



# APM INDUSTRIES LIMITED

910, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019  
Phone : (011) 26441015-17 Fax : (011) 26441018  
E-mail : [delhi@apmindustries.co.in](mailto:delhi@apmindustries.co.in)  
CIN No. : **L21015RJ1973PLC015819**  
Website: [www.apmindustries.co.in](http://www.apmindustries.co.in)

APMIL/151

September 30, 2016

The Secretary  
BSE Ltd.,  
25th Floor, P J Towers,  
Dalal Street, Mumbai – 400001  
Scrip Code No.523537

Dear Sir,

*Sub: Annual Report (2015-16) - pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

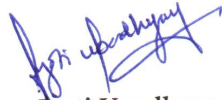
We enclose herewith *Annual Report (2015 – 16)* of our Company which was approved and adopted in the *Annual General Meeting* of the Company held on *Saturday, the 24th day of September, 2016 at 11.30 A.M. at its Registered Office at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar, Rajasthan - 301019.*

This is for your kind information and record.

Thanking You,

Yours faithfully,  
For APM Industries Limited



  
Jyoti Upadhyay  
Company Secretary

Encl. as above

**42<sup>nd</sup>**  
**A****NNUAL**  
**REPORT**  
**2015-2016**

**APM INDUSTRIES LIMITED**

**APM INDUSTRIES LIMITED**  
**CIN No. L21015RJ1973PLC015819**

**CIN NO.**  
**L21015RJ1973PLC015819**

**BOARD OF DIRECTORS**

R K RAJGARHIA  
Chairman

K R GUPTA

S G RAJGARHIA

R R BAGRI

UMA HADA

H R Sharma  
Managing Director

**AUDITORS**  
Chaturvedi & Co.

**BANKERS**  
Punjab National Bank  
State Bank of Bikaner & Jaipur

**CORPORATE OFFICE**  
910, Chiranjiv Tower,  
43, Nehru Place  
New Delhi - 110019  
Tel : 011 – 26441015 – 17  
Fax : 011 – 26441018  
E-mail : [delhi@apmindustries.co.in](mailto:delhi@apmindustries.co.in)

**COMPANY SECRETARY**  
JYOTI UPADHYAY

**REGISTERED OFFICE & WORKS**  
SP-147, RIICO Industrial Area  
Bhiwadi, Dist. Alwar  
(Rajasthan) - 301019  
Tel. : 01493 – 522400  
Fax : 01493 – 522413  
Email : [bhiwadi@apmindustries.co.in](mailto:bhiwadi@apmindustries.co.in)

**WEBSITE**  
[www.apmindustries.co.in](http://www.apmindustries.co.in)

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## **NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 42<sup>nd</sup> Annual General Meeting of the Members of **APM Industries Limited** will be held on **Saturday the 24<sup>th</sup> day of September, 2016 at 11.30 A.M.**, at its Registered Office at **SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)** to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2016, together with the Reports of the Directors and Auditors thereon.
2. To confirm the two interim dividends aggregating to Rs.3.50 per equity share as final dividend, already paid for the year ended 31<sup>st</sup> March, 2016.
3. To appoint a Director in place of Shri S G Rajgarhia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Chaturvedi & Co., Chartered Accountants (Firm Registration No. 302137E), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company."

### **SPECIAL BUSINESS**

5. **To consider appointment of Shri R K Rajgarhia as Chairman of the Company**

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

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and provisions of the Article of Association and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, the consent of the members be and is hereby accorded to the appointment of Shri R K Rajgarhia as Chairman of the Company for a period of 5 years (Five Years) w.e.f. June 1, 2016 to May 31, 2021 on the terms and conditions including remuneration, as set out in explanatory statement."

6. **To consider appointment of Shri H R Sharma as Managing Director of the Company**

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

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and provisions of the Article of Association and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, the consent of the members be and is hereby accorded to the appointment of Shri H R Sharma as Managing Director of the Company for a period of 5 years (Five Years) w.e.f. June 1, 2016 to May 31, 2021 on the terms and conditions including remuneration, as set out in explanatory statement."

7. **Ratification of Remuneration to Cost Auditor**

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 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), the Cost Auditors 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 March 31, 2017, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting."

8. **To keep Register and Index of Members at other place**

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

**"RESOLVED THAT** pursuant to the provisions of Section 94 read with Section 88 and 92 and other applicable provisions of the Companies Act, 2013 and Rules made there under, the consent of the members of the Company be and is hereby accorded to keep, maintain and preserve Register of Members and Index of Members of the Company, at the Office of Skyline Financial services Private Limited, the Registrar and Share Transfer Agent of the Company, situated at D-153 A, First Floor, Okhla Industrial Area, Phase - I, New Delhi – 110 020 instead of keeping and maintaining the same at Registered Office of the Company."

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

**Registered Office:**

SP-147, RIICO Industrial Area,  
Bhiwadi, Dist. Alwar (Rajasthan)

Palce: New Delhi

Dated: July 22, 2016

By Order of the Board

**Jyoti Upadhyay**  
**Company Secretary**  
**(Membership No. 37410)**

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## NOTES

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. A statement giving the relevant details of the Directors seeking appointment under Item Nos. 3, 5 and 6 of the accompanying Notice, as required by Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed herewith.
3. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.**  
**A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.**  
**A member can opt for only one mode i.e. through remote e-voting or voting at Annual General Meeting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and the voting at Annual General Meeting shall be treated as invalid. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.**
4. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.
5. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed / unpaid dividend, application money, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the Company have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the IEPF or the Company for the amounts so transferred.  
Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the financial year 2010-11 onwards for the Company are requested to lodge their claims with Company's Registrars and Transfer Agents. It may be noted that the unclaimed Dividend for the financial year 2010-11 declared by the Company on 14.09.2011 can be claimed by the Members by 31.08.2018, the same will be deposited in IEPF Account by 14.09.2018.  
The Ministry of Corporate Affairs ('MCA') on May 10, 2012 notified the Investor Education and Protection Fund (Uploading of information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends, as on the date of last AGM i.e. September 25, 2015, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under 'Investors' section on the website of the Company viz. [www.apmindustries.co.in](http://www.apmindustries.co.in).
6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

7. The company sub-divided the face value of equity shares from Rs.10 to Rs.2. Members were advised to surrender their old share certificates for exchange with the new ones. Members, who have not already exchanged their old certificates which anyway ceased to be valid from that date, may do so by sending the old certificates to the Registrar / Company.

The members are requested to get their shares dematerialized. The Company's ISIN Code **INE170D01025** pursuant to change in face value.

8. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

- a) [delhi@apmindustries.co.in](mailto:delhi@apmindustries.co.in)
- b) [apmindustriesltd@gmail.com](mailto:apmindustriesltd@gmail.com)
- c) [admin@skylinerta.com](mailto:admin@skylinerta.com)

The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The Annual Report will also be made available on the Company's website at [www.apmindustries.co.in](http://www.apmindustries.co.in).

9. a) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of National Securities Depository Limited (NSDL) to provide remote e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this remote e-voting facility is optional. This facility will be available at the link [www.evoting.nsdl.com](http://www.evoting.nsdl.com) during the following voting period:

Commencement of remote e-voting : From 9.00 A.M. on **September 21, 2016 (Wednesday)**

End of remote e-voting : Upto 5.00 P.M. on **September 23, 2016 (Friday)**

E-voting shall not be allowed beyond 5.00 P.M., on **September 23, 2016 (Friday)**. During the E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for e-voting is **September 17, 2016 (Saturday)**. A person who is not a member as on cut-off date should treat this notice for information purpose only.

Contact details of concerned person for e-voting:

Jyoti Upadhyay  
Company Secretary  
Ph. No. 011-26441015

**APM INDUSTRIES LIMITED**  
**CIN No. L21015RJ1973PLC015819**

- b) The company has engaged the services of M/s Skyline Financial Services Private Limited as the Authorized Agency to provide e-voting facilities.
- c) The Company has appointed Shri Ravi Sharma (FCS 4468), a Practicing Company Secretary, CP No. 3666, as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- d) The login ID and password for remote e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.

The process and manner for remote e-voting are as under:

- A) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:
- Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - Click on Shareholder - Login
  - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - Select "EVEN" of "APM Industries Limited".
  - Now you are ready for remote e-voting as Cast Vote page opens.
  - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - Upon confirmation, the message "Vote cast successfully" will be displayed.
  - Once you have voted on the resolution, you will not be allowed to modify your vote.
  - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [info@csrsm.com](mailto:info@csrsm.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participants(s) or requesting physical copy] :

- i. Initial password is provided as below/at the bottom of the e-voting instructions:

EVEN (Remote e-voting Number)	User ID	Password/Pin

- Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free No.: 1800-222-990.
- If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **September 17, 2016**.

- e) Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. **September 17, 2016 (Saturday)**, may obtain the User ID and password from:

*M/s Skyline Financial Services Private Limited  
D-153 A, First Floor, Okhla Industrial Area,  
Phase-I, New Delhi-110020.  
Telephone: 011-64732681-88,  
Fax: 011-26812682  
Email : [admin@skylinerta.com](mailto:admin@skylinerta.com)*

- f) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.

- g) "remote e-voting" means the facility of casting vote by a member using an electronic voting system from a place other than venue of a General Meeting;

It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.

- h) The facility for voting through ballot paper shall also be available at the AGM and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.

10. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.apmindustries.co.in](http://www.apmindustries.co.in) and on the website of NSDL & CDSL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

11. The register of members and share transfer books of the Company will remain closed from **September 17, 2016 (Saturday)** to **September 20, 2016 (Tuesday)** both days inclusive.

12. The route map showing directions to reach the venue of the 42<sup>nd</sup> AGM is annexed.



# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

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

The following Explanatory Statements, as required under Section 102 (1) of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 5 to 8 of the accompanying Notice.

