease liabilities Income from subleasing right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
Amont recognised into Cash flows		
Total cash outflows of lease payments (including short term leases & low value assets leases	6.29	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 and 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 49 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, 2021 and 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, 2021			
Financial assets			
Derivative instruments			

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Forward contract/Futures	28.47	22.58	5.89
Total	**28.47**	**22.58**	**5.89**
Financial liabilities			
Derivative instruments			
Forward contract/Futures	47.65	22.58	25.07
Total	**47.65**	**22.58**	**25.07**

(₹ 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	24.80	5.64	19.16
Total	**24.80**	**5.64**	**19.16**
Financial liabilities			
Derivative instruments			
Forward contract	130.37	5.64	124.73
Total	**130.37**	**5.64**	**124.73**

Company enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreement. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in same currency are aggregated into a single net amount that is payable by one party to other.

In certain circumstances e.g. when a credit event such as default occurs-all outstanding transactions under the agreement are terminated, the termination value is assessed and only a net amount is payable in the settlement of all transactions.

The ISDA master netting agreement do not meet the criteria for offsetting in the balance sheet. This is because the Company does not have currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on default.

Note 50 Global Pandemic COVID 19 Impact on Financial Statements

The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available up to the date of approval of these financial results and concluded no adjustment is required in these results. Based on its assessment of business / economic conditions, the Company expects to recover the carrying value of its assets. The Company will continue to evaluate the pandemic related uncertainty arising from the on-going second wave and will continue to assess its impact.

Note 51 Figures for previous year have been regrouped, wherever necessary

As per our report attached
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Independent Auditors' Report

To the Members of APAR Industries Limited

Report on the Consolidated Financial Statements:

Opinion

We have audited the accompanying Consolidated Financial Statements of APAR Industries Limited (hereinafter referred to as 'the Holding Company') , its subsidiaries and its associate (the Holding Company, its subsidiaries and its associate together referred to as 'the Group') comprising of the Consolidated Balance Sheet as at 31 March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended, the Consolidated Statement of Changes in Equity and a summary of the 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 accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Group as at 31st March, 2021, its consolidated profit including Other Comprehensive Income, its consolidated cash flows and the consolidated changes in equity for the year 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 (SAs). 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 Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (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 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 on the Consolidated Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Sr. no	Key audit matters	Auditor's Response
1.	Revenue Recognition including related rebates, discounts, sales returns. We have identified the following key areas for consideration of revenue recognition as key audit matters: • Cut-off procedures • Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in conformity with Ind AS 115 • Recognition of related rebates, discounts, sales return etc. 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 is recognised net of accruals for sales returns, rebates & discounts, etc. The estimates relating to the accruals are important given the significance of revenue and considering the distinctive terms of arrangement with customers. These estimates are complex and requires significant judgement and estimation by the Company for establishing an appropriate accrual mechanism. Accuracy of revenues may deviate because of change in judgements and estimates. Revenue from operations (net of rebate, discount, sales return) for the year ended 31st March 2021 is Rs. 6388.02 crores (Refer Note 25 to the Consolidated Financial Statements).	To address this key audit matter, our procedure included: • Obtaining an understanding of the accounting processes and relevant controls relating to the accounting of revenue and related costs • Performing walkthroughs of the revenue recognition processes and assessed and tested the design effectiveness as well as operative effectiveness of key controls. • Reviewing significant existing / new contracts / orders to understand the terms and conditions and their impact on recognition of revenue. • Performing cut off tests to ensure appropriate accounting of revenue related to the accounting year under audit. • Assessing the adequacy of the Company's disclosures on revenue as per Ind AS 115 as given in note 25 and 48 of the Consolidated Financial Statements. • Performing analytical procedures for reasonableness of revenues disclosed by type and service offerings. With regard to rebates, discounts, sales returns, • We obtained and reviewed Management's calculations for accruals and assessed the assumptions used with reference to the Company's commercial policies and the terms of the applicable contracts. • We assessed management analysis of the historical pattern of accruals to validate management's assumption for creation of such provisions and estimates made in the earlier years. • We also performed analytical procedures to test recording of revenue and the related costs in appropriate period. Based on the procedures performed we consider that revenue and the related costs are fairly stated in the Consolidated Financial Statements.

2.	Litigations, Provisions and Contingent Liabilities There are several litigations pending before various forums against the Company. These also include matters under various statutes and involves significant management judgement and estimates on the possible outcome of the litigations and consequent provisioning thereof or disclosure as contingent liabilities. We identified this as a key matter as the estimate of these amounts involve a significant degree of management judgement and high estimation (Refer note 46 to the Consolidated Financial Statements).	To address this key audit matter, our procedures included: Obtaining from the management details of matters under disputes including ongoing and completed tax assessments, demands and other litigations. • Evaluation and testing of the design of internal controls followed by the Company relating to litigations and open tax positions for direct and indirect taxes and process followed to decide provisioning or disclosure as Contingent Liabilities. • Discussed with Company's legal team and taxation team for sufficient understanding of on-going and potential legal matters impacting the Company. • We also involved our firm's internal experts to evaluate the management's underlying judgements in making their estimates with regard to such matters.

Other Information

The Holding Company's Board of Directors is responsible for the preparation of the Other Information. The Other Information comprises the information included in the boards report including Annexures, Management Discussion and Analysis Report, 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 the audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements or the knowledge obtained during the course of the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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

Responsibilities of Management and Those Charged with Governance 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, total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other 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 Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error;

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 their respective entities 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 the Group

Auditor's Responsibility 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 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 Consolidated Financial Statement, 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 my 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 my opinion on whether the Group 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of the Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a

material uncertainty exists, we are required to draw attention in our report to the related disclosures in the 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 the 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 Statements, including the disclosures, and whether the Consolidated Financial Statements represents the underlying transactions and events in a manner that achieve fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the 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 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 the 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

We did not audit the financial statements of 4 subsidiary companies included in the audited consolidated financial results, whose audited financial results reflect total assets of Rs. 452.27 crores as at 31st March, 2021, total revenue of Rs. 493.60 crores, total net profit after tax of Rs. 23.68 crores, total comprehensive income of Rs. 25.15 crores and total cash inflow of Rs. 1.11 crores for the year ended 31st March, 2021.

We did not audit the financial statements of 1 associate, included in the Consolidated Financial Statements, whose financial statements include group share of total net profit / (loss) of Rs. (0.00)* for the year ended 31st March 2021.

*Amount less than Rs. 0.50 lakh

The financial statements of these subsidiaries and the associate have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the associate and the report in terms of Section 143(3) of the Act, in so far as it relates to the subsidiaries incorporated in India and associate, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors

Report on Other Legal and Regulatory Requirements

1., As required by Section 143(3) of the Act, based on the audit and on the consideration of the reports of the other auditors on separate financial statements 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 purpose of the audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from the examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with 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 March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of the subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India, is disqualified as on 31st March, 2021 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 with reference to financial statements of the Companies covered under the Act and the operating effectiveness of such controls, refer to the separate Report in '**Annexure A**';

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

In our opinion and to the best of our information and according to the explanations given to us, the 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements:

i. The Consolidated Financial Statements has disclosed the impact of pending litigations on consolidated financial position of the Group in Note 46 to the Consolidated Financial Statements.

ii. There were no long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection fund by the companies incorporated in India.

iv. i. The Holding Company Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The Holding Company Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. In respect of dividend declared / paid during the year, by entities incorporated in India, the provisions of the section 123 of the Companies Act, 2013, have been complied with.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Himanshu Kishnadwala

Partner
Membership no. 037391
UDIN: 21037391AAAACR4834
Mumbai, 31st May 2021

Annexure 'A' to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Apar Industries Limited** ("the Company") and in respect of its subsidiaries and associate incorporated in India wherein such audit of internal financial controls over financial reporting was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as on 31st March, 2021 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies incorporated in India and the associate, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company, its subsidiary companies incorporated in India and the associate considering 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 respective companies' 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 the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the associate, based on the audit. We conducted the audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. The audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for my audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the companies are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, to the best of our information and according to the explanations given to us, the Company, its subsidiary companies incorporated in India and its associate has, in all material respects, an internal financial controls with reference to financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by 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.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and the operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies incorporated in India and associate company are solely based on the corresponding reports of the auditors of such companies.

Our Opinion is not modified in respect of above matter.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Himanshu Kishnadwala

Partner
Membership no. 037391
UDIN: 21037391AAAACR4834
Mumbai, 31st May 2021

Consolidated Balance Sheet as at 31st March, 2021

(₹ in crore)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	819.10	830.18
Right to use Assets	2A	57.00	52.05
Capital work-in-progress	2	28.71	54.67
Other intangible assets	2B	1.81	2.43
Intangible asset under development	2B	-	0.04
Financial assets			
Investments	3	0.40	-
Trade receivables	9A	7.69	3.06
Derivatives assets	4	4.25	-
Other Financial Assets	5	13.40	13.51
Non current tax assets (net)		25.35	21.84
Other non-current assets	6	8.38	8.79
Total non current assets		**966.09**	**986.57**
Current assets			
Inventories	7	1,562.71	1,331.43
Financial assets			
Investments	8	60.00	-
Trade receivables	9	1,861.29	1,898.60
Cash and cash equivalents	10	209.34	163.92
Bank balances other than above	11	12.42	12.31
Loans	12	16.89	29.91
Derivatives assets	4	24.21	24.79
Other current assets	13	295.71	206.27
Total current assets		**4,042.57**	**3,667.23**
TOTAL ASSETS		**5,008.66**	**4,653.80**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14A	38.27	38.27
(b) Other equity	14B,14C	1,370.93	1,128.16
Equity attributable to equity holders of APAR Industries Limited		1,409.20	1,166.43
Non-controlling interests		-	-
Total equity		**1,409.20**	**1,166.43**
Non current liabilities			
Financial liabilities			
Borrowings	15	191.59	187.93
Leases Liabilities		55.11	48.55
Derivatives liabilities	16	0.72	7.34
Other financial liabilities	17	3.11	3.37
Provisions	18	8.13	8.18
Deferred tax liabilities (net)	19	20.18	0.67
Total non current liabilities		**278.84**	**256.04**
Current liabilities			
Financial liabilities			
Borrowings	20	21.49	94.02
Leases Liabilities		5.53	5.80
Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		27.77	17.23
b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		3,010.31	2,830.73
Derivatives liabilities	16	46.92	124.50
Other financial liabilities	22	69.21	76.04
Other current liabilities	23	124.91	81.58
Provisions	24	3.15	1.43
Current tax liabilities (net)		11.33	-
Total current liabilities		**3,320.62**	**3,231.33**
Total liabilities		**3,599.46**	**3,487.36**
Total equity and liabilities		**5,008.66**	**4,653.80**
See accompanying notes to financial statement	1		