### ITEM NO. 5

Shri R K Rajgarhia, aged 78 years, was appointed as the Chairman & Managing Director of the Company w.e.f. 1<sup>st</sup> June, 2013 for a period of three years which term expired on 31<sup>st</sup> May, 2016. The Board of Directors, on the recommendation made by Nomination and Remuneration Committee, appointed Shri R K Rajgarhia as Chairman of the Company for a period of Five years w.e.f 1<sup>st</sup> June, 2016, subject to the approval of shareholders:

The principal terms and conditions governing the payment of remuneration as recommended by the Nomination and Remuneration Committee of Shri R K Rajgarhia are as under:

- A. **Basic Salary:** Rs.4,00,000/- per month w.e.f. June 1, 2016 which shall be increased every year on 1<sup>st</sup> June by Rs.50,000/- in the scale of Rs.4,00,000/- – Rs.50,000/- – Rs.6,00,000/-. The first increase in the above salary will be on 01.06.2017.
- B. **Commission:** 2% on the net profit of the Company computed in the manner laid down in the Companies Act, 2013.
- C. **Perquisites & Allowances:** In addition, he shall be entitled to the following perquisites and allowances:-
  - i) House Rent Allowance @ 60% of Basic salary per month.
  - ii) Provision of furnishings and expenses pertaining to supply of Gas, Electricity, Water and other utilities including repair will be borne / reimbursed by the Company.
  - iii) Expenses pertaining to services of guard / watchmen, a gardener and a servant employed at his residence shall be borne / reimbursed by the Company.
  - iv) Medical expenses actually incurred for self, wife and dependent subject to the condition that the total cost to the company shall not exceed one month's salary per year or three month's salary in a period of 3 years.
  - v) Reimbursement of actual traveling expenses for self and family for proceeding on leave once in a year to and from any place in India or outside India.
  - vi) Reimbursement of membership fees in respect of Clubs will be subject to maximum of two Clubs.
  - vii) Personal Accident Insurance Premium subject to limit of Rs.10,000/- per annum.
  - viii) Free use of the Company's car with driver for company's work as well as for personal purposes.
  - ix) Telephone at residence at company's cost.
  - x) Gratuity @ half month's basic salary for each completed year of services.
  - xi) Leave and leave encashment as per rules of the company.
- D. **Sitting Fee etc.**

No sitting fee shall be paid to him for attending the meetings of Board of Directors or any Committees thereof. He shall be liable to retire by rotation.
- E. **Other Terms & Conditions:**
  - i. Shri R K Rajgarhia will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
  - ii. Either party giving the other party three months prior notice in writing to that effect may terminate the agreement.
  - iii. If at any time Shri R K Rajgarhia ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Chairman.
- F. **Minimum remuneration:** Where, in any financial year, the company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Shri R K Rajgarhia, subject to the applicable provisions of Schedule – V of the Companies Act, 2013.

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant statutory enactments) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling and the said agreement between the company and Shri R K Rajgarhia be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval".

### Justification for appointment pursuant to Section 196(3) of the Companies Act, 2013

Shri R K Rajgarhia is a B.com graduate having more than 30 years of work experience in textile industries. He is being appointed as a Director in the Board of the Company since 1994.

During the term of his office, the Company has made a steady growth and strengthened its financial position as evidenced in the financial results. Though he has attained the age more than 70 years, he is at present in very good health and, in the opinion of the Directors, he is in a position to discharge all his duties efficiently. Therefore, his appointment as Chairman will be in the interests of the company.

Except Shri R K Rajgarhia and Shri S G Rajgarhia, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in item No. 5.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

### ITEM NO. 6

The members at their 38<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> September, 2012 approved the appointment of Shri H R Sharma as an Executive Director for a period of five years w.e.f 1<sup>st</sup> March, 2012, whose term expires on 28<sup>th</sup> February, 2017. On recommendation made by Nomination and Remuneration Committee the Board at its meeting held on 13<sup>th</sup> May, 2016, considered the appointment of Shri H R Sharma as Managing Director of the Company for a period of five years w.e.f 1<sup>st</sup> June, 2016, subject to the approval of shareholders. The principal terms and conditions governing the payment of remuneration as recommended by the Nomination and Remuneration Committee of Shri H R Sharma are as under:

- A. **Basic Salary:** Rs.4,00,000/- per month w.e.f. June 1, 2016 which shall be increased every year on 1<sup>st</sup> June by Rs.50,000/- in the scale of Rs.4,00,000/- – Rs.50,000/- – Rs.6,00,000/-. The first increase in the above salary will be on 01.06.2017.
- B. **Bonus/ Exgratia:** Bonus / Exgratia shall be paid, as payable to Senior Executives of the Company but not exceeding 20% of basic salary.
- C. **Perquisites & Allowances:** In addition, he shall be entitled to the following perquisites and allowances:-
  - i) Rent free furnished residential accommodation with free electricity the monetary value of which will be evaluated as per Rules 3 of the Income Tax Rules, 1962.

OR

In case own premises are occupied, then house rent allowance payable as per rules of the Company but not exceeding 60% of basic salary. The expenses on electricity will be borne by the Company.

- ii) Medical Benefits: The total cost of medical expenses / allowance to the Company shall not exceed one month salary per year or three months salary in a period of three years.
- iii) Leave and leave encashment as per rules of the Company.
- iv) Leave Travel Allowance/ Concession: For self and family once in a year shall not exceed one month salary per year.
- v) Reimbursement of membership fees in respect of Clubs will be subject to maximum of two Clubs.
- vi) The Company's contribution towards Provident Fund as per rules of the Company.

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**CIN No. L21015RJ1973PLC015819**

- vii) Gratuity @ half month's basic salary for each completed year of services.
- viii) Free use of the Company's car with driver for company's work as well as for personal purposes.
- ix) Telephone at residence at company's cost.

**D. Sitting Fee etc.**

No sitting fee shall be paid to him for attending the meetings of Board of Directors or any Committees thereof. He shall be liable to retire by rotation.

**E. Other Terms & Conditions:**

- i) Shri H R Sharma will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- ii) Either party giving the other party three months prior notice in writing to that effect may terminate the agreement.
- iii) If at any time Shri H R Sharma ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Managing Director.

**F. Minimum remuneration:** Where, in any financial year, the company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Shri H R Sharma, subject to the applicable provisions of Schedule – V of the Companies Act, 2013.

“RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant statutory enactments) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, perquisites, allowances etc., within such prescribed limit or ceiling and the said agreement between the company and Shri H R Sharma be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval”.

Shri H R Sharma has put in much effort to improve the business performance and devoted attention to the developmental activities of the Company and therefore his appointment has been considered necessary in the interest of the Company.

Except Shri H R Sharma, being an appointee, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in item No. 6.

The Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

**ITEM NO. 7**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the re – appointment and remuneration of Shri Naresh Kumar Goel, Cost Accountant (Membership No. 9876), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2017. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors is Rs.40,000/-. The remuneration has to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution. The Board of Directors recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

**ITEM NO. 8**

Pursuant to the provisions of Section 94 of the Companies Act, 2013 and Rules made thereunder, the Register of Members and Index of Members required to be kept and maintained by the company under Section 88 and copies of the annual return filed by the Company under Section 92 shall be kept at the registered office of the company. Provided that such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance.

In view of the above, it is proposed to authorize M/s Skyline Financial Services Private Limited to maintain, preserve and authenticate Register of Members and Index of Members of the Company, at its office situated at D-153 A, First Floor, Okhla Industrial Area, Phase - I, New Delhi – 110020 instead of maintaining the same at Registered Office of the Company.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice

**Registered Office:**  
SP-147, RIICO Industrial Area,  
Bhiwadi, Dist. Alwar (Rajasthan)

By Order of the Board

Place : New Delhi  
Dated : July 22, 2016

**Jyoti Upadhyay**  
**Company Secretary**  
**(Membership No. 37410)**

**ANNEXURE TO ITEM No. 3, 5 & 6 OF THE NOTICE**

Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting  
[in pursuance of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015]

Particulars	Item No. 5	Item No. 3	Item No. 6
<b>Name of the Director</b>	<b>Shri R K Rajgarhia</b>	<b>Shri S G Rajgarhia</b>	<b>Shri H R Sharma</b>
<b>Director Identification Number (DIN)</b>	00141766	00002245	00178632
<b>Date of Birth</b>	14/08/1938	21/08/1946	03/06/1951
<b>Age</b>	78 Years	69 Years	65 Years
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of Appointment on Board</b>	1 <sup>st</sup> August, 1994	26 <sup>th</sup> July, 2000	1 <sup>st</sup> March, 1997
<b>Qualification</b>	Graduate	B. Tech. (Hons.) and S.M. (MIT)	Graduate
<b>Experience</b>	56 Years	46 Years	43 Years
<b>Nature of his expertise in specific functional areas</b>	Investment decision, financing activities, strategic planning in capital budgeting and overall decisions.	Investment decision and financing activities	Strategic planning for production, sales and overall activities.
<b>Shareholding in APM Industries Limited</b>	17.81%	2.66%	0.004%
<b>Directorships held in other listed companies</b>	Perfectpac Limited	Orient Abrasives Limited	-
<b>List of Directorships held in other Companies</b>	Rajgarhia Leasing and Financial Services Pvt. Ltd.	1. Rajgarhia Leasing and Financial Services Pvt. Ltd. 2. Madhushree Properties (P) Ltd 3. Autometers Alliance Limited 4. Sheevam Comfort Hotels Private Limited 5. Rovo Marketing Private Limited	1. Arvind Syntex Private Limited 2. Ajay Overseas Private Limited
<b>Memberships / Chairmanships of Committees in APM Industries Limited</b>	Chairman of Corporate Social Responsibility Committee and Member in Nomination and Remuneration Committee	Member in Audit committee	Member in stakeholder Relationship committee, CSR committee and Risk Management committee
<b>Memberships / Chairmanships of in other Public Companies</b>	Nil	Nil	Nil
<b>Relationship with other directors</b>	Related to Shri S G Rajgarhia	Related to Shri R K Rajgarhia	N.A.



# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to present the 42<sup>nd</sup> Annual Report together with the audited financial statements for the financial year ended March 31, 2016.

### FINANCIAL RESULTS

	(Rs. In lacs)	
	2015-16	2014-15
Gross Revenue	27072	31601
Profit before depreciation and tax	3354	3171
Less: Depreciation	296	296
- Profit before income tax	3058	2875
- Less: Income Tax	1048	990
- Net profit for the year	2010	1885
Add: Balance brought forward from the previous year	4226	4041
Amount available for appropriation	6236	5926
<b>Appropriations:</b>		
- Total Dividend	757	583
- Corporate Dividend Tax	154	117
- General reserve	500	1000
- Balance carried forward to Balance Sheet	4825	4226
<b>Total</b>	<b>6236</b>	<b>5926</b>

### OPERATIONS

During the year 2015-16, the production of Synthetic Blended Yarn was marginally lower i.e. 176 lac kg as compared to 184 lac kg., in 2014-15 and the gross revenue decreased by 14.34% from Rs.316 crores to Rs.271 crores in 2015-16. The gross revenue decreased due to reduction in sale volume and price of finished products. However, the profit were higher because of reduction in raw material prices.

Your company achieved a net profit Rs.20.10 crores in 2015-16, as against Rs.18.85 Crores during the previous year, which is higher by 6.63%.

The earnings per share for the year 2015-16 was Rs.9.30, as compared to the previous year's Rs.8.72.

### TRANSFER TO RESERVES

An amount of Rs.5.00 crores has been transferred to General Reserve for the Financial Year 31<sup>st</sup> March, 2016.

### EXPORTS

The export turnover decreased to Rs.258 lacs from Rs.477 lacs in the previous year due to Global recession.

### EXPANSION AND MODERNIZATION

The company continues to modernize its plant and machinery and add balancing equipment. The production capacity increased from 50336 to 52976 Spindles during the Financial Year 2015-16.

The company has planned to replace 7632 spindles, along with other balancing machinery for modernization of plant & machinery and up-gradation of Effluent Treatment Plant to the level of Zero Liquid Discharge in the year 2016-17. This would enable the company to improve productivity as well as quality of its products and fulfill requirement under Rajasthan Pollution Control Act.

### SUBSIDIARY

The Company has incorporated a wholly owned subsidiary, in the name of APM Finvest Limited for entering into non-banking finance, lending and investment business. The application for seeking Certificate of NBFC Registration from the Reserve Bank of India is under process. The Company has subscribed the 20,00,000 equity shares of Rs.10/- each of APM Finvest Limited on 17<sup>th</sup> June, 2016.

### PROSPECTS

The company's performance in the current year is expected to be satisfactory.

### PUBLIC DEPOSIT

Our company has not accepted any public deposits during the Financial Year and as such, no amount of principal or interest was outstanding as on March 31, 2016.

### DIVIDEND

Your Directors in their meetings held on November 6, 2015 and March 11, 2016 had paid interim dividends @ 75% i.e. Re.1.50 per equity share and @ 100% i.e. Rs.2.00 per equity share respectively. The total dividend for financial year 2015-16 is 175% i.e. Rs.3.50 per equity share.

### DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3) (c) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed and there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates 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, 2016 and of the profit and loss of the company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable Financial and Operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies.

The Company uses ERP (Enterprise Resource Planning) system to record data for accounting and to connect to different locations for efficient exchange of information. The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

- In accordance with the provisions of the Act and the Article of association of the Company, Smt Uma Hada was appointed as an Additional Director of the Company w.e.f. 8<sup>th</sup> April, 2015 in order to comply with the requirement of having a woman director in the Board. She holds office as a Director up to the date of the 41<sup>st</sup> Annual General Meeting of the Company and her appointment as Non Executive Independent Director has also been approved by the members in the 41<sup>st</sup> Annual General Meeting.
- During the year, Shri R L Toshniwal, has resigned from the Directorship of the Company w.e.f. 5<sup>th</sup> August, 2015. Your Directors place on record their sincere appreciation for the services rendered by him, during his tenure on the Board.
- The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- As per the provisions of Companies Act, 2013, Shri S G Rajgarhia retires by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.
- During the year, w.e.f. 20<sup>th</sup> May, 2015, Shri F.C. Goel, Company Secretary of the Company resigned from the services of the

Company. Consequent to the resignation of Shri F.C. Goel, the Board appointed Miss Jyoti Upadhyay as the Company Secretary of the Company w.e.f 20<sup>th</sup> May, 2015.

- vi. Pursuant to the provisions of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has carried out evaluation of every Director's performance. The Independent Directors, in a separate meeting, has also carried out the performance evaluation of the Non-Independent Directors and the Board as a whole and of the Chairman of the company and has reviewed the performance of the Secretarial Department. The performance evaluation of all the Independent Directors has been done by the entire Board, excluding the Director being evaluated. The Directors expressed their satisfaction with the evaluation process.

#### **AUDITORS**

##### **STATUTORY AUDITORS**

At the Annual General meeting held on 25<sup>th</sup> September, 2014, M/s Chaturvedi & Co., Chartered Accountant, were appointed as Statutory Auditors of the Company to hold the office till the conclusion of the 43<sup>rd</sup> Annual General Meeting, subject to annual ratification by the members at the Annual General Meeting in accordance with the provisions of Section 139 of the Companies Act, 2013 and rules there under. Accordingly, the appointment of M/s Chaturvedi & Co., Chartered Accountant as statutory auditors of the Company is placed for ratification by the shareholders. In this regard the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

##### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shri Pradip Kumar Muduli, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the financial year ended 31.03.2016. The Report of the Secretarial Audit Report is annexed herewith as **ANNEXURE - I** to this Report.

##### **COST AUDITOR**

Pursuant to provisions of Section 148 of the Companies Act, 2013, the Board of Directors has re-appointed Shri N K Goel, Cost Accountant, Delhi as Cost Auditor of the Company, for the financial year 2016-17.

##### **INTERNAL AUDITOR**

Pursuant to provisions of Section 138 of the Companies Act, 2013, the Board of Directors has re-appointed M/s VCG & Co., Chartered Accountant, Delhi as Internal Auditors of the Company, for the financial year 2016-17.

##### **AUDITORS REPORT**

The Auditors' Report read with notes to the financial statements is self-explanatory and does not call for any further explanations by the Board. The Auditor's Report does not contain any qualification, reservation or adverse remark.

##### **BOARD MEETINGS**

The Board of Directors duly met 6 (Six) times in respect of which proper notices were given and the proceedings were properly recorded and signed. The Board has complete access to all information with the Company. All Board meetings are governed by a structured agenda which is backed by comprehensive background information.

##### **COMMITTEES OF THE BOARD**

Currently the Board has five committees, they are:

##### **- AUDIT COMMITTEE**

The Audit Committee meets at due intervals to conduct the required business. The Committee comprises of Independent Directors, namely, Shri K R Gupta (Chairman), Shri R R Bagri, Shri S G Rajgarhia and Smt Uma Hada, as other members. The composition, role, functions and powers of the Audit Committee are in accordance with the applicable laws and the listing agreements with the Stock Exchange.

##### **- CSR COMMITTEE**

The Corporate Social Responsibility Committee comprises of three members. Shri R K Rajgarhia is the Chairman and the other members of the Committee are Shri R R Bagri and Shri H R Sharma. The Annual Report on CSR activities is annexed herewith marked as **ANNEXURE - II** to this Report.

##### **- NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises of three members. Shri K R Gupta is the Chairman and the other members of the Committee are Shri R K Rajgarhia and Shri R R Bagri. The policies of the Company are attached herewith marked as **ANNEXURE - III** to this Report.

##### **- STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee comprises of three members. Shri K R Gupta is the Chairman and the other members of the Committee are Shri R R Bagri and Shri H R Sharma. The Committee looks into the mechanism of redressal of grievances of shareholders.

##### **- RISK MANAGEMENT COMMITTEE**

The Risk Management Committee comprises of three members. Shri R R Bagri is the Chairman and the other members of the Committee are Shri H R Sharma and Shri C S Vijay. The Committee is analyzing and managing the opportunity and threats faced by the company.

#### **COMPANY POLICIES**

##### **i) CORPORATE SOCIAL RESPONSIBILITY**

The Policy on Corporate Social Responsibility may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-CSR.pdf>.

##### **ii) RISK MANAGEMENT POLICY**

Risk Management is continuous process of analyzing and managing the opportunities and threats faced by the Company in its efforts to achieve its goals and to ensure the continuity of the business. The Risk Management Policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-RM.pdf>.

##### **iii) VIGIL MECHANISM**

The Company has a Whistle Blower Policy to deal with instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct. The Policy on Vigil Mechanism / Whistle Blower may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-WB.pdf>.

##### **iv) RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. All related party transactions during the year 2015-16 are disclosed in Form No. AOC - 2 in **ANNEXURE - IV**. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-PT.pdf>.

##### **v) PREVENTION OF SEXUAL HARASSMENT**

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for prevention of sexual harassment of its women employees.

The policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-PSH.pdf>. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## vi) **NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-NR.pdf>.

## vii) **POLICY FOR DETERMINING MATERIALITY FOR DISCLOSURES**

This policy applies to disclosure of events affecting APM Industries limited. The policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-DME.pdf>.

## viii) **DOCUMENTS RETENTION AND ARCHIVAL POLICY**

This policy deals with retention and archival of corporate records of APM Industries Limited. The policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-POD.pdf>.

## **PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS**

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

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

The prescribed details as required under Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are annexed as **ANNEXURE - V** to this Report.

## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Particulars of remuneration paid to the employees as required to be disclosed under section 197(12) of the Act read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, are set out in **ANNEXURE - VI** attached hereto and form part of this Report.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **ANNEXURE - VII**.