As per our report attached
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

APAR
Tomorrow's solutions today

Consolidated Statement of profit and loss as at 31st March, 2021

(₹ in crore)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue			
I. Revenue from Operations	25	6,388.02	7,425.45
II. Other income	26	22.26	17.99
III. Total Income		**6,410.28**	**7,443.44**
IV. Expenses			
Cost of materials consumed	27	4,675.78	5,723.54
Purchases of stock-in-trade	28	78.97	148.60
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	29	45.35	(164.82)
Employee benefits expense	30	160.38	168.83
Finance costs	31	136.04	227.65
Depreciation and amortization expense	2,2A,2B	93.44	87.12
Other expenses	32	1,012.68	1,084.33
Total Expenses		**6,202.64**	**7,275.25**
Less : Transfer to property, plant & equipment's		0.63	1.22
Net total expenses		**6,202.01**	**7,274.03**
V. Profit before share of profit/(loss) of an associate and exceptional items		**208.27**	**169.41**
VI. Share in net profit / (loss) of associate*		(0.00)	-
VII. Profit before exceptional items (V + VI)		**208.27**	**169.41**
VIII. Exceptional items		-	-
IX. Profit before tax		208.27	169.41
X. Tax expense:			
1. Current tax		51.45	46.49
2. Deferred tax		(4.20)	(12.33)
3. Taxes of earlier years		0.52	0.10
		47.77	**34.26**
XI. Profit/(Loss) for the year from Continuing Operations (IX-X)		**160.50**	**135.15**
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		0.73	(1.17)
Income tax relating to items that will not be reclassified to profit or loss		(0.18)	0.30
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		105.27	(109.54)
Income tax relating to items that will be reclassified to profit or loss		(23.52)	26.97
Total Other comprehensive income (OCI)		**82.30**	**(83.44)**
XIII. Total comprehensive income for the year (XI+XII) (Comprising profit and other comprehensive income for the period)		**242.80**	**51.71**
Profit for the year attributable to			
a) Owners of the Parent		160.50	135.15
b) Non-Controlling Interests		-	-
Other comprehensive income attributable to			
a) Owners of the Parent		82.30	(83.46)
b) Non-Controlling Interests		-	-
Total comprehensive income attributable to			
a) Owners of the Parent		242.80	51.71
b) Non-Controlling Interest		-	-
XIV. Earnings per equity share (Face value of ₹ 10 each)	33		
Basic		41.94	35.32
Diluted		41.94	35.32
Significant accounting policies	1		

*Amount Less than ₹ 0.50 lacs

As per our report attached

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Himanshu Kishnadwala
Partner
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Mumbai, 31st May, 2021

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Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of Cash Flows as at 31st March, 2021

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	208.27	169.41
Adjustments for		
Depreciation on non current assets	84.96	76.21
Amortisation of Right to use assets	7.60	7.83
Amortisation of intangible assets	0.89	3.08
(Gain)/loss on sale of property, plant and equipment	(0.49)	2.81
Foreign currency translation reserve	(2.03)	6.24
Finance costs	105.61	156.71
Finance income	(5.40)	(5.26)
Provision for Doubtful Debts made / (written back / reversed)	5.55	6.52
Unrealised exchange loss/(gain)	(3.11)	40.95
Profit on sale of investments	(5.12)	(3.15)
Movement in working capital		
(Increase) / decrease in trade and other receivables	(51.90)	265.84
(Increase) / decrease in inventories	(231.27)	(48.56)
Increase / (decrease) in trade and other payables	254.10	(504.74)
Tax paid	(44.14)	(79.72)
Net cash generated by / (used in) operating activities	**323.52**	**94.17**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(55.57)	(144.86)
Acquisition of intangibles	(0.24)	(0.40)
Proceeds from sale of property, plant and equipment	0.68	0.67
(Purchase) / Sale of investments (net)	(54.99)	189.81
Sale / (purchase) of investment in Ampoil APAR Lubricants Pvt Ltd	(0.40)	-
Net cash generated by / (used in) investing activities	**(110.52)**	**45.22**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings - net	(72.53)	2.60
Proceeds/(repayments) of long-term borrowings - net	21.09	55.40
Repayment of Lease Liabilities	(5.31)	(5.36)
Interest received/(paid) - net	(110.30)	(153.99)
Dividend Payment (including Dividend Distribution tax)	(0.12)	(87.47)
Net cash (used in) / generated by financing activities	**(167.17)**	**(188.83)**
Net increase / (decrease) in cash and cash equivalents	45.83	(49.44)
Effect of exchanges rate changes on cash and cash equivalents	(0.41)	0.12
Cash and cash equivalents at the beginning of the year	163.92	213.24
Cash and cash equivalents at the end of the year	**209.34**	**163.92**

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 property, plant and equipments includes movement of capital work-in-progress during the year.

3) Cash and cash equivalents represents cash and bank balances and includes unrealised loss of ₹ 0.41 crore; (Previous year unrealised gain of ₹ 0.12 crore) on account of translation of foreign currency bank balances.

(₹ in crore)

Particulars*	Long Term Borrowings	Short Term Borrowings	Total
Opening balance as at April 1, 2019	**166.91**	**87.82**	**254.73**
Proceeds/(repayments) from financing activities - net	55.40	2.60	58.00
Foreign exchange adjustments	2.58	3.60	6.18
Closing balance as on March 31, 2020	**224.89**	**94.02**	**318.91**
Proceeds/(repayments) from financing activities - net	21.09	(72.54)	(51.45)
Foreign exchange adjustments	(2.66)	0.00	(2.66)
Closing balance as on March 31, 2021	**243.32**	**21.49**	**264.80**

*Please refer note 15C for long term borrowings & note 20 for short term borrowings.

As per our report attached
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of changes in equity

(₹ in crore)

(a) Equity share capital	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Balance at the beginning of the reporting period Balance	3,82,68,619	38.27	3,82,68,619	38.27
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	3,82,68,619	38.27	3,82,68,619	38.27

(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	Foreign currency translation reserve	Hedging reserve	Other items of OCI	Total	Owners of the Parent	Non - controlling interest
Balance at April 1, 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											
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**	-
Total comprehensive income for the year											
Capital Contribution											
Profit for the year	160.50								160.50	160.50	-
Other comprehensive income for the year						0.80	80.95	0.55	82.30	82.30	-
Total comprehensive income for the year	**160.50**	-	-	-	-	**0.80**	**80.95**	**0.55**	**242.80**	**242.80**	-
Transactions with the owners of the Group											
Contributions and distributions											
Dividends (including tax on dividend)	-								-	-	-
Transfer / Receipt	(13.96)	14.30		(0.30)			(0.04)		-	-	-
Balance at March 31, 2021	**862.74**	**268.30**	**205.18**	**23.46**	**14.98**	**9.30**	**(11.11)**	**(1.92)**	**1,370.93**	**1,370.93**	-

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 in FY 2015-16

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.

vi. Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

As per our report attached
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala Partner Membership No. 037391 Mumbai, 31st May, 2021	**Kushal N. Desai** Chairman & Managing Director & Chief Executive Officer DIN : 00008084 Mumbai, 31st May, 2021	**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 MARCH 31, 2021

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 offering value added products and services in Power Transmission Conductors, Petroleum Specialty Oils and Power & Telecom Cables. 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. The Company has manufacturing plants in state of Maharashtra, Gujarat, Orissa & Union Territory of Dadra and Nagar Haveli.

   These financial statements are approved for issue by the Board of Directors on May 31, 2021.

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.

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 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 corresponds 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 unabsorbed depreciation 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, unabsorbed depreciation and unused tax credits could be utilized.

   - **Evaluation of control**
     The Group makes assumptions, when assessing whether it exercises control, joint control or significant influence over companies in which it holds less than 100 percent of the voting rights. These assumptions are made based on the contractual rights with the other shareholders, relevant facts and circumstances which indicate that the Group has power over the potential subsidiary or that joint control exists. Changes to contractual arrangements or facts and circumstances are monitored and are

evaluated to determine whether they have a potential impact on the assessment as to whether the Group is exercising control over its investment

- **Recognition and measurement of other provisions**

  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 London Metal Exchange (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 benefits 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 is made for such incentives.

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 observable 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 Group

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 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.

Note	1	Significant Accounting Policies

B. **Foreign currency**

i. **Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rate prevailing at the date of the transaction.

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 Group has adopted Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations notified in the Companies (Indian Accounting Standards) Rules, 2018. Accordingly, the exchange rate for translation of foreign currency transaction; in cases when the Group 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**

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 are satisfied; 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 is satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. 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 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 to 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	1	Significant Accounting Policies

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;

- 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 measures 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 customers 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 discount, rebate 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 incentives 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.

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 has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- **Provident Fund Scheme**

The Group makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952.

- **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 the scheme 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 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.

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. The capital grant will be 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;

a. To the extent that it relates to a business combination, or

b. Items recognised directly in equity or in OCI. Such as;

i. Items that will not be reclassified to profit or loss and their related income tax effects

  a. Re-measurements of the defined benefit plans

ii. Items that will be reclassified to profit or loss and its related income tax effects;

  a. The effective portion of gain and loss on hedging instruments in a cash flow hedge

i. Current tax

Current tax comprises the expected tax payable on taxable income or receivable on taxable 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	1	Significant Accounting Policies

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 assets / 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 cost method. Cost includes direct materials, labour, other direct cost and manufacturing overheads. Inventories of finished goods also includes applicable taxes.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

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 the statement of profit or loss.

Note	1	Significant Accounting Policies

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

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

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

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

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 method (SLM) or the Written Down Value method (WDV) based on the method consistently followed by the respective entities in the Group.