## **CORPORATE GOVERNANCE**

The Company has implemented Corporate Governance practices. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance as **ANNEXURE - VIII** to this Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year 2015-16 under review, as stipulated under Regulation 34(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

## **CREDIT RATING**

The Company's credit rating impute by rating agency as given below:

Facilities	Rating <sup>1</sup>
Long Term Bank Facilities	CARE BBB+ [Triple B Plus]
Short Term Bank Facilities	CARE A2 [A TWO]

## **STATEMENT**

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

## **GENERAL**

No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

## **APPRECIATION**

The Directors acknowledge that the performance of the Company during the year 2015-16 could be made possible only with the collective contribution and excellent performance of the Associates both in terms of operational parameters and also at the market place. The Directors express their appreciation for the support received from Associates of the Company, Shareholders, Vendors, Customers and other Stakeholders.

For and on behalf of the Board

**S G RAJGARHIA** **HARI RAM SHARMA**

**Director** **Managing Director**

Palce : New Delhi

Dated : July 22, 2016

**DIN : 00002245**

**DIN : 00178632**

## **ANNEXURE – I TO DIRECTORS' REPORT**

### **Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016

*[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,

**APM Industries Limited**

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

Based on my verification of the APM Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **APM Industries Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of the Companies Act, 1956;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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 (There is no Foreign Direct Investment, Overseas Direct Investment or External Commercial Borrowings during the audit period);
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

<p>(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and</p> <p>(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company as it's not registered as Registrar to Issue and Share Transfer Agents during the audit period);</p> <p>vi) Other laws applicable specifically to the company as per the representation made by the Management.</p> <p>I have also examined compliance with the applicable clauses of the following:</p> <p>(i) The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;</p> <p>(ii) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings made effective from 1<sup>st</sup> July 2015.</p> <p>I further report that, there were no actions/event in pursuance of:</p> <p>a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;</p> <p>b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;</p> <p>c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;</p> <p>d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;</p> <p>e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;</p> <p>During the period under review and as per the explanations and clarifications given to me and the representation made by the Management, the Company has complied with the provisions of the applicable laws, rules, regulations and guidelines, etc as mentioned above.</p> <p>However, the Company has spent an amount of Rs.41.45 Lacs against the amount of Rs.63.35 Lacs to be spent during the year towards Corporate Social Responsibility.</p> <p><b>I further report that:</b></p> <p>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.</p> <p>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, except notes on items of business which are in the nature of Unpublished Price Sensitive Information have been given at a shorter period of time than stated above, with the consent of a majority of the Directors, which includes one Independent Director 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.</p> <p>Decisions at the meetings of the Board of Directors were taken unanimously.</p>	<p><b>I further report</b> that as per the explanations given to me and the representation made by the Management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-</p> <p>As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.</p> <p><b>I further report</b> that during the audit period there were no other specific events/actions in pursuance of the above referred laws, rules, regulations and guidelines etc, having a major bearing on the Company's affairs.</p> <p><b>Pradip Kumar Muduli</b> <b>(Practising Company Secretary)</b></p> <p>FCS No.6170 C P No.:5730</p> <p>Place : <b>New Delhi</b> Date : <b>22/07/2016</b></p> <p>Note : This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.</p> <p style="text-align: center;"><b>‘ANNEXURE A’</b></p> <p>To The Members APM Industries Limited</p> <p>My report of even date is to be read along with this letter.</p> <p>01. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.</p> <p>02. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.</p> <p>03. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including compliance of applicable Direct and Indirect tax laws since the same have been subject to review by Statutory Auditor and other designated professionals.</p> <p>04. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.</p> <p>05. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.</p> <p>06. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.</p> <p><b>Pradip Kumar Muduli</b> <b>(Practising Company Secretary)</b></p> <p>FCS No. 6170 C P No. 5730</p> <p>Place : <b>New Delhi</b> Date : <b>22/07/2016</b></p>
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**APM INDUSTRIES LIMITED**  
CIN No. L21015RJ1973PLC015819

**ANNEXURE – II TO DIRECTORS' REPORT**

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2015 -2016**

**A brief outline of the Company's CSR policy:**

For your Company, CSR means Corporate Sustainable Responsibility and this means embedding CSR into its business model. The CSR activities and programs are initiated towards the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company towards socio-economic development. Web-link to the CSR policy and projects/ programs - <http://apmindustries.co.in/Annual%20Reports/Policy-CSR.pdf>.

**Composition of CSR Committee:-**

Shri R K Rajgarhia : Chairman  
Shri R R Bagri : Member  
Shri Hari Ram Sharma : Member

**Particulars**

Average net profit of the Company for the last three Financial years **Amount (in lacs) 3167.27**

Prescribed CSR Expenditure (2% of Average Net Profit as computed above) **63.35**

Details of CSR spent during the financial year:

- Total amount spent for the financial year **41.45**  
- Amount unspent, if any **21.90**

Details of Amount spent on CSR activities during the Financial Year 2015-16

**Amount (in lacs)**

S. No	CSR Activity or activity identified	Sector in which the project is covered Clause no. of Schedule VII of Companies Act, 2013	Project or Program (1) Local area or other; (2) Specify the State and district where projects of program was undertaken	Amount outlay or (Budget) Project or program wise	Amount spent on the projects or programs Sub-head		Cumulative Expenditure upto the reporting period	Amount spent direct or through implementing agency
					Direct Expenditure on projects or programmes	Overheads		
1	Promoting education	Clause (ii) promoting education	Bhiwadi & Bahadari Village of Distt. Alwar & Distt. Udaipur.	8.00	08.54		08.54	Direct
2	Promotion of Healthcare including Preventive Healthcare	Clause (i) promoting health care including preventive health care	Bhiwadi, Distt. Alwar (Rajasthan)	5.00	04.53		04.53	Direct
3	Construction of Toilets and arrangement of Drinking water in schools	Clause (i) sanitation and making available safe drinking water	Bhiwadi & nearby area of Bhiwadi Distt. Alwar, Raj.	36.35	14.38		14.38	Direct
4	Promotion of Healthcare including Preventive Healthcare	Clause (i) promoting health care including preventive health care	Delhi	5.00	5.00		5.00	Through Trust
5	Promotion of Education	Clause (ii) Promoting education	Delhi	2.00	2.00		2.00	Through Trust
6	Contribution for Runing old age home	Clause (iii)	Delhi	2.00	2.00		2.00	Through Trust
7	Improvement of ground water level by making DAM etc.	Clause (iv) Conservation of natural resources	Alwar District	5.00	5.00		5.00	Mukhiya mantri jal swavlamban yojna
<b>Total Expenditure</b>				<b>63.35</b>	<b>41.45</b>		<b>41.45</b>	

**Reason for unspent amount**

The projects undertaken under Sl. No.3 above could not be completed, because the details of schools, where the CSR work to be conducted not received from respective authorities. The unspent amount will be incurred in 2016-17.

**Responsibility Statement**

The CSR Committee confirms that 'The implementation and monitoring of Corporate Social Responsibility Policy is in compliance with CSR objectives and Policy of the Company.'

**R R BAGRI**  
Member  
DIN : 00275313

**Hari Ram Sharma**  
Member  
DIN : 00178632

Place : New Delhi  
Dated : July 22, 2016



**ANNEXURE – III TO DIRECTORS' REPORT**

**A) POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE**

This policy set out the guiding principles for the Nomination and Remuneration Committee and Human Resources for identifying persons who are qualified to become Directors and to determine the Independence of Directors, in case of their appointment as Independent Directors of the Company.

In this policy the following terms shall have the following meanings:

**"Director"** means a Director appointed to the Board of a Company.

**"Nomination and Remuneration Committee"** means committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

**"Independent Director"** means an Independent Director referred to in sub section (6) of section 149 and Regulation 16(1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

**1. Policy for selection of Directors**

Appointing Directors that are able to demonstrate, to the satisfaction of the Board, the following attributes, skills and abilities:

- a reputation for high standards of personal and professional ethics and integrity;
- the ability to form an independent view of matters before the Board using his/her own skills and experience;
- the ability to interpret financial statements;
- general understanding of the Company's business dynamics;

**1.1. The proposed appointee shall also fulfill the following requirements:**

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his/her written consent to act as a Director;
- Shall abide by code of conduct for Board Members and Senior Management;
- Shall disclose his/her concern or interest in any Company or Companies or Bodies Corporate, firms or other association of individuals including his shareholding at the first meeting of the Board in every Financial Year and thereafter whenever there is a change in the disclosures already made
- Such other requirements as may be prescribed from time to time, under the Companies Act, 2013, Listing Agreements and other relevant laws.

**2. Criteria of Independence**

The criteria of independence, as laid down in Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, is as below:

An Independent Director in relation to a company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director:

- i. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- ii.
  - a) who is or was not a promoter of the company or its holding, subsidiary or associate company;
  - b) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- iii. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- iv. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary

or associate company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

v. who, neither himself nor any of his relatives:

a) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:

i) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

ii) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

c) holds together with his relatives two per cent. or more of the total voting power of the company; or

vi. who possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business

vii. who is not less than 21 years of age.

viii. The Independent Directors shall abide by the provisions specified in Schedule IV of the Companies Act, 2013.

**3. Other Directorships**

• A Director shall not serve as Director in more than 20 Companies of which not more than 10 Companies shall be Public Limited Companies.

• A Director shall not serve as Independent Director in more than 7 Listed Companies and 3 listed companies in case he is serving as a Whole-time Director in any Listed Company.

• A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which he holds Directorship.

**B) REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES.**

This policy set out the guiding principles for the Nomination and Remuneration Committee and Human Resources for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

In this policy the following terms shall have the following meanings:

**"Director"** means a Director appointed to the Board of a Company.

**"Key Managerial Personnel"** means

i. the Chief Executive Officer or the managing director or the manager;

ii. the company secretary;

iii. the whole-time director;

iv. the Chief Financial Officer; and

v. such other officer as may be prescribed under the Companies Act, 2013

**"Nomination and Remuneration Committee"** means committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## 1. Remuneration to Non-executive Directors

Non-Executive Directors are paid remuneration in the form of sitting fees for attending the Board Meetings and Committee Meetings as fixed by the Board of Directors from time to time, subject to statutory provisions.

## 2. Remuneration to Chairman and Managing Director

While deciding the remuneration of Chairman and Managing Director, the Nomination and Remuneration Committee and the Board should consider pay and employment conditions in the industry and merit and seniority of the person.

The term of office and remuneration of Chairman and Managing Director are subject to approval of the Board of Directors, shareholders and the limit laid down under the Companies Act, 2013 from time to time.

## 3. Remuneration to Key Managerial Personnel and other employees

Remuneration of KMP and other employees is decided by the Chairman on the recommendation by the Managing Director.

For and on behalf of the Board

**S G RAJGARHIA**  
Director  
DIN : 00002245

**HARI RAM SHARMA**  
Managing Director  
DIN : 00178632

Place : New Delhi  
Dated : July 22, 2016

## ANNEXURE – IV TO DIRECTORS' REPORT

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

### 1 Details of contracts or arrangements or transactions not at arm's length basis:

- Name(s) of the related party and nature of relationship
- Nature of contracts / arrangements / transactions
- Duration of the contracts / arrangements / transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board
- Amount paid as advances, if any
- Date on which the resolution was passed in general meeting as required under first proviso to section 188

The Company has not entered into any contract or arrangement with its related parties which is not at arm's length during Financial Year 2015-16

### 2 Details of material contracts or arrangement or transactions at arm's length basis:

- Name(s) of the related party and nature of relationship
- Nature of contracts / arrangements / transactions
- Duration of the contracts / arrangements / transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board
- Amount paid as advances, if any
- Date on which the resolution was passed in general meeting as required under first proviso to section 188

\* Please refer the note given below

\*NOTE: The details of names, nature of relationship; nature of such contracts / arrangements / transactions are disclosed in Note No. 30 forming part of the Balance Sheet.

Transactions like payment of remuneration and dividend are as per the terms approved by the Board and shareholders as per applicable provisions. Transaction relating to contribution to CSR activities was made in compliance with the requirements of the Section 135 of the Companies Act, 2013 after due approvals. Please refer CSR section in Board's report for more details in this regard.

For and on behalf of the Board

**S G RAJGARHIA**  
Director  
DIN : 00002245

**HARI RAM SHARMA**  
Managing Director  
DIN : 00178632

Place : New Delhi.  
Dated : July 22, 2016

**ANNEXURE – V TO DIRECTORS' REPORT**

**PARTICULARS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014**

**A. CONSERVATION OF ENERGY**

**(i) Energy conservation measures taken:**

The Company has taken following Energy Conservation Measures to save the Energy.

1. Replacement of 80 Nos. Administrative Office CFL Light of 72 Watt with 16 Watt LED Tube Lights.
2. Replacement of 50 Nos. Internal roads CFL Lights of 27 Watt with 18 Watt LED Lights.
3. Replacement of 150 Nos. Staff Colony Tube Lights of 36 Watt with 18 Watt LED Tube Lights.
4. Replacement of one (1) submersible pump of 20 HP with energy efficient pump of 15 HP.
5. Air leakage prevention work in various machines get conducted from outside agency resulting saving of 2100 Units per day.

**(ii) Steps taken for utilizing alternate sources of energy:**

Installation of solar power rooftop system is under consideration.

**(iii) Capital investment on energy conservation equipments - Rs.16.90 Lacs.**

**B. TECHNOLOGY ABSORPTION**

Efforts made in R&D and Technology Absorption is given in Form 'B'.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

We have been continuously developing new varieties of yarn to meet the requirement of the export market so that, we can increase the export.

The information in respect of Foreign Exchange earnings and outgo is contained in item (f) & (g) in Note No.32 annexed to the Balance Sheet.

**FORM 'A'**  
**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY**

	Unit	2015-16	2014-15
<b>A POWER AND FUEL CONSUMPTION</b>			
<b>1 Electricity</b>			
Purchased unit	Unit in lacs	470.66	482.81
Total amount	Rs. In lacs	2627.16	2619.38
Rate	Rs./Unit	5.58	5.43
<b>2 Own Generation</b>			
a) Through Diesel Generator	Unit in lacs	6.94	4.70
Unit per Litre of Diesel	Unit	3.61	3.60
Cost	Rs./Unit	13.75	15.96
<b>3 Coal (Grade B, C, D &amp; E)/Petcock</b>			
Quantity	MT	2524.34	2572.07
Total cost	Rs. in lacs	201.45	251.46
Average rate	Rs./MT	7980.30	9776.59
<b>4 Diesel</b>			
Quantity	Ltrs. In lacs	1.92	1.31
Total cost	Rs. In lacs	94.86	75.02
Average rate	Rs./Ltr.	49.35	57.45
<b>B CONSUMPTION PER UNIT OF PRODUCTION*</b>			
1 Electricity		271.07	265.00
2 Coal B, C, D & E Grade/Pet coke		14.33	13.97
* Production unit, per 100 kgs.			

**FORM 'B'**  
**TECHNOLOGY ABSORPTION**

**A. Research & Development:**

• **Specific areas in which R&D carried out by the Company:**

The Company has been giving special emphasis on development of new products and cost reduction. The Company has developed new products for exporters of fabrics, furnishings and Readymade garments, keeping in touch with latest trend of fabrics and readymade garment exports. The company has also developed new varieties of yarn for domestic markets.

• **Benefits derived as a result of R & D:**

Product improvement, enhancement in product range cost reduction and improvement in customer satisfaction.

• **Future course of action:**

To develop new varieties and shades as per market requirements.

• **Expenditure on R&D:**

No specific expenditure exclusively on R&D has been incurred.

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

• **Efforts made:**

The indigenous technology available is continuously being upgraded.

• **Benefit derived:**

Improvement in the overall performance of the Company and increasing presence in new markets.

• **Particulars of imported technology:**

Not applicable

For and on behalf of the Board

Palce : New Delhi Dated : July 22, 2016	<b>S G RAJGARHIA</b> Director DIN : 00002245
	<b>HARI RAM SHARMA</b> Managing Director DIN : 00178632

**APM INDUSTRIES LIMITED**  
**CIN No. L21015RJ1973PLC015819**

**ANNEXURE – VI TO DIRECTORS' REPORT**

**Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the financial year 2015-16, the percentage increase in remuneration of Chairman, Managing Director, CFO and Company Secretary during the financial year 2015-16 and Comparison on the Remuneration of KMP against performance of the Company

Sl. No.	Name of Director/ KMP	Designation	Ratio of Remuneration of each Director to median remuneration of employees	% increase in Remuneration	Comparison on the Remuneration of KMP against performance of the Company
1.	Shri R K Rajgarhia	Chairman	93.59:1	12.93	The Company's net profit has increased by 6.60% on year to year basis.
2.	Shri H R Sharma	Managing Director	45.38:1	87.85	
3.	Shri C S Vijay	CFO	12.95:1	26.91	
*4.	Ms. Jyoti Upadhyay	Company Secretary	1.40:1	-	

\* Ms Jyoti Upadhyay, appointed w.e.f. 20.05.2015

**Note:**

The Non-Executive Directors of the Company are entitled for sitting fees. The detail of remuneration of Non-Executive Directors is provided in Corporate Governance Report and is governed by the Remuneration Policy. The ratio of remuneration and percentage increase for Non-executive Directors remuneration is therefore not considered for the purpose above.

Sl. No.	Particulars	Details
1	% increase in the median remuneration of employee for the financial year.	8%
2	Total number of employees of the Company as on 31 <sup>st</sup> March 2016	2159
3	Explanation on the relationship between average increase in remuneration and Company performance	The Company's net profit has increased by 6.60% on year to year basis. The average increase in remuneration of employees excluding KM during the Financial Year was 8%.
4	Key parameters for any variable component of remuneration availed by the Directors	Variable component of remuneration (i.e Commission) paid to the Directors are directly linked to the overall Company's Performance.
5	i) Variation in market capitalization of the Company	Market Capitalization of the Company has been increased from Rs 85.47 Crores as on 31 <sup>st</sup> March 2015 to Rs 118.54 Crores as on 31 <sup>st</sup> March 2016
	ii) Variation in price earning (PE) ratio	PE ratio was 5.90 at 31 <sup>st</sup> March 2016 as compared to 4.54 at 31 <sup>st</sup> March 2015
	iii) Percentage increase over decrease in the market quotation of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The closing price of the Company's Equity share on BSE as on 31 <sup>st</sup> March 2016 was Rs 54.85 as compared to Rs. 39.55 on 31 <sup>st</sup> March 2015.
6	Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2016 and comparison with the percentile increase in remuneration of Executive Directors and justification thereof	Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2016 was 8%. Whereas average increase in remuneration of Executive Directors was 30%. The increased remuneration to the Directors was owing to their qualification, responsibilities and experience

**The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :**

There is no employee who receives remuneration in excess of remuneration paid to the highest paid Director.

- iii. Affirmation that the remuneration is as per the remuneration policy of the Company : Remuneration is as per the Nomination and Remuneration policy of the Company.

**APM INDUSTRIES LIMITED**  
**CIN No. L21015RJ1973PLC015819**

**Name of Employees of the Company as per Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**1. Employed throughout the year and in receipt of remuneration in aggregate of not less than Rs.1.02 Crores.**

Name	Age	Remuneration (Rs.)	Designation/ Nature of duties	Qualification & experience (Years)	Date of commencement of employment	Last employment
R K Rajgarhia	78	1,27,23,597	Chairman, Overall management	B.Com 56 years	01.08.1994	Orient Steel & Industries Limited

**2. Employed for part of the year and in receipt of remuneration of not less than Rs.8.50 lacs per month - NIL.**

**NOTES**

- Remuneration as above includes salary, commission, allowances, monetary value of perquisites etc.
- Shri R K Rajgarhia is related to Shri S G Rajgarhia, a Director of the company.
- Employment is contractual.