The depreciation method followed by each division is as below:

Particulars	Conductor Division	Oil Division	Cable Division	Head Office
Leasehold Land	SLM	SLM	SLM	SLM
Buildings	SLM	SLM	SLM	SLM
Plant and Equipments	SLM	SLM	SLM	SLM
Furniture and Fixtures	SLM	WDV	SLM	WDV
Office Equipments	SLM	WDV	SLM	WDV
Motor Vehicles	SLM	WDV	SLM	WDV

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 in Plant & Equipments are as below:

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

J. Intangible Assets

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

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

Amortisation

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

Enterprise Resource Planning Software 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.

Note	1	Significant Accounting Policies

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 receives 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 not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

M. **Treasury Shares**

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

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 Exchange Forward Contracts, Commodity Future Contracts, Interest Rate Swaps, 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 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 financial assets are classified 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 management of 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 marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group 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 Fair Value through Other Comprehensive Income (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.

Investments into Equity instruments and Mutual Funds

- All investments in the scope of Ind-AS 109 are measured at fair value. Equity instruments and mutual funds which are held for trading are classified as at FVTPL. For all other equity instruments and mutual funds, 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.
- Equity instruments and mutual funds 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) 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's 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 measured at fair value through profit or loss.

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.

Note	1	Significant Accounting Policies

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

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

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

iii. Derivative financial instruments and hedge accounting

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

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

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

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

Cash Flow Hedges

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

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

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

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

Note	1	Significant Accounting Policies

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 outflow 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

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).

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.

Group as a lessee

The Group 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 Group 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 is comprising 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 Group 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 Group's incremental borrowing rate. For leases with reasonably similar characteristics, the Group, 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 include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group 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 Group 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 Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group 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.

Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. The Group 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 Group 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

Note	1	Significant Accounting Policies

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 Group 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 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 (CODM) 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. Operating segments have been identified on the basis of nature of products / services.

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

S. Earnings per share

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

T. Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

U. Dividends

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

8. Recent Amendments

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are as below;

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as:
    - Compliance with approved schemes of arrangements
    - Compliance with number of layers of companies
    - Title deeds of immovable property not held in name of company
    - Loans and advances to promoters and directors, key managerial personnel (KMP) and related parties
    - Details of benami property held
- Various ratios:
    - Current Ratio
    - Debt-Equity Ratio
    - Debt Service Coverage Ratio
    - Return on Equity Ratio
    - Inventory turnover ratio
    - Trade Receivables turnover ratio
    - Trade payables turnover ratio
    - Net capital turnover ratio
    - Net profit ratio
    - Return on Capital employed
    - Return on investment

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	2	Property, plant and equipment

(₹ in crore)

	Gross Carrying Amount					Depreciation				Net Block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
(i) Tangible assets											
Land- Freehold	38.68	0.55	-		39.23	-	-	-	-	39.23	38.68
Land-Leasehold	10.63	-	-		10.63	0.70	0.14	-	0.84	9.79	9.93
Building (Refer Note below)	273.62	24.84	(0.00)	(0.92)	297.54	35.01	10.71	(0.00)	45.72	251.82	238.61
Plant and equipments (Refer Note below)	709.99	38.07	(0.53)	(2.67)	744.86	199.19	66.97	(0.22)	265.94	478.92	510.80
Furniture and fixtures	10.21	3.83	(0.05)	(0.01)	13.98	3.51	1.71	(0.02)	5.20	8.78	6.70
Office Equipments	33.28	9.32	(0.47)	0.52	42.65	12.01	4.34	(0.42)	15.93	26.72	21.27
Motor vehicles	9.65	0.84	(0.99)	(0.01)	9.49	5.47	1.08	(0.90)	5.65	3.84	4.19
Sub total (i)	**1,086.07**	**77.45**	**(2.04)**	**(3.09)**	**1,158.38**	**255.89**	**84.95**	**(1.56)**	**339.28**	**819.10**	**830.18**
(ii) Capital work-in-progress											
Buildings					-				-	6.84	22.55
Plant and Equipments					-				-	21.87	32.12
Sub total (ii)	-	-	-	-	-	-	-	-	-	**28.71**	**54.67**
Grand Total										**847.81**	**884.85**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(₹ in crore)

	Gross Carrying Amount					Depreciation				Net Block	
	As at 01-04-2019	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2020	As at 1-04-2019	For the year	Deductions/ Adjustments	As at 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 equipments (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
Office 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	9.65	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 equipments					-				-	32.12	87.46
Sub total (ii)	-	-	-	-	-	-	-	-	-	**54.67**	**103.48**
Grand Total										**884.85**	**807.18**

Note 2A Right to use assets

(₹ in crore)

	Gross Carrying Amount					Amortisation				Net Block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Right to Use Assets	59.55	14.55	(4.32)	-	69.78	7.50	7.60	(2.32)	12.78	57.00	52.05
Total	**59.55**	**14.55**	**(4.32)**	-	**69.78**	**7.50**	**7.60**	**(2.32)**	**12.78**	**57.00**	**52.05**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(₹ in crore)

	Gross Carrying Amount					Amortisation				Net Block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
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**	**-**

Note 2B Intangible assets

	Gross Block					Amortisation				Net Block	
	As at 01-04-2020	Additions	Deductions	Other Adjustment	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Specialised software	6.96	0.27	-		7.23	4.66	0.84	-	5.50	1.73	2.29
Non compete fee	0.41	-	-		0.41	0.28	0.05	-	0.33	0.08	0.13
	7.37	0.27	-	-	7.64	4.94	0.89	-	5.83	1.81	2.43
Intangible assets under development											0.04
TOTAL	**7.37**	**0.27**	**-**	**-**	**7.64**	**4.94**	**0.89**	**-**	**5.83**	**1.81**	**2.47**

(₹ in crore)

	Gross Block					Amortisation				Net Block	
	As at 01-04-2019	Additions	Deductions	Other Adjustment	As at 31-03-2020	As at 01-04-2019	For the year	Deductions/ Adjustments	As at 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		4.66	2.29	2.85
Non compete fee	0.41	-	-	-	0.41	0.22	0.05		0.28	0.13	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**

Note

a. Includes expenditure on Research and development ₹ 0.94 crore, (Previous year ₹ 1.64 crore) for Plant and machinery (Refer Note 47)

b. Addition to Property, plant and equipments includes, ₹ 0.26 crore for the year ended 31 March 2021 (Previous year ₹ 0.05 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, 2021 is ₹ 6.06 crore (Previous year ₹ 7.31 crore)

c. The Group had contractual commitments of ₹ 37.87 crore for the year ended 31 March 2021 (Previous year ₹ 12.36 crore).

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

e. CWIP for building includes ₹ 0.50 crore paid for acquisition of land in Lapanga pending registration in the name of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 3 Investments - Non current

(₹ in crore)

	March 31, 2021	March 31, 2020
a. Investments in equity instruments		
In Associate Company		-
- 400,000 (Previous year: Nil) Equity shares of AMPOIL APAR Lubricants Private Limited of	0.40	
of ₹ 10 each, fully paid up		
	0.40	-
a. Aggregate amount of quoted investments	-	-
b. Aggregate amount of un-quoted investments	0.40	-
c. Aggregate amount of impairment in values of investments	-	-

Note 4 Derivative assets

(₹ in crore)

	March 31, 2021	March 31, 2020
Derivative contracts used for hedging - Non current	4.25	-
Derivative contracts used for hedging - Current	24.21	24.79
	28.46	24.79

Note 5 Other financial assets - non current

(₹ in crore)

	March 31, 2021	March 31, 2020
Unsecured, considered good		-
Security deposits	9.74	9.72
Other financial assets (Refer Note i below)	3.66	3.79
	13.40	**13.51**

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

Note 6 Other assets - non current

(₹ in crore)

	March 31, 2021	March 31, 2020
Capital advances	5.10	5.25
Balance with government authorities	3.28	3.54
	8.38	**8.79**

Note 7 Inventories

(₹ in crore)

	March 31, 2021	March 31, 2020
Raw materials and components	582.44	500.99
Raw materials-in transit	342.79	147.76
Work-in-progress	203.63	222.83
Finished goods	359.18	382.91
Finished goods - in transit	18.24	22.07
Stock-in-trade	15.23	13.70
Stock-in-trade - in transit	0.20	-
Stores and spares	41.00	41.17
	1,562.71	**1,331.43**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 8 Current investments

(₹ in crore)

	March 31, 2021	March 31, 2020
a. Investment in mutual funds		
Union KBC Liquid Fund Growth - Direct Plan No. of units : 50455.28 (March 31, 2020: Nil)	10.00	-
Application for units of Union KBC Liquid Fund Growth - Direct Plan No. of units : 252156.72 (March 31, 2020: Nil) (refer note below)	50.00	-
Note: Application money of ₹ 50.00 crore was paid on March 31, 2021 against which 252156.72 units were allotted on April 5, 2021	-	-
	60.00	-
a. Aggregate amount of quoted investments		
Book value	10.00	-
Market value	10.00	-
b. Aggregate amount of un-quoted investments		
c. Aggregate amount of impairment in values of investments	-	-

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 37.

Note 9 Trade receivables (Current)

(₹ in crore)

	March 31, 2021	March 31, 2020
Considered good, secured	0.52	0.52
Considered good, unsecured (refer note (iv) below)	1,860.76	1,898.08
Trade Receivables which have significant increase in credit risk	-	-
Trade receivables, credit impaired	48.45	42.78
	1,909.73	1,941.38
Less: Loss allowance	48.45	42.78
	1,861.29	**1,898.60**

Note

i) For receivables offered as security against borrowing refer note 20

ii) For allowances for Expected Credit Loss refer note 38

iii) The Group's exposure to credit and currency risk related to trade receivables are disclosed in note 38 and note 40 respectively.

iv) Includes receivable from associate and contract assets as below;

(₹ in crore)

	March 31, 2021	March 31, 2020
Due from related party (refer note 45)	0.28	-
Contract assets (refer note 48)	0.73	6.15
	1.00	**6.15**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 9A Trade receivables (non current)

(₹ in crore)

	March 31, 2021	March 31, 2020
Considered good, secured	-	-
Considered good, unsecured	7.69	3.06
Trade Receivables which have significant increase in credit risk	-	-
Trade receivables, credit impaired	-	-
	7.69	3.06
Less: Loss allowance	-	-
	7.69	3.06

Note 10 Cash and cash equivalents

(₹ in crore)

	March 31, 2021	March 31, 2020
Balances with banks	190.73	128.04
On deposits with original maturity of less than three months*	0.00	35.00
Balance in cash credit bank account	18.05	-
Cash on hand	0.30	0.24
Cheques on hand	0.26	0.64
	209.34	**163.92**

Note: Bank balances include ₹ 2.31 Crore (Previous Year ₹ 0.22 Crore) held in foreign currencies which have restriction on repatriation.
*Amount Less than ₹ 0.50 lacs

Note 11 Bank balances other than (note 10) above

(₹ in crore)

	March 31, 2021	March 31, 2020
Deposits with original maturity for more than 3 months but less than 12 months (refer note i below)	11.65	11.41
Margin money deposit (refer note ii below)	-	0.01
On unclaimed dividend account (refer note iii below)	0.77	0.89
	12.42	**12.31**

Note:

i Includes fixed deposit of ₹ 11.47 crore (Previous Year ₹ 11.25 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 March 31, 2021. (Previous year: Nil)

Note 12 Loans

(₹ in crore)

	March 31, 2021	March 31, 2020
Considered good, Unsecured, unless otherwise stated		
Loans and advances to related parties	0.08	0.04
Others		
Security deposits	14.53	26.58
Interest accrued but not due on fixed deposits	0.70	0.74
Interest accrued but not due on security deposits	0.14	0.06
Other receivable	1.44	2.49
	16.89	**29.91**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 13 Other current assets

(₹ in crore)

	March 31, 2021	March 31, 2020
Balances with statutory/government authorities	171.59	91.81
Prepayments	28.75	23.06
Claim receivables	63.74	48.80
Other current assets	**31.63**	**42.60**
	295.71	**206.27**

Note 14A Equity share capital

(₹ in crore)

		March 31, 2021	March 31, 2020
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
	TOTAL	**38.27**	**38.27**

(₹ in crore)

		31 March 2021	31 March 2020
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 2021	31 March 2020
	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.

Events after the reporting period

The Company declares and pays dividends in Indian rupees. The Board of Directors of the Company have recommended final dividend for the financial year 2020 - 21 @ ₹ 9.50 per share aggregating to ₹ 36.36 crore on 38,268,619 Equity shares of ₹ 10/- each fully paid. This will be paid after approval by shareholders at the ensuing Annual General Meeting. The actual dividend amount is dependent upon the relevant share capital outstanding as on the record date / book closure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(₹ in crore)

g	Shareholders holding more than 5% shares in the company is set out below:	31 March 2021		31 March 2020	
		No of shares	%	No of shares	%
	Kushal N. Desai	9,208,503	24.06%	9,048,503	23.65%
	Chaitanya N. Desai	9,058,946	23.67%	8,964,946	23.43%
	Maithili N. Desai Family Pvt. Trust No. 2 - Trustee maithili trusteeship services private limited	4,402,687	11.51%	4,360,000	11.39%
	HDFC Trustee Company Limited	3,539,727	9.25%	3,539,727	9.25%
	Reliance Capital Trustee Company Limited	-	-	2,412,738	6.31%
	L&T Mutual Fund Trustee Limited	2,021,139	5.28%	2,341,249	6.12%

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, 2021	March 31, 2020
Capital reserve	23.46	23.77
Securities premium	205.18	205.18
Capital redemption reserve	14.98	14.98
General reserve	268.30	254.00
Retained earnings - surplus	862.74	716.20
	1,374.66	**1,214.14**
Capital reserve		
Opening balance	23.77	23.77
Increase/(decrease) during the year	(0.30)	-
Closing balance	**23.46**	**23.77**
Securities premium		
Opening balance	205.18	205.18
Increase/(decrease) during the year	-	-
Closing balance	**205.18**	**205.18**
Capital redemption reserve		
Opening balance	14.98	14.98
Increase/(decrease) during the year	-	-
Closing balance	**14.98**	**14.98**
General reserve		
Opening balance	254.00	240.00
Increase/(decrease) during the year	14.30	14.00
Closing balance	**268.30**	**254.00**
Retained earnings - surplus		
Opening balance	716.20	682.69
Increase/(decrease) during the year	146.54	33.51
Closing balance	**862.74**	**716.20**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 14C Items of other comphrehensive income (OCI)

(₹ in crore)

	March 31, 2021	March 31, 2020
Currency fluctuation reserve	9.30	8.50
Hedging reserve	(11.11)	(92.01)
Other items of OCI	(1.92)	(2.46)
	(3.73)	**(85.97)**
Currency fluctuation reserve		
Opening balance	8.50	3.33
Increase/(decrease) during the year	0.80	5.17
Closing balance	**9.30**	**8.50**
Hedging reserve		
Opening balance	(92.01)	(4.26)
Increase/(decrease) during the year	80.90	(87.75)
Closing balance	**(11.11)**	**(92.01)**
Other items of OCI		
Opening balance	(2.46)	(1.59)
Increase/(decrease) during the year	0.55	(0.87)
Closing balance	**(1.92)**	**(2.46)**

Note: The nature, purpose and movement of each of the Reserves have been explained under Statement of changes in Equity.

Note 15 Borrowings

(₹ in crore)

	March31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non current		Current	
Term loans (Secured)				
Rupee term loans from banks	47.74	67.61	19.87	16.87
Foreign currency term loans from banks	136.89	120.32	7.83	18.37
Term loans (Unsecured)				
Foreign currency term loans from others	6.96	-	23.40	-
	191.59	**187.93**	**51.10**	**35.24**

Information about the Group's exposure to liquidity risk, foreign currency and interest rate are included in Note 39, 40 and 41 respectively

Details of security:

a **Rupee term loan and foreign currency loans from banks are secured as under:**

i The foreign currency term loan from Arab Banking Corporation (ABC) Bank, kingdom of Bahrain was 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.

ii The rupees term loan from Kotak Mahindra Bank is secured by charge on property located at Jharsuguda and Lapanga (Movable & Immovable Fixed Assets)

iii The Foreign Currency Term Loan from State Bank of India, Tokyo is secured by way of a First Charge on movable and immovable assets of the company by way of Hypothecation/Equitable Mortgage of Khatalwad Unit and Office Building (Building No. 4 Corporate park, Chembur). 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 loan from ABC Bank, Kingdom of Bahrain; the group has repaid entire outstanding amount of ₹ 34.77 crore on 29 March 2021

ii 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. The interest is payable at 8.30% p.a.

iii 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 ₹ 2.71 crore each, next 5 installment of 4.06 crore each, next 1 installment of ₹ 5.41 crore, next 5 installment of ₹ 9.48 crore each, subsequent 2 installment of ₹ 10.83 crore each and last 3 installments of ₹ 13.54 crore each. The interest is payable at 3 months Libor + 1.70% on quarterly basis

iv In respect of foreign currency term loan from APAR Invesment, INC, the loan will be repaid in 3 installments starting from 30 September 2021. The first installment of ₹ 10.97 will be repaid on 30 september 2021, the second installment of ₹ 12.43 crore will be repaid on 31 March 2022 and last installment of ₹ 6.95 crore will be repaid on 30 June 2022. The interest is payable at 3 months Libor + 2.25% p.a. on quarterly basis

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

c. Borrowings reconciliation

(₹ in crore)

	March 31, 2021	March 31, 2020
Short term borrowings (Refer note 20)	21.49	94.02
Interest accrued but not due on above	-	-
Long term borrowings	242.69	223.17
Interest accrued but not due on above	0.63	1.72
Net borrowings	**264.81**	**318.91**

Note 16 Derivatives Liabilities

(₹ in crore)

	March 31, 2021	March 31, 2020
Derivatives used for hedging - Non Current	0.72	7.34
Derivatives used for hedging - Current	46.92	124.50
	47.65	**131.84**

Note 17 Other financial liabilities - non-current

(₹ in crore)

	March 31, 2021	March 31, 2020
Deposits from dealers(refer note*)	3.11	3.37
	3.11	**3.37**

***Note : Measured at amortised cost**

Information about the Group's exposure to liquidity risk, foreign currency and interest rate are included in Note 39, 40 and 41 respectively

Note 18 Provisions - non current

(₹ in crore)

	March 31, 2021	March 31, 2020
Provision for employee benefits (refer note 36)		
Provision for gratuity- In respect of directors	1.45	1.29
Provision for leave benefits	6.68	6.13
Provision for gratuity- In respect of other employees	-	0.76
	8.13	**8.18**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 19 DEFERRED TAX BALANCES (NET)

(a) Movement in deferred tax balances

(₹ in crore)

		2020-2021		March 31, 2021		
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(40.57)	0.27		(40.30)	-	(40.30)
Derivatives	29.91	0.84	(26.38)	4.37	4.37	-
Loans and borrowings	(0.58)	0.10		(0.48)	-	(0.48)
Employee benefits	2.54	0.62	(0.18)	2.98	2.98	-
Lease Expenses	0.33	0.11		0.44	0.44	-
Deferred income	-	0.10		0.10	0.10	-
Provisions	10.55	2.16		12.71	12.71	-
Investments	-	-		-	-	-
Security Deposits	0.00	(0.00)		0.00	0.00	-
Other items	(2.85)	-	2.85	-	-	-
Tax assets (Liabilities)	**(0.67)**	**4.20**	**(23.71)**	**(20.18)**	**20.60**	**(40.78)**
Set off of deferred tax asset						**20.60**
Net tax Assets (Liabilities)	**(0.67)**	**4.20**	**(23.71)**	**(20.18)**	**20.60**	**(20.18)**

(b) 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 of deferred tax asset						**43.33**
Net tax Assets (Liabilities)	**(40.27)**	**12.33**	**27.27**	**(0.67)**	**43.33**	**(0.67)**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 20 Borrowings

(₹ in crore)

	March 31, 2021	March 31, 2020
Secured loans		
Working capital loans from banks (refer notes below)		
Bank overdraft	-	0.00
Packing credit loan in foreign currency from banks	-	63.75
	-	63.75
Unsecured loans		
Buyer's credit facilities	21.49	-
Loan from Related Party	-	30.27
	21.49	**94.02**

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 consolidated balance sheet date in repayment of loans and interest.