For and on behalf of the Board

Place : New Delhi  
Dated: July 22, 2016

**S G RAJGARHIA**  
**Director**  
**DIN : 00002245**

**HARI RAM SHARMA**  
**Managing Director**  
**DIN : 00178632**

**ANNEXURE –VII TO DIRECTORS' REPORT**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	: L21015RJ1973PLC015819
Registration Date	: 21/09/1973
Name of the Company	: APM INDUSTRIES LIMITED
Category/ Sub-Category of the Company	: Company Limited by shares / Indian Non-Government Company.
Address of the registered office and contact details	: SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) - 301019 Telephone : 01493 – 522400, Fax : 01493 – 522413, E-mail : bhiwadi@apmindustries.co.in
Whether listed company	: Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	: M/s Skyline Financial Services Pvt. Ltd. D-153A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase -1, New Delhi – 110 020 Telephone 011-64732681 to 88, Fax : 011-26812683, E-mail : admin@skylinerta.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main Products / Services	NIC Code of the Product / service	% to total turnover of the company
Manmade fiber Spun Yarn	13114	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Name and address of the company	CIN/GLN	Holding / subsidiary / associate	% of shares held	Applicable Section
—	—	—	—	—



**APM INDUSTRIES LIMITED**  
**CIN No. L21015RJ1973PLC015819**

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i)	Category-wise Shareholding	No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoters</b>									
	<b>1) Indian</b>									
	a) Individual / HUF	8958665	-	8958665	41.45	9393033	-	9393033	43.46	2.01
	b) Central Govt.	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	4363000	-	4363000	20.19	4363000	-	4363000	20.19	-
	e) Banks / FI	-	-	-	-	-	-	-	-	-
	f) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	<b>13321665</b>	<b>-</b>	<b>13321665</b>	<b>61.64</b>	<b>13756033</b>	<b>-</b>	<b>13756033</b>	<b>63.65</b>	<b>2.01</b>
	<b>2) Foreign</b>									
	a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	b) Other – Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	d) Banks / FI	-	-	-	-	-	-	-	-	-
	e) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>13321665</b>	<b>-</b>	<b>13321665</b>	<b>61.64</b>	<b>13756033</b>	<b>-</b>	<b>13756033</b>	<b>63.65</b>	<b>2.01</b>
<b>B</b>	<b>Public Shareholding</b>									
	<b>1) Institutions</b>									
	a) Mutual Funds	6416	-	6416	0.03	6416	-	6416	0.03	-
	b) Banks / FI	1000	250	1250	0.01	-	250	250	0.00	(0.00)
	c) Central Govt	-	-	-	-	-	-	-	-	-
	d) State Govt(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIs	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	<b>7416</b>	<b>250</b>	<b>7666</b>	<b>0.04</b>	<b>6416</b>	<b>250</b>	<b>6666</b>	<b>0.03</b>	<b>0.00</b>
	<b>2) Non- Institutions</b>									
	a) Bodies Corp.									
	i) Indian	619848	21085	640933	2.97	583970	21085	605055	2.80	(0.17)
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3356518	1889687	5246205	24.28	3586693	1833437	5420130	25.08	0.80
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1844643	-	1844643	8.54	1234399	-	1234399	5.71	(2.82)
	c) Others (specify)	550248	-	550248	2.55	589077	-	589077	2.73	0.18
	<b>Sub-total (B)(2)</b>	<b>6371257</b>	<b>1910772</b>	<b>8282029</b>	<b>38.32</b>	<b>5994139</b>	<b>1854522</b>	<b>7848661</b>	<b>36.32</b>	<b>(2.01)</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>6378673</b>	<b>1911022</b>	<b>8289695</b>	<b>38.36</b>	<b>6000555</b>	<b>1854772</b>	<b>7855327</b>	<b>36.35</b>	<b>(2.01)</b>
<b>C</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>19700338</b>	<b>1911022</b>	<b>21611360</b>	<b>100.00</b>	<b>19756588</b>	<b>1854772</b>	<b>21611360</b>	<b>100.00</b>	<b>-</b>

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ii) <b>Shareholding of Promoters</b>								
SI No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encum-bered to total shares	% change in shareholding during the year
1	R K Rajgarhia	3850000	17.81	3.12	3850000	17.81	3.12	-
2	Prabha Rajgarhia	1600000	7.40		1600000	7.40		
3	Shri Gopal Rajgarhia	573850	2.66		573850	2.66		
4	Sanjay Rajgarhia (HUF)	100000	0.46		-	-		-0.46
5	Sanjay Rajgarhia	175000	0.81		275000	1.27		0.46
6	Pooja Rajgarhia	-	-		130000	0.60		0.60
7	Aditi Rajgarhia	-	-		150000	0.69		0.69
8	Ajay Rajgarhia	2250000	10.41		2250000	10.41		-
9	Jayati Rajgarhia		0.00		140000	0.65		0.65
10	Anisha Mittal	398770	1.85		398770	1.85		-
11	Ashwin Mittal	-	-		25413	0.12		0.12
12	Faridabad Paper Mills Limited	2770000	12.82		2770000	12.82		-
13	Rajgarhia Leasing and Financial Services Pvt. Ltd.	1130000	5.23		1130000	5.23		-
14	RKR Foundation	50000	0.23		50000	0.23		-
15	Essvee Fiscal Pvt. Ltd.	97500	0.45		97500	0.45		-
16	Rovo Marketing Pvt Ltd.	315500	1.46		315500	1.46		-
17	S K Rajgarhia	10000	0.05		-	-		(0.05)
18	H R Sharma	1045	0.00		-	-		(0.00)
	Total	13321665	61.64	3.12	13756033	63.65	3.12	2.01

iii) <b>Change in Promoters' Shareholding (please specify, if there is no change)</b>								
Sl. No.	Name	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of Share at the beginning of the year (01.04.2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	Sanjay Rajgarhia (HUF)	100000	0.46	26.02.16	100000	Partition	0	0.00
2	Sanjay Rajgarhia	175000	0.81	19.03.16	100000	Partition	275000	1.27
3	Pooja Rajgarhia	0	0.00	24.07.15	130000	Gift/Transferred from public shareholder to promoters group	130000	0.60
4	Aditi Rajgarhia	150000	0.69			Transferred from public shareholder to promoters group	150000	0.69
5	Varun Rajgarhia	130000	0.60	24.07.15	130000	Gift	0	0.00
6	Jayati Rajgarhia	140000	0.65			Transferred from public shareholder to promoters group	140000	0.65
7	Ashwin Mittal	25413	0.12			Transferred from public shareholder to promoters group	25413	0.12
8	S K Rajgarhia	10000	0.05			Transferred from promoters group to public shareholder	N.A.	N.A.
9	H R Sharma	1045	0.00			Transferred from promoters group to public shareholder	1045	0.00

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iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)								
Sl. No.	Name	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.15 to 31.03.16)	
		No of Shares at the Beginning (01.04.15)	% of total shares of the company				No of Shares at the end of the Year (31.03.16)	% of total shares of the company
1	Sangeetha S	273760	1.27	03.04.15	1090	Sale	272670	1.26
				10.04.15	7380	Sale	265290	1.23
				15.05.15	125	Sale	265165	1.23
				22.05.15	675	Sale	264490	1.22
2	Sasmal Marcom Pvt. Ltd.	250000	1.16		No movement		250000	1.16
3	Sathya S	170590	0.79	08.05.15	42	Sale	170548	0.79
				23.10.15	10089	Sale	160459	0.74
				20.11.15	459		160000	0.74
4	Dr. Ramesh Chimanlal Shah	166000	0.77	15.05.15	5000	Sale	161000	0.74
				22.05.15	2000	Sale	159000	0.74
				05.06.15	1500	Sale	157500	0.73
				12.06.15	5399	Sale	152101	0.70
				26.06.15	2101	Sale	150000	0.69
				24.07.15	5000	Sale	145000	0.67
				07.08.15	5000	Sale	140000	0.65
				11.09.15	6540	Sale	133460	0.62
				30.09.15	36	Sale	133424	0.62
				09.10.15	13424	Sale	120000	0.56
5	Savitha S	120850	0.56	30.06.15	378	Sale	120472	0.56
				27.11.15	342	Sale	120130	0.56
				26.02.16	1000	Sale	119130	0.55
6	Tanvi J Mehta	100000	0.46		No movement		100000	0.46
7	Mahendra Girdharilal	89754	0.42		No movement		89754	0.42
8	Ramesh C Shah	101000	0.47	03.07.15	1000	Sale	100000	0.46
				07.08.15	5000	Sale	95000	0.44
				21.08.15	5000	Sale	90000	0.42
				27.11.15	1	Sale	89999	0.42
				04.12.15	59999	Sale	84000	0.39
9	Vishwanath Harlalka	98230	0.45	15.04.15	10000	Sale	88230	0.41
				17.04.15	4000	Sale	84230	0.39
				24.04.15	2445	Sale	81785	0.38
				10.07.15	5	Sale	81780	0.38
10	Shri Parashram Holdings Pvt Ltd	26109	0.12	10.04.15	490	Purchase	26599	0.12
				15.04.15	700	Purchase	27299	0.13
				17.04.15	10	Sale	27289	0.13
				24.04.15	1000	Sale	26289	0.12
				01.05.15	50	Purchase	26339	0.12
				08.05.15	50	Sale	26289	0.12
				26.06.15	34	Sale	26255	0.12
				14.08.15	2000	Sale	24255	0.11
				28.08.15	19222	Purchase	43477	0.20
				23.10.15	650	Purchase	44127	0.20
				30.10.15	50	Sale	44077	0.20
				06.11.15	300	Purchase	44377	0.21
				14.11.15	500	Sale	43877	0.20
				27.11.15	500	Purchase	44377	0.21
				04.12.15	1850	Purchase	46227	0.21
				11.12.15	903	Purchase	47130	0.22
				18.12.15	400	Sale	46730	0.22
				25.12.15	400	Sale	46330	0.21
				31.12.15	1453	Sale	44877	0.21
				08.01.16	5400	Purchase	50277	0.23
				15.01.16	2481	Purchase	52758	0.24
				22.01.16	100	Sale	52658	0.24
				29.01.16	500	Sale	52158	0.24
				05.02.16	4873	Purchase	57031	0.26
				12.02.16	1550	Sale	55481	0.26
				19.02.16	306	Sale	55175	0.26
				04.03.16	25100	Purchase	80275	0.37
				11.03.16	50	Sale	80225	0.37
				18.03.16	200	Sale	80025	0.37
				25.03.16	100	Sale	79925	0.37
				31.03.16	75	Purchase	80000	0.37