Note 21 Trade payables

(₹ in crore)

	March 31, 2021	March 31, 2020
Acceptances	2053.58	1,738.38
Due to micro, small and medium enterprises	27.77	17.23
Due to other than micro and small and medium enterprises	956.73	1,092.35
Total	**3,038.08**	**2,847.96**

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.

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

(₹ in crore)

	March 31, 2021	March 31, 2020
(a) i) Principal amount unpaid as on March 31	27.77	17.23
ii) Interest due as on March 31	0.05	-
(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	0.05	-
(d) Interest accrued but not due	-	-
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 22 Other financial liabilities - current

(₹ in crore)

	March 31, 2021	March 31, 2020
Current portion of long-term foreign currency loan (Refer Note 15)	31.23	18.37
Current portion of long-term Rupee loan (Refer Note 15)	19.87	16.87
Interest accrued but not due	8.44	18.49
Channel finance	-	1.62
Bill discounting with recourse	-	0.83
Creditors for capital expenditure	8.45	15.87
Unclaimed dividend (Refer Note*)	0.77	0.89
Book overdraft	-	2.43
Deposits from dealers	0.45	0.67
	69.21	**76.04**

***Note:-**

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2021. (Previous year Nil)

Note 23 Other liabilities - current

(₹ in crore)

	March 31, 2021	March 31, 2020
Contract liabilities (refer note 48)	106.39	64.08
Statutory dues towards government	7.78	5.39
Other payables (refer note i below)	10.74	12.11
	124.91	**81.58**

Note i - Other payables includes security deposits of ₹ 0.45 crore (previous year ₹ 0.01 crore)

Note 24 Provisions - current

(₹ in crore)

	March 31, 2021	March 31, 2020
Provision for employee benefits (refer note 36)		
Provision for gratuity	1.05	-
Provision for leave benefits	2.00	1.43
	3.15	**1.43**

Note 25 Revenue from operations

(₹ in crore)

	2020-21	2019-20
Sale of products		
Finished goods	6,128.94	7,044.52
Raw materials	54.29	91.58
Traded goods	98.86	165.11
Total	6,282.09	7,301.21
Sale of services	77.42	76.03
Other operating revenue		
Scrap sales	15.19	20.45
Export incentives	12.50	26.22
Duty drawback	0.82	1.54
Total	28.51	48.21
Revenue from operations	**6,388.02**	**7,425.45**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 26 Other Income

(₹ in crore)

	2020-21	2019-20
Interest income on financial assets measured at amortized cost	5.40	5.26
Gain on foreign exchange translations (net)	4.07	-
Profit on sale of Property, plant and equipments (net)	0.49	-
Gain on sale of investments (net)	1.05	3.15
Provision no longer required (net)	8.01	3.82
Miscellaneous Income	3.24	5.76
	22.26	**17.99**

Note 27 Cost of materials consumed

(₹ in crore)

	2020-21	2019-20
Inventory at the beginning of the year	648.75	768.12
Add : Purchases	4,952.26	5,604.17
	5,601.01	**6,372.29**
Less: Closing Inventory	925.23	648.75
	4,675.78	**5,723.54**

Note 28 Purchases of Stock-in-Trade

(₹ in crore)

	2020-21	2019-20
Thermoplastic Elastomers	4.95	3.83
Lubricants	16.41	20.37
Aluminium,HTLS Hardware & GSW Steel Wire, etc.	44.51	68.93
Others	13.10	**55.47**
	78.97	**148.60**

Note 29 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2020-21	2019-20
Inventories at the beginning 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**
Inventories at the end of the year		
Finished goods	377.10	404.98
Work-in-progress	203.63	222.83
Traded goods	15.43	13.70
	596.16	**641.51**
	45.35	**(164.82)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 30 Employee benefits expense

(₹ in crore)

	2020-21	2019-20
Salaries, wages, bonus, etc.	142.71	150.78
Contribution to provident and other funds	6.80	7.46
Gratuity expense	1.59	1.21
Staff welfare expenses	9.28	**9.38**
	160.38	**168.83**

Note 31 Finance costs

(₹ in crore)

	2020-21	2019-20
Interest expenses	103.07	153.30
Interest on lease liabilities	2.54	3.42
Other borrowing cost	20.25	17.74
Applicable net loss on foreign currency transactions and translation	10.18	**53.19**
	136.04	**227.65**

Note 32 Other expenses

(₹ in crore)

	2020-21	2019-20
Consumption stores and spares	33.49	39.68
Packing materials	214.28	232.49
Loss on foreign exchange translations	-	20.90
Storage charges	17.12	14.98
Power, electricity and fuel	78.28	91.78
Processing charges, fabrication and labour charges	160.66	179.45
Freight and forwarding charges	264.46	238.41
Rent (refer note 49)	0.93	0.94
Statutory levies, Duties and taxes	5.31	7.85
Insurance	12.29	11.38
Repairs and maintenance		
Plant and machinery	5.35	6.65
Buildings	1.68	2.60
Others	7.76	8.55
Advertising and sales promotion	4.75	5.98
Sales commission	46.51	44.29
Travelling and conveyance	10.10	25.56
Printing and stationery	1.58	2.26
Legal and professional fees	14.41	17.20
Directors' sitting fees	0.12	0.13
Commission to Directors	3.86	3.57
Discount and rebates	-	0.22
Lease rental (refer note 49)	0.85	0.89
Corporate Social Responsibility Activities	4.28	4.75

Donations	0.11	0.05
Royalty	39.91	13.57
Bank charges and commission	20.72	26.49
Bad debts and advances written-off	13.78	22.09
Less: Allowances for doubtful debts utilised	(11.27)	(6.01)
Loss Allowances for doubtful debts and advances	18.16	13.89
Loss on sale of fixed assets (net)	-	2.81
Miscellaneous expenses	43.20	50.93
	1,012.68	**1,084.33**

Note 33 Earnings per share (EPS)

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders (basic)

(₹ in crore)

	Note	March 31, 2021	March 31, 2020
Profit (loss) for the year, attributable to ordinary shareholders	A	160.50	135.15
Weighted average number of equity shares at march 31	B	3,82,68,619	3,82,68,619
Basic and Diluted EPS (₹)	A / B	**41.94**	**35.32**
Face Value per Share (₹)		10	10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note 34 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

(₹ in crore)

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 ₹ crore	As % of consolidated profit or loss	Amount ₹ crore	As % of consolidated profit or loss	Amount ₹ crore	As % of consolidated profit or loss	Amount ₹ crore
Parent								
APAR Industries Limited	92.66	1,305.78	85.25	136.82	97.21	80.01	89.30	216.83
Subsidiaries								
Indian								
APAR Transmission & Distribution Projects Pvt Ltd	0.23	3.24	(0.17)	(0.27)	-	-	(0.11)	(0.27)
APAR Distribution and Logistics Pvt Ltd	0.06	0.84	(0.10)	(0.16)	-	-	(0.07)	(0.16)
Foreign								
Petroleum Specialities Pte Limited	7.28	102.61	(0.24)	(0.38)	1.45	1.20	0.34	0.82
Petroleum Specialities FZE	5.62	79.13	15.26	24.49	1.32	1.09	10.53	25.58
Non-controlling interests in all subsidiaries / associate								
Subsidiaries								
Indian	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Associate (Investment as per the equity method)								
Indian								
Ampoil APAR Lubricants Private Limited	0.03	0.40	(0.00)	(0.00)	-	-	(0.00)	(0.00)
Adjustments / Eliminations	(5.88)	(82.80)						
Total	**100.00**	**1,409.20**	**100.00**	**160.50**	**100.00**	**82.30**	**100.00**	**242.80**

Note 35 Tax expense

(a) Amounts recognised in profit and loss

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current income tax	51.97	46.59
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(4.20)	(12.33)
Deferred tax expense	(4.20)	(12.33)
Tax expense for the year	**47.77**	**34.26**

(b) Amounts recognised in other comprehensive income

(₹ in crore)

	For the year ended March 31, 2021			For the year ended March 31, 2020		
	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)	0.73	(0.18)	0.55	(1.17)	0.30	(0.87)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	105.27	(23.52)	81.75	(109.54)	26.97	(82.57)
	106.00	**(23.70)**	**82.30**	**(110.71)**	**27.27**	**(83.44)**

(c) Reconciliation of effective tax rate

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	**208.27**	**169.41**
Enacted Income tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	52.42	42.64
Tax effect of:		
Non-deductible tax expenses	1.11	0.61
Deduction under chapter VIA	(0.42)	(0.42)
Others	0.52	0.83
Employee Benefits	0.18	
Change in deferred tax balances due to change in income tax rate	-	(11.54)
Non-Taxable subsidiaries and effect of Differential tax rate under various jurisdication	(6.04)	2.14
	47.77	**34.26**

Note 36 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 ₹ 1.95 crore (previous year ₹ 2.10 crore) for superannuation contribution and other retirement benefit contributions in the consolidated statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

The Group has recognised ₹ 4.85 crore (previous year ₹ 5.36 crore) for provident fund 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.

(ii) Defined Benefit Plan:

The Employees' Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit seperately to build up the final obligation.The obligation for leave encashment is recognised in the same manner as gratuity.

The obligation for leave encashment is recognised in the same manner as gratuity. The group provides for leave encashment liabiltiy as per the acturial valuation carried out as at March 31, 2021. The Group has recognised ₹ 1.45 crore (previous year ₹ 2.69 crore) for leave encashment liability in the Statement of Profit and Loss.

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.

In case of foreign subsidiaries, the Group has recognised ₹ 0.28 crore (previous year ₹ 0.25 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, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Table showing change in benefit obligation		
Defined benefit obligation at beginning of the year	**16.89**	**13.80**
a) Included in consolidated statement of profit and loss		
Current service cost	1.44	1.18
Interest cost	1.17	1.08
Actuarial (gain) / loss	-	-
	2.61	**2.26**
b) Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
Financial assumptions	(0.14)	0.95
Experience adjustment	0.32	0.50
	0.18	**1.46**
c) Other		
Benefits paid	(1.52)	(0.62)
Liability transferred in /Acquisitions	-	-
	(1.52)	**(0.62)**
Defined Benefit obligation at end of the year	**18.16**	**16.89**

(₹ in crore)

	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Table showing change in Fair Value of Plan Assets		
Fair value of plan assets at beginning of the year	16.89	13.46
Interest income	1.17	1.05
Return on plan assets, excluding interest	0.90	0.28
Employer Contribution	0.71	2.72
Benefit paid	(1.52)	(0.62)
Fair value of plan assets at year end	**18.16**	**16.89**
Actual return on plan assets	2.08	1.33
Expected Contribution for next year	1.48	1.44

Defined benefit obligations

i) Actuarial assumptions

In arriving at the valuation for gratuity & leave benefit following assumptions were used:

(₹ in crore)

	March 31, 2021	March 31, 2020
	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Table (LIC)	Ultimate	Ultimate
Retirement Age	60 years	60 years
Employee Turnover rate	2.00%	2.00%
Discount Rate	7.05%	6.95%
Expected rate of return on plan assets (per annum)	7.05%	6.95%
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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.34)	1.54	(1.13)	1.31
Future salary growth (1% movement)	1.56	(1.38)	1.33	(1.16)
Employee Turnover (1% movement)	0.22	(0.24)	0.18	(0.21)

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(₹ in crore)

Net asset / (liability) recognised in the balance sheet as at	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Fair value of plan assets	18.16	16.89
Present value of obligation	(18.16)	(16.89)
Amount recognised in consolidated balance sheet	-	-

(₹ in crore)

	March 31, 2021	March 31, 2020
Gratuity Payable to Directors	1.45	1.29

(₹ in crore)

Expense recognised during the year	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Included in consolidated statement of profit and Loss		
Current service cost	1.44	1.18
Interest cost	1.17	1.08
Net actuarial (gain) / loss		
Return on plan assets,excluding acturial gain or loss	(1.17)	(1.05)
Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
Financial assumptions	(0.14)	0.95
Experience adjustment	0.32	0.50
Return on plan assets, excluding interest	(0.90)	(0.28)
Net Cost	**0.72**	**2.38**

(₹ in crore)

Maturity analysis of the benefit payments: from the fund	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Projected benefits payable in future years from the date of reporting		
1st following year	1.81	4.49
2nd following year	0.73	0.71
3rd following year	1.34	0.84
4th following year	1.30	1.23
5th following year	1.48	1.11
From 6 to 10 years	9.44	5.65
From 11 years and above	20.60	19.16

(₹ in crore)

Category of Plan Assets	March 31, 2021	March 31, 2020
Insurance Funds	1.07	1.00
Mutual Funds	17.09	15.89
Fair value of plan assets	**18.16**	**16.89**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Note	37	Financial instruments – Fair value measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crore)

		Carrying amount					Fair value			
March 31, 2021	Note No.	Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Financial assets										
Investments										
- Non-current	3				0.40	0.40				-
- Current	8		60.00			60.00	60.00			60.00
Loans										
- Non-current						-				-
- Current	12				16.89	16.89				-
Trade Receivables										-
- Non-current	9A				7.69	7.69				-
- Current	9				1,861.29	1,861.29				-
Cash and Cash Equivalents	10				209.34	209.34				-
Other Bank Balances	11				12.42	12.42				-
Other financial assets						-				
- Non-current	5				13.40	13.40				-
Derivatives						-		-		-
- Non-current	4	4.25	-	4.25		4.25		4.25		4.25
- Current	4	24.21	-	24.21		24.21		24.21		24.21
Total financial assets		**28.46**	**60.00**	**28.46**	**2,121.42**	**2,209.89**	**60.00**	**28.47**	**-**	**88.47**
Financial liabilities										
Borrowings						-				-
- Non-current	15				191.59	191.59				
- Current	20				21.49	21.49				
Leases										
- Non-current					55.11	55.11				
- Current					5.53	5.53				
Other financial liabilities										
- Non-current	17				3.11	3.11				-
- Current	22				69.21	69.21				-
Derivatives										-
- Non-current	16	0.72	-	0.72		0.72		0.72		0.72
- Current	16	46.92	0.60	46.32		46.92		46.92		46.92
Trade Payables	21				3,038.08	3,038.08				-
Total financial liabilities		**47.64**	**0.60**	**47.04**	**3,384.12**	**3,431.77**	**-**	**47.64**	**-**	**47.64**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(₹ in crore)

		Carrying amount					Fair value			
March 31, 2020	Note No.	Fair value-hedging instruments	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										
- Mutual Fund	8		-			-	-			-
Loans & advances										-
- Non-current						-				-
- Current	12				29.91	29.91				-
Trade Receivables						-				-
- Non-current	9A				3.06	3.06				
- Current	9				1,898.60	1,898.60				
Cash and Cash Equivalents	10				163.92	163.92				-
Other Bank Balances	11				12.31	12.31				-
Other financial assets										-
- Non-current	5				13.51	13.51				-
- Current					-	-				-
Derivatives	4	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
Total financial assets		**24.80**	**10.28**	**14.52**	**2,003.42**	**2,028.22**	**-**	**24.79**	**-**	**24.79**
Financial liabilities										
Borrowings										
- Non-current	15				187.93	187.93				
- Current	20				94.02	94.02				
Leases										
- Non-current					48.55	48.55				
- Current					5.80	5.80				
Other financial liabilities										
- Non-current	17				3.37	3.37				-
- Current	22				76.04	76.04				-
Derivatives										
- Non-current	16	7.34	-	7.34		7.34		7.34		7.34
- Current	16	124.50	0.01	124.49		124.50		124.50		124.50
Trade Payables	21				2,847.96	2,847.96				-
Total financial liabilities		**131.84**	**0.01**	**131.83**	**3,263.67**	**3,395.50**	**-**	**131.84**	**-**	**131.84**

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: The fair value for financial instruments such as trade receivables, cash and cash equivalents, trade payables etc have not been disclosed because the carrying values approximate the fair value.

Refer note 1.6 for different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

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 Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors are responsible for developing and monitoring the Group's risk management.

The Group's risk management framework, are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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 38 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, 2021	March 31, 2020
Not due	1,462.20	1,160.31
past due 0-90 days	161.03	422.98
past due 91 -180 days	77.38	128.39
past due 181 and more	217.00	232.76
Total	**1,917.61**	**1,944.44**
Less : Loss allowances	48.45	42.78
Net Total	**1,869.16**	**1,901.66**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Management believes that the unimpaired amounts which are past due are fully collectible.

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, 2021	March 31, 2020
Not due	16.89	29.91
past due 0-90 days	-	-
past due 91 -180 days	-	-
past due 181 days and more	-	-
	16.89	**29.91**

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
Not due	0.00%	0.00%	0.00%
past due 0-90 days	3.72%	13.98%	3.64%
past due 91 -180 days	12.90%	20.49%	14.66%
past due 181 days and more	77.39%	76.47%	66.58%

* 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 2019	34.24	-
Amounts provided	13.71	-
Amount written back / utilised	(7.23)	-
Balance as on 31 March 2020	40.72	-
Amounts provided	14.17	-
Amount written back / utilised	(11.60)	-
Balance as on 31 March 2021	**43.28**	-

(₹ in crore)

Allowances for Expected Credit Loss	As at 31.3.2021	As at 31.3.2020
Balance at the beginning of the year	2.06	1.16
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	3.11	0.90
Balance at the end of the year	**5.17**	**2.06**

Other non-current financial assets

Other non-current financial assets includes earnest money deposit, security deposits to customers. These 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 ₹ 209.34 Crore as on 31 March 2021 (₹ 163.92 Crore as on 31 March 2020). 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 39 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, 2021	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	212.33	212.33	27.70	38.48	132.69	13.46
Term loans from others	30.36	30.36	23.40	6.96	-	-
Short term loan from others (Unsecured)	21.49	21.49	21.49	-	-	-
Trade and other payables	3,038.08	3,038.08	3,038.08	-	-	-
Other financial liabilities	18.12	18.12	18.12	-	-	-
Leases	60.64	60.64	5.53	4.40	14.14	36.57
Derivative financial liabilities						
Forward exchange contracts/Futures used for hedging/ Natural hedging						
'- Outflow	47.64	47.64	46.92	0.72	-	-

(₹ 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	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	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

Leases	54.35	54.35	5.80	4.35	9.42	34.78
Derivative financial liabilities						
Forward exchange contracts/ Futures used for hedging/ Natural 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	-	-	-

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 ₹ 3.11 crores (Previous year ₹ 3.37) cannot be ascertained on reporting date.

Note 40 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 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 entered into 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 does 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.

Fig. in Crore

	March 31, 2021					
	USD	EUR	CAD	ETB	NPR	KES
Trade receivables	7.40	0.53	0.03	(0.27)	-	-
Cash and cash equivalents	0.46	0.01	0.00	1.26	0.10	0.04
Long term Borrowings	(2.42)	-	-	-	-	-
Short term borrowings	(0.29)	-	-	-	-	-
Trade payables	(16.22)	0.01	-	(0.20)	-	-
Net Exposure	**(11.07)**	**0.55**	**0.03**	**0.79**	**0.10**	**0.04**

Fig. in Crore

	March 31, 2021					
	EGP	AUD				
Trade receivables	-	(0.00)				
Cash and cash equivalents	0.01	-				
Long term Borrowings	-	-				
Short term borrowings	-	-				
Trade payables	-	-				
Net Exposure	**0.01**	**(0.00)**	**-**	**-**	**-**	**-**

Fig. 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 outstanding payable / (receivable)	**(11.45)**	**0.78**	**0.57**	**0.00**	**1.26**	**0.27**

Fig. in Crore

	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**	-	-

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
US Dollars (USD)	74.23	70.88	73.11	75.42
Euro (EURO)	86.61	78.80	85.75	81.88
Canadian Dollars (CAD)	56.21	53.33	58.03	53.37
Pound sterling (GBP)	97.04	90.15	100.75	93.46
Ethiopian Birr (ETB)	2.01	2.36	1.79	2.27
Nepalese Rupee (NPR)	0.63	0.62	0.63	0.62
Kenyan Shilling (KES)	0.68	0.69	0.67	0.71
Egyptian Pound (EGP)	4.70	4.34	4.65	4.75
United Arab Emirates Dirham (AED)	20.17	19.31	19.91	20.44
Austrailian Dollar (AUD)	53.36	48.34	55.70	46.19