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v) <b>Shareholding of Directors and Key Managerial Personnel</b>								
Sl. No.	Name	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.15 to 31.03.16)	
		No. of Share at the beginning of the year (01.04.2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	Shri R K Rajgarhia	3850000	17.81	N.A.			3850000	17.81
2	Shri S G Rajgarhia	573850	2.66				573850	2.66
3	Shri Hari Ram Sharma	1045	-				1045	-

vi) <b>INDEBTEDNESS</b> <span style="float: right;">(Amount in Rs.)</span>								
<b>Indebtedness of the Company including interest outstanding / accrued but not due for payment</b>								
				<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>	
<b>Indebtedness at the beginning of the financial year</b>								
i) Principal Amount				13,20,95,804	1,34,02,085	-	14,54,97,889	
ii) Interest due but not paid				-	-	-	-	
ii) Interest accrued but not due				-	-	-	-	
Total ( i + ii + iii )				<b>13,20,95,804</b>	<b>1,34,02,085</b>	<b>-</b>	<b>14,54,97,889</b>	
<b>Change in Indebtedness during the financial year</b>								
- Addition				15,70,56,579	2,30,82,412	-	18,01,38,991	
- Reduction				3,74,87,837	-	-	3,74,87,837	
- Exchange difference				-	-	-	-	
<b>Net Change</b>				<b>11,95,68,742</b>	<b>2,30,82,412</b>	<b>-</b>	<b>14,26,51,154</b>	
<b>Indebtedness at the end of the financial year</b>								
i) Principal Amount				25,16,64,546	3,64,84,497	-	28,81,49,043	
ii) Interest due but not paid				-	-	-	-	
iii) Interest accrued but not due				-	-	-	-	
Total ( i + ii + iii )				<b>25,16,64,546</b>	<b>3,64,84,497</b>	<b>-</b>	<b>28,81,49,043</b>	

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vii)	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					(Amount in Rs.)
	A Remuneration to Managing Director, Whole-time Directors and/or Manager:					
	Sl. No.	Particulars of Remuneration	Shri R K Rajgarhia Chairman & Managing Director	Shri H R Sharma Executive Director	Total Amount	
1	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59,01,168	60,19,560	1,19,20,728		
	b) Value of perquisites U/S 17(2) Income-tax Act, 1961	2,85,429	1,28,433	4,13,862		
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-		
2	Stock Option	-	-	-		
3	Sweat Equity	-	-	-		
4	Commission					
	- as % of profit	65,37,000	-	65,37,000		
	- others specify					
5	Others, please specify (PF)	-	21,600	21,600		
	Total (A)	1,27,23,597	61,69,593	1,88,93,190		
Ceiling as per the Act		Rs.3.01 crores (being 10% of the net profit of the company calculated as per Section 198 of the Companies Act, 2013)				
B Remuneration to other directors:						
Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri K R Gupta	Shri R R Bagri	Smt. Uma Hada	Shri S G Rajgarhia	
1	Independent Directors					
	- Fee for attending board / committee meetings	2,90,000	2,90,000	1,20,000	-	7,00,000
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (1)	2,90,000	2,90,000	1,20,000	-	7,00,000
2	Other Non-Executive Directors					
	- Fee for attending board / committee meetings	-	-	-	2,00,000	2,00,000
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	2,00,000	2,00,000
	Total (B)=(1+2)	2,90,000	2,90,000	1,20,000	2,00,000	9,00,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	Rs.0.29 crores (being 1% of the net profits of the company calculated as per Section 198 of the Companies Act, 2013)				
C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD						
Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount		
		Shri C S Vijay (CFO)	Ms. Jyoti Upadhyay (Company Secretary)			
1	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,86,888	1,79,543	18,66,431		
	b) Value of perquisites U/S 17(2) Income-tax Act, 1961	21,600	-	21,600		
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-		
2	Stock Option	-	-	-		
3	Sweat Equity	-	-	-		
4	Commission					
	- as % of profit	-	-	-		
5	Others:					
	- Medical	52,125,	10,683	62,808		
	- Cars	-	-	-		
	- Interest concession on loan	-	-	-		
	Total	17,60,613	1,90,226	19,50,839		



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viii)	<b>PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:</b>					
	<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty / Punishment/ Compounding fees imposed</b>	<b>Authority [RD / NCLT/ COURT]</b>	<b>Appeal made, if any (give Details)</b>
	<b>A</b>	<b>COMPANY</b>				
	- Penalty	NONE				
	- Punishment					
	- Compounding					
	<b>B</b>	<b>DIRECTORS</b>				
	- Penalty	NONE				
	- Punishment					
	- Compounding					
	<b>C</b>	<b>OTHER OFFICERS IN DEFAULT</b>				
	- Penalty	NONE				
	- Punishment					
	- Compounding					

For and on behalf of the Board

**S G RAJGARHIA**  
Director  
DIN : 00002245

**HARI RAM SHARMA**  
Managing Director  
DIN : 00178632

Place : New Delhi.  
Dated : July 22, 2016

# APM INDUSTRIES LIMITED

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## ANNEXURE – VIII TO DIRECTORS' REPORT

### CORPORATE GOVERNANCE

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company submits the report on Corporate Governance. A certificate from M/s Chaturvedi & Co., Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in regulation 34 (3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also been included in this Report.

#### 1. Company's philosophy on Code of Governance

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency and independence in its decision making. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance.

#### 2. Composition & Category of Board of Directors

As on March 31, 2016, the Board is comprised of 6 Members. The composition of the Board of Directors meets with the requirements of Listing Regulations and Companies Act, 2013. None of the Directors of the Company is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors.

The Composition and category of Directors as on 31<sup>st</sup> March, 2016 is as follows:

Name of the Directors	DIN No.	Designation	Category	No. of Shares held
Shri R K Rajgarhia	00141766	Chairman	Promoter & Executive Chairman	3850000
Shri S G Rajgarhia	00002245	Director	Promoter & Non - Executive	573850
Shri K R Gupta	00027295	Director	Non – Executive & Independent	-
Shri R R Bagri	00275313	Director	Non – Executive & Independent	-
Smt Uma Hada	06463684	Director	Non – Executive & Independent	-
Shri H R Sharma	00178632	Managing Director	Executive	1045
Shri R L Toshniwal	00106933	Director	Non – Executive & Independent	-

\*Shri R L Toshniwal resigned from the Board w.e.f 5<sup>th</sup> August, 2015.

#### 3. Board Meetings and attendance record of each Director:

During the year 2015–16, six Board meetings were held on 08.04.2015, 20.05.2015, 05.08.2015, 06.11.2015, 29.01.2016 and 11.03.2016. The 41<sup>st</sup> Annual General Meeting of the Company was held on Friday, the 25th day of September, 2015.

Name of the Directors	No. of Board Meetings		No. of Director Ships in other public companies	No of Board Committees in which the Director is Member/Chairman		Last AGM Attended
	Held	Attended		Member	Chairman	
Shri R K Rajgarhia	6	6	1	1	1	Yes
Shri S G Rajgarhia	6	6	2	1	-	Yes
Shri K R Gupta	6	6	-	-	3	Yes
Shri R R Bagri	6	6	2	4	1	Yes
Shri H R Sharma	6	6	-	3	-	Yes
Smt Uma Hada	5	3	-	1	-	Yes
Shri R L Toshniwal	2	Nil	3	Nil	Nil	No

#### 4. Disclosure of relationships between Directors inter-se

None of the Directors are related to each other except Shri S G Rajgarhia who is related to Shri R K Rajgarhia, Chairman of the Company.

#### 5. Number of shares and / or convertible instruments held by Non – Executive Directors

Name of the Director	No. of shares	Percentage
Shri S G Rajgarhia	5,73,850	2.66

#### 6. Familiarization Programme for Directors

The Company has conducted familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of Industry in which the Company operates and the business model of the Company. The details of familiarization programme imparted to the Independent Directors during the year are available on the website of the Company at <http://apmindustries.co.in/Annual%20Reports/Famprog01.pdf>.

#### 7. Audit Committee

The Audit Committee comprises of four members, out of which three members are Non – Executive Independent Directors and one is Non – Executive Non – Independent Director. The Chairman of the Audit Committee, Shri K R Gupta, is an Independent Director and he possesses wide knowledge in Financial Management. The other members of Audit Committee are Shri S G Rajgarhia, Shri R R Bagri and Smt Uma Hada. The Company Secretary acts as the secretary to the Audit Committee. Its meetings are also attended by the representatives of Statutory and Internal Auditors.

The broad terms of reference of the Audit Committee are:

- to review the audited/unaudited financial results and the internal audit reports
- to suggest internal control measures after discussion with the internal auditors
- to oversee their implementation
- to review financial statements with the management
- to grant approval on related party transactions including omnibus approval

- f) to recommend appointment and remuneration of auditors  
g) scrutiny of investment in inter corporate loans and investments  
h) review the function of whistle blower mechanism  
i) and all the other matters as specified in Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

During the year 2015–16, four Audit Committee meetings were held on 20.05.2015, 05.08.2015, 06.11.2015 and 29.01.2016.

The attendance of each Committee members is as under:

Sl. No.	Name	No. of Meetings	
		Held	Attended
1	Shri K R Gupta	4	4
2	Shri S G Rajgarhia	4	4
3	Shri R R Bagri	4	4
4	Smt Uma Hada	4	3

#### 8. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted to recommend/ review the appointment, re-appointment and remuneration of Directors, KMP's and senior level Management.

The Nomination and Remuneration Committee comprises of three members out of which two are Non – Executive & Independent Directors and one is Executive Director. The Chairman of Nomination and Remuneration Committee, Shri K R Gupta, is an Independent Director. The other members of the Committee are Shri R R Bagri and Shri R K Rajgarhia.