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in crore)

	Profit or loss	
Effect in ₹ crore	Strengthening	Weakening
March 31, 2021		
USD (1% movement)	8.22	(8.22)
EUR (1% movement)	(0.47)	0.47
CAD (1% movement)	(0.02)	0.02

ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
AUD (1% movement)	0.00	(0.00)
	7.71	**(7.71)**

(₹ in crore)

	Profit or loss	
Effect in ₹ crore	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)**

Note 41 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, 2021	March 31, 2020
Fixed rate instruments	67.61	223.17
Variable-rate instruments*	1,547.77	1,872.16
	1,615.39	**2,095.33**

*Variable rate instruments include letter of credit

Interest rate sensitivity for fixed rate instruments

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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 Basis Point increase	100 Basis Point decrease
March 31, 2021		
Variable-rate instruments	(15.48)	15.48
Cash flow sensitivity (net)	(15.48)	15.48
March 31, 2020		
Variable-rate instruments	(18.72)	18.72
Interest rate swaps	0.50	(0.50)
Cash flow sensitivity (net)	(18.22)	18.22

Note 42 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 and zinc prices on highly forecast purchase transactions. The Group uses futures contract to hedge its commodity risk. Such contracts are generally designated as fair value 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

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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
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	Forecasted Export Sales	Mitigate the impact of fluctuations in foreign exchange rates	Foreign currency denominated Import Purchases	Group uses its Forecasted Foreign currency denominated Import Purchases to mitigate the risk of foreign currency movement in collection of Forecasted Export Sales	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.

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

(₹ in crore)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

As at 31 March 2021									
	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 reclassi-fication
Interest rate swaps	-	-	-	(0.86)	0.61	NA	NA	1.47	Finance Cost
Foreign exchange forward contracts	18.28	0.07	0.93	(1.81)	(4.59)	NA	NA	(2.77)	COGS
Commodity contracts	120.27	28.40	44.73	118.72	106.93	NA	NA	(11.79)	COGS
Foreign currency denominated Import Purchases	111.54	-	0.16	(1.09)	3.49	NA	NA	4.58	Sales

(₹ 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
Foreign currency denominated Import Purchases	105.19	-	3.65	(4.20)	(4.27)	NA	NA	(0.07)	Sales

The tables below provide details of the Group's hedged items under cash flow hedges:

(₹ in crore)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

	As at 31 March 2021			As at 31 March 2020		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve		Change in the value of hedged item for the year	Balance in cash flow hedge reserve	
		Where hedge accounting is continued	Where hedge accounting is discontinued		Where hedge accounting is continued	Where hedge accounting is discontinued
Floating rate borrowing	(0.86)	-	NA	(1.29)	1.47	NA
Highly probable purchases	(1.81)	0.86	NA	9.88	(4.06)	NA
Highly probable forecast transactions	118.72	16.33	NA	(215.38)	121.08	NA
Forecasted Export Sales	(1.09)	0.16	NA	(4.20)	3.65	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, 2021	March 31, 2020
Opening balance	121.26	5.48
Effective portion of changes in fair value:		
a) Interest rate risk	0.86	1.29
b) Commodity price risk	(118.72)	215.38
c)Foreign currency risk	1.81	(9.88)
d) Forecasted Export Sales	1.09	4.20
Net amount reclassified to profit or loss:		
a) Interest rate risk	(1.47)	(0.25)
b) Commodity price risk	11.79	(9.60)
c)Foreign currency risk	2.77	(85.43)
d) Forecasted Export Sales	(4.58)	0.07
Movements on reserves during the year		
Closing balance	**14.81**	**121.26**

Disclosure of effects of hedge accounting on financial performance

(₹ in crore)

March 31, 2021	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	0.61	NA	1.47	Finance Cost
Foreign exchange risk	(4.59)	NA	(2.77)	COGS
Commodity price risk	106.93	NA	(11.79)	COGS
Forecasted Export Sales	3.49	NA	4.58	Sales

(₹ in crore)

March 31, 2020	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
Highly Probable Purchases	(4.27)	NA	(0.07)	Sales

Note 43 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, 2021	As at March 31, 2020
Borrowings	264.18	317.19
Less : Cash and cash equivalent*	209.34	163.92
Adjusted net debt	54.84	153.27
Total equity	1,409.20	1,166.43
Less : Hedging reserve	(11.11)	(92.01)
Adjusted equity	1,420.30	1,258.44
Adjusted net debt to adjusted equity ratio	0.04	0.12

Note 44 Segment reporting

A. **General Information**

(a) **Factors used to identify the entity's reportable segments, including the basis of organisation -**

The operations of the Group 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 consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

(d) **Segment revenue and results:**

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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, 2021 (₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	2,742.82	2,357.19	1,246.54	6,346.55	41.47	-	6,388.02
Other income	13.09	5.37	0.26	18.72	3.54	-	22.26
Intersegment revenue	165.21	6.64	22.97	194.82	1.48	(196.30)	-
Segment revenue	**2,921.12**	**2,369.20**	**1,269.77**	**6,560.09**	**46.49**	**(196.30)**	**6,410.28**
Segment profit (loss) before tax & Finance Cost	68.00	266.33	32.80	367.14	3.46	-	370.59
Less :- Interest expense							136.04
Less:- Other unallocated expenditure net of unallocable income							26.28
Profit before tax							208.27
Tax expenses							47.77
Share in net profit (loss) of associates / JV accounted by Equity method	-	(0.00)	-	(0.00)	-	-	(0.00)
Profit after tax							160.50
Capital employed							
Segment assets	2,090.00	1,551.42	1,164.31	4,805.73	50.57		4,856.30
Unallocable corporate and other assets				-			152.36
Total Asset	**2,090.00**	**1,551.42**	**1,164.31**	**4,805.73**	**50.57**	**-**	**5,008.66**
Segment liabilities	1,572.17	1,029.82	722.03	3,324.02	8.43		3,332.45
Unallocable corporate and other liabilities (Refer note 1)				-			1,676.21
Total Liabilities	**1,572.17**	**1,029.82**	**722.03**	**3,324.02**	**8.43**	**-**	**5,008.66**
Capital expenditure	12.83	9.24	25.26	47.34	1.67	-	49.01
Capital expenditure -Unallocable							6.80
Depreciation and Amortisation expense	35.69	21.14	30.55	87.38	0.77		88.15
Depreciation and Amortisation- Unallocable							5.29

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	3,509.63	2,305.16	1,577.12	7,391.91	33.54	-	7,425.45
Other income	8.71	3.89	1.79	14.40	3.59	-	17.99
Intersegment revenue	90.82	5.84	22.78	119.44	1.00	(120.44)	-
Segment revenue	**3,609.16**	**2,314.89**	**1,601.69**	**7,525.74**	**38.14**	**(120.44)**	**7,443.44**
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 liabilities (Refer note 1)							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

Note1:

Unallocated segment liabilities in the segment information includes equity share capital and unallocated reserves excluding hedge reserve amounting to ₹ 1411.01 crore as at 31st March,2021 and ₹ 1254.19 crore as at 31st March,2020

C. Information about geographical areas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(a) Revenue from external customers

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
- Within India*	3,829.53	4,956.15
- Outside India	2,558.49	2,469.30
	6,388.02	**7,425.45**

* include deemed exports ₹ 77.52 crore (Previous year ₹ 56.10 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	March 31, 2021	March 31, 2020
USD (US Dollar)	2,050.78	2,239.26
EUR (EURO)	150.23	117.61
GBP (British Pound)		
CAD (Canadian Dollar)	97.09	1.10
SGD (Singapore Dollar)	0.13	
AUD (Australian Dollar)	13.82	16.24
INR	246.43	95.10
Total	**2,558.49**	**2,469.30**

(b) Segment Assets

(₹ in crore)

	March 31, 2021	March 31, 2020
- Within India	4,672.49	4,321.21
- Outside India	336.17	332.59
	5,008.66	**4,653.80**

(₹ in crore)

Segment assets outside India currency wise	March 31, 2021	March 31, 2020
USD (US Dollar)	336.17	332.59
Total	**336.17**	**332.59**

D. 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 45 Related party relationships, transactions and balances

The Group's related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business. All the transactions with related parties are on arm's length basis.

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).

Mrs. Nina Kapasi - Independent Director

Mr. F. B. Virani - Independent Director

Mr. Rajesh Sehgal - Independent Director

b). **Associate Company:**

(1). Ampoil Apar Lubricants Private Limited (40% shareholding acquired for Rs. 0.40 crores w.e.f. Sep 19, 2020)

c). **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

d). **Entities controlled 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 Limited

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

EM & EM Personal Care Private Limited

Cutting Chai Technologies Private Limited

B. Related Party Transactions in ordinary course of business

(i) Associate Company :

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Sale of finished goods/ Raw materials / traded goods	0.30	-

(₹ in crore)

Sr No.	Balances outstanding as at year end	2020-21	2019-20
1	Investment made	0.40	-
2	Receivable from associate company for supply of raw material & finished goods	0.28	-

(ii) Key Managerial Personnel :

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Remuneration	6.64	8.81
2	Dividends paid (payment basis)	-	34.04
3	Sitting fees	0.12	0.13

(₹ in crore)

Sr No.	Balances outstanding as at year end	2020-21	2019-20
1	Commission payable	3.86	3.57

(iii) Relatives of Key Managerial Personnel:

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Dividends paid (payment basis)	-	0.26
2	Salary paid	0.04	-

(iv) Entities controlled by key management personnel/individuals having significant influence:

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Rent paid	1.30	1.15
2	Dividends paid (payment basis)	-	8.58
3	Sale of finished goods/ Raw materials / traded goods/services	0.04	0.04
4	Purchase of finished goods/ Raw materials / traded goods/services	0.03	-

(₹ in crore)

Sr No.	Balances outstanding at the year end	2020-21	2019-20

1	Receivable for supply of finished goods/ services	0.08	0.04
2	Payable for supply of finished goods/ services	0.00	0.00
3	Borrowings	30.36	30.27
4	Security deposit given	0.08	-
5	Commitments	1.19	2.49

C. Compensation of Key Management Personnel of the Group

(₹ in crore)

Sr No.	Nature of transaction	2020-21	2019-20
1	Short-term employment benefits	6.28	8.55
2	Post Employment benefis	0.19	0.19
3	Other Long term employment benefits	0.17	0.07
		6.64	**8.81**

Note 46 Contingent liabilities and commitments

(₹ in crore)

		March 31, 2021	March 31, 2020
A)	**Contingent liabilities and commitments (to the extent not provided for)**		
	Contingent liabilities		
a)	**Claims against the Group not acknowledged as debts -**		
	i) Demand/ Show cause-cum-demand notices received and contested by the Group with the relevant appellate authorities:		
	Excise duty	6.03	5.78
	GST	21.73	-
	Customs duty	2.40	2.40
	Sales tax	12.66	14.58
	Income tax	12.03	12.03
	ii) Arbitration award regarding dispute of alleged contractual non-performance by the Group, against which the Group is in appeal before Bombay High Court.	11.60	11.15
	iii) Labour matters	0.05	0.05
	iv) Others	19.23	18.83
b)	**Guarantees**		
i)	Letter of Guarantees given by the Group	8.59	11.10
B.	**Capital commitments**		
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	37.87	12.36

Notes:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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.

5 During the year, the Group has recognised interest of ₹ 14.38 crore, being interest payable on IGST free imports during the period October 2018 to March 2021 against Advance License used for IGST paid exports cleared under rebate (refund). The IGST amount of payable in this regard is ₹ 62.39 crore which has been provided for and the group has paid ₹ 58.35 crore till 31st March 2021. The group has simultaneously recognised the said amount of ₹ 62.39 crore as input credit which has been partly utilised till date.

6 The Company has been listed as an approved Vendor with Research Designs and Standard Organization (RDSO) of Indian Railways. During the year, RSDO has delisted the Company from its list of approved vendors from manufacture and supply of Joint less Hard Drawn Grooved Copper Contact Wire (HDGC contact wire) 107 sqmm for a period of 1 year vide their letter dated March 30, 2021 on the ground that the Company has not purchased the raw material from their approved vendor. Further, on delisting, CORE has withheld Company's dues to the extent of ₹ 38 crores. The Company is not in agreement with the RDSO's contention and has preferred an appeal with the appropriate forum challenging the delisting. The Company has also invoked the Arbitration clause against its old outstanding dues of ₹ 38 crores and is confident of getting favorable decision in above matters.

Note 47 Expenditure on Research and Development :

(A) R & D Center-OIL (Rabale - DSIR Recognised)

(₹ in crore)

		2020-21	2019-20
a)	Salary, wages and other benefits	2.17	2.21
	Consumables and Other expenses	0.19	0.23
	sub-Total	2.36	2.44
b)	Capital expenditure		
	Building	-	-
	Plant and Equipments	0.42	-
		0.42	-
	Total	**2.78**	**2.44**

(B) R & D Center-Conductor Division

(₹ in crore)

		2020-21	2019-20
a)	Salary, wages and other benefits	2.03	4.73
	Consumables and other expenses	2.03	4.73
	sub-Total		
b)	Capital expenditure	-	-
	Building		
	Plant and Equipments	0.51	1.64
	Total	**2.54**	**6.37**

(C) R & D Center-Cable Division

(₹ in crore)

		2020-21	2019-20
a)	Salary, wages and other benefits	0.21	0.19
	Consumables and other expenses	1.08	0.33
	sub-Total	1.29	0.52
b)	Capital expenditure		
	Building	-	-
	Plant and Equipments	-	-
		-	-
	Total	**1.29**	**0.52**
	Grand Total (A+B+C)	**6.61**	**9.33**

Note 48 IND AS 115 - Revenue from Contracts with Customers

i. Revenue from contracts with customers

(₹ in crore)

	2020-21	2019-20
Revenue recognised at point in time	6,310.60	7,349.42
Revenue recognised over time	77.42	76.03
Total revenue from contracts with customers	**6,388.02**	**7,425.45**

ii. 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

(₹ in crore)

	2020-21	2019-20
Within India (including deemed exports)	3,829.53	4,956.15
Outside India	2,558.49	2,469.30
	6,388.02	**7,425.45**

iii. Sales by performance obligation

(₹ in crore)

	2020-21	2019-20
Upon shipment	6,310.60	7,349.42
Upon providing of services	77.42	76.03
	6,388.02	**7,425.45**

iv. Contract balances

(₹ in crore)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

	2020-21	2019-20
Contract Assets		
As at April 1	6.15	0.14
Add: Addition during the year	0.73	6.15
	6.88	6.29
Less: Trasferred to Receivable	6.15	0.14
As at Mar 31	**0.73**	**6.15**

	2020-21	2019-20
Contract Liability		
Advances from Customers		
As at April 1	64.08	81.31
Add: Addition during the year	70.31	35.75
	134.39	117.06
Less: Revenue recognised during the year	28.00	52.98
As at Mar 31	**106.39**	**64.08**

Refer note no 9 - for contract assets balances & note no 23 for contract liabilities

v. 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 49 IND AS 116 - Leases

(₹ in crore)

	2020-21	2019-20
Right to use Assets		
Addition during the year	14.55	60.60
Deletion during the year	(4.32)	(1.05)
Amortisation for the year	7.60	7.83
Carrying value at the end of the year	57.00	52.05
Maturity Analysis of lease liabilities		
Less than 1 year	5.53	5.80
1 - 2 years	4.40	4.35
3 - 5 years	14.14	9.42
More than 5 years	36.57	34.78
Total undiscounted lease liabilities at the year end	**60.64**	**54.35**

Recognised into statement of Financial Position		
Non Current	55.11	48.55
Current	5.53	5.80
Amont recognised into Profit & Loss account		
Amortisation of Right to use assets	7.60	7.83
Interest expenses on Lease liabilities	2.54	3.42
Expenses relating to Short term leases & low value assets leases	1.78	1.83
The expense relating to variable lease payments not included in the measurement of lease liabilities Income from subleasing right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
Amont recognised into Cash flows		
Total cash outflows of lease payments (including short term leases & low value assets leases	9.63	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 and 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 50 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, 2021 and 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, 2021			
Financial assets			
Derivative instruments			
Forward contract / futures	28.47	22.58	5.89
Total	**28.47**	**22.58**	**5.89**
Financial liabilities			
Derivative instruments			
Forward contract / futures	47.65	22.58	25.07
Total	**47.65**	**22.58**	**25.07**

(₹ in crore)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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	24.79	5.64	19.15
Total	**24.79**	**5.64**	**19.15**
Financial liabilities			
Derivative instruments			
Forward contract / futures	130.37	5.64	124.73
Interest rate swap	1.47	-	1.47
Total	**131.84**	**5.64**	**126.20**

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 51 Global Pandemic COVID 19 Impact on Financial Statements

The Group has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available up to the date of approval of these financial results and concluded no adjustment is required in these results. Based on its assessment of business / economic conditions, the Group expects to recover the carrying value of its assets. The Group will continue to evaluate the pandemic related uncertainty arising from the on-going second wave and will continue to assess its impact.

Note 52 Figures for previous year have been regrouped, wherever necessary

As per our report attached
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Annexure VIII 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 or associate companies or joint venture.

Part A Subsidiaries

Sr. No	Particulars	Petroleum Specialities Pte. Limited, Singapore		Petroleum Specialities FZE, Sharjah		APAR Transmission & Distribution Projects Private Limited	APAR Distribution & Logistics Private Limited
		In USD	₹ in Crore	In USD	₹ in Crore	₹ in Crore	₹ in Crore
(a)	The date since when subsidiary was acquired	17.03.2004		18.11.2014		26.08.2016	02.03.2020
(b)	Share Capital	59,101	0.43	1,23,29,700	90.14	0.01	1.00
(c)	Reserve and surplus	1,52,11,085	111.21	(14,24,408)	(10.41)	3.23	(0.16)
(d)	Total Assets	1,53,32,724	112.10	4,30,94,010	315.06	23.82	7.30
(e)	Total Liabilities	62,538	0.46	3,21,88,718	235.33	20.58	6.47
(f)	Details of Investment (Except in case of investment in Subsidiaries)	-	-	-	-	-	-
(g)	Turnover	67,176	0.51	5,94,04,235	439.93	52.39	0.53
(h)	Profit before taxation	(48,786)	(0.36)	32,74,268	24.16	(0.35)	(0.21)
(i)	Provision for taxation	2,653	0.02	-	-	(0.08)	(0.05)
(j)	Profit after taxation	(51,439)	(0.38)	32,74,268	24.16	(0.27)	(0.16)
(k)	Proposed dividend	-	-	-	-	-	-
(l)	Extent of shareholding (% of shareholding)	100		100		100	100

Notes :

1) As on 31.03.2021 : 1 U.S. Dollar (USD) = ₹ 73.11

2) Profit/(Loss) figures do not include other comprehensive income.

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates or Joint Ventures	Ampoil Apar Lubricants Private Limited (Associate Company)
1	**Latest audited Balance Sheet Date**	22-Apr-21
2	**Date on which the Associate or Joint Venture was associated or acquired**	19-Sep-20
3	**Shares of Associate or Joint Ventures held by the company on the year end**	
	No.	400000
	Amount of Investment in Associates or Joint Venture	Rs. 0.40 Crores
	Extent of Holding (in percentage)	40.00%
4	**Description of how there is significant influence**	Holding 40% of Equity Share capital
5	**Reason why the associate/Joint venture is not consolidated.**	Consolidated as per IND AS 28 Investments in Associates and Joint Ventures - (Equity Method)

6	**Net worth attributable to shareholding as per latest audited Balance Sheet**	Rs 0.40 Crores
7	**Profit or Loss for the year**	
	i. Considered in Consolidation	0.00
	ii. Not Considered in Consolidation	NA

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman & Managing Director
& Chief Executive Officer
DIN : 00008084
Mumbai, 31.05.2021

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- 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

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There are no material contract or arrangement or transaction entered into 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. 44 of Audited Financial Statements annexed hereto.

On behalf of the Board of Directors

(Kushal N. Desai)
Chairman & Managing Director

Mumbai, 31st May, 2021.

Disclaimer

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.

APAR

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