During the year 2015–16, three Nomination and Remuneration Committee meeting were held on 08.04.2015, 20.05.2015 and 05.08.2015.

The attendance of the members is as under:

Sl. No.	Name	No. of Meetings	
		Held	Attended
1	Shri K R Gupta	3	3
2	Shri S G Rajgarhia	3	3
3	Shri R R Bagri	3	3

Nomination and Remuneration Policy as approved by the Board is given in **Annexure III** to the Director's Report.

#### Performance Evaluation for Independent Directors

The Nomination and Remuneration Committee of the Board has laid down the following performance evaluation criteria for the Independent Directors:

- 1) Active participation and contribution to discussions in Board Meetings.
- 2) Effective use of knowledge and expertise of the directors towards the growth and betterment of the Company.
- 3) Commitment to the highest ethical standards and values of the Company.
- 4) Compliance with the policies of the Company and other applicable laws and regulations.
- 5) Independence of behaviour and judgment.

The performance evaluation of all the Independent Directors has been done by the entire Board, excluding the Director being evaluated. The Directors expressed their satisfaction with the evaluation process.

#### 9. Remuneration of Directors

The non-executive directors, except Shri S G Rajgarhia, do not have any material pecuniary relationship with the company. Shri S G Rajgarhia's pecuniary relationship to the company is limited to the extent of his shareholding and the sitting fees received by him. He may also be deemed to have some pecuniary interest with respect to transactions of sale and purchase of materials with the Companies in which he is a director, brief details of which are disclosed in the notes to the financial statements under the head "related party disclosures" under Note 30 annexed to the Balance Sheet.

The Non-executive Directors are paid sitting fees for the Board and Committee meetings attended by them and are not paid remuneration in any other form.

Details of remuneration paid to Executive Directors during 2015 – 2016 are as under:

Sl. No.	Name of the Directors	Designation	Remuneration paid (Rs.)
1	Shri R K Rajgarhia	Chairman	1,27,23,597
2	Shri H R Sharma	Managing Director	61,69,593

(Refer to Item No. 5 & 6 in Explanatory Statement of this Annual Report, for service contract, notice period and severance fees of Executive Directors)

The details of sitting fee paid to the Non - Executive Directors during 2015–2016, are given below:

(Amount in Rs.)				
Sl. No.	Name of the Directors	Board Meetings	Committee Meetings	Total
1	Shri K R Gupta	1,20,000	1,70,000	2,90,000
2	Shri S G Rajgarhia	1,20,000	80,000	2,00,000
3	Shri R R Bagri	1,20,000	1,70,000	2,90,000
4	Smt. Uma Hada	60,000	60,000	1,20,000

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## 10. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulation, the Board has constituted "Stakeholders' Relationship Committee". The Committee considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The Stakeholders' Relationship Committee comprises of three members. The Chairman of the committee, Shri K R Gupta, is a Non-executive & Independent Director. The other members of the Committee are Shri R R Bagri and Shri H R Sharma.

During the year 2015-16, two Stakeholders' Relationship Committee meetings were held on 20.05.2015 and 06.11.2015. The attendance of the members is as under:

Sl. No.	Name	No. of Meetings	
		Held	Attended
1	Shri K R Gupta	2	2
2	Shri R R Bagri	2	2
3	Shri H R Sharma	2	2

Miss Jyoti Upadhyay, Company Secretary is the Compliance Officer of the Company.

During the year 2015-2016, 11 Shareholders' complaints were received and resolved. There was no Outstanding Complaint and pending share transfers as on 31.03.2016.

With a view to regulate Trading in securities by the Directors and designated employees, the Company has adopted a policy for "**Code of conduct for prohibition of Insider trading**".

## 11. Corporate Social Responsibility Committee

The CSR Committee has three members, out of which two members are Executive Directors and one member is Non – Executive & Independent Director. The Chairman of the Committee is Shri R K Rajgarhia and other members are Shri R R Bagri and Shri H R Sharma.

The CSR Committee:

- Has formulated and recommended to the Board, a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the company as specified in Schedule VII,
- recommends the amount of expenditure to be incurred on the CSR activities
- monitors the Corporate Social Responsibility Policy of the company from time to time

During the year 2015-16, three Corporate Social Responsibility Committee meetings were held on 31.07.2015, 30.10.2015 and 17.03.2016.

The attendance of the members is as under:

Sl. No.	Name	No. of Meetings	
		Held	Attended
1	Shri R K Rajgarhia	3	3
2	Shri R R Bagri	3	3
3	Shri H R Sharma	3	3

## 12. Risk Management Committee

The Risk Management Committee is headed by Shri R R Bagri. The other members of the Committee are Shri H R Sharma and Shri C S Vijay. During the year 2015-16, two Risk Management Committee Meetings were held on 30.10.2015 & 17.03.2016. All the members were present in both the meetings.

## 13. Separate Meeting of Independent Directors

During the year under review, the Independent Directors met on March 11, 2016, inter alia, to discuss:

- To review the performance of Non-Independent Directors and Board of the Company
- To review the performance of the Chairperson of the Company
- To assess the flow of information between the Company Management and the Board

Out of three Independent Directors, the meeting was attended by two Directors, Shri K R Gupta and Shri R R Bagri. Smt Uma Hada sought leave for absence.

14. **General Body Meetings**

The details of last three Annual General Meetings held are as under:

Annual General Meetings	Day, Date, Time and Location	Special resolution passed
41 <sup>st</sup> Annual General Meeting	Friday, 25th September, 2015 at 11.30 A.M. at Registered office at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)	<p>1) <b>Special Resolution</b> pursuant to Section 197, 198 and other applicable provisions and rules and regulations made there under, read with Section II of Part II of Schedule V of the Companies Act 2013, to revise the remuneration of Shri H R Sharma (DIN: 00178632), Whole Time Director in the Company.</p> <p>2) <b>Special Resolution</b> pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, for borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs.75 crore at any point of time.</p> <p>3) <b>Special Resolution</b> pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, for creation of a mortgage or charge for the said borrowings, as security by way of mortgage / hypothecation on the Company's assets in favour of lending agencies and trustees for the amounts borrowed i.e. upto Rs.75 crore, including interest, charges, etc. payable thereon, as the documents for the said purpose could contain the power to take over the management of the Company, in certain events.</p>
40 <sup>th</sup> Annual General Meeting	Thursday, 25 <sup>th</sup> September, 2014 at 11.30 A.M. at Registered office at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)	-
39 <sup>th</sup> Annual General Meeting	Saturday, 13 <sup>th</sup> July, 2013 at 11.30 A.M. at Registered office at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)	<b>Special Resolution</b> pursuant to provisions of Section 198, 269, 309 and Schedule - XIII and other applicable provisions of Companies Act, 1956 for re-appointment of Shri R K Rajgarhia, as Chairman & Managing Director of the Company for a period of three years w.e.f June 1, 2013.

No resolutions have been put through postal ballot so far. Similarly, there are no resolutions, which are required to be put through postal ballot at this Annual General Meeting.

15. **Means of Communication**

The Audited/ unaudited Financial Results duly approved by the Board of Directors are sent to BSE Limited immediately after the meeting. The quarterly Financial Statements are published in Business Standard (all Editions) and Seema Sandesh (Jaipur Edition). The Company also posts its financial results for all quarters on its website: <http://www.apmindustries.co.in>

16. **Code of Conduct**

The company has formulated and implemented a Code of Conduct for Board Members and senior management of the company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the company.

A declaration signed by the Company's Managing Director is published in this report.

17. **CFO Certification**

Shri C S Vijay, CFO of the Company, has given the above certificate pertaining to financial year 2015-16 to the Board of Directors which was taken note of at the Board meeting and published in this report.

18. **Disclosures**

- There was no materially significant related party transaction that may have potential conflict with the interest of the Company at large during the financial year 2015-16.
- Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange / SEBI or any statutory authority on any matters related to capital markets during the last three years - NIL
- The Company has adopted a Whistle Blower Policy approved by Board. The Whistle Blower Policy of the Company is disclosed on the Company's website at <http://apmindustries.co.in/Annual%20Reports/Policy-WB.pdf>. In terms of the said policy, associates of the Company have got direct access to the Chairman of the Audit Committee to report matters of exceptional nature.
- The Company is in compliance with all the applicable the mandatory requirements of Listing Regulations and/ or any other regulations and guidelines of SEBI. The Company has adopted non mandatory requirements wherever necessary.
- The Subsidiary of the Company was incorporated on 13.05.2016.
- The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website at <http://apmindustries.co.in/Annual%20Reports/Policy-PT.pdf>.



# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

- The Company does not have the commodity price risks and commodity hedging activities.
- In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- During the year, the Company has not raised any funds from Public issue, right issue, preferential issue and FCCB issue.
- The terms and condition of appointment of independent Directors can be assessed at the web link <http://apmindustries.co.in/Appointment.aspx>.

## 19. Details of Compliance with discretionary requirement of Listing Regulation

The status of Compliance with discretionary requirements of Part – E of Schedule – II of the Listing Agreement is provided below:

### i. The Board

The company has appointed an Executive Chairman, being the promoter of the company.

### ii. Shareholder Rights

As the quarterly and half-yearly performance are published in the newspapers and are posted on the Company's website, the same are not being sent separately to each household of the shareholders.

### iii. Modified opinion in Audit Report

The Company's financial statement for the year 2016 does not contain any modified opinion.

### iv. Separate posts of Chairman / Managing Director

Shri R K Rajgarhia is the Chairman and Shri H R Sharma is the Managing Director of the Company.

### v. Reporting of Internal Auditor

The independent Internal Auditors has been appointed and is reporting directly to the Audit Committee.

## 20. General Shareholder Information

### A. Annual General Meeting:

Date : September 24, 2016  
Day : Saturday  
Time : 11.30 A.M.  
Venue : SP – 147 RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)

### B. Tentative Financial Calendar for 2016 – 2017

Adoption of Quarterly Results Ended	In the month of
30 <sup>th</sup> June, 2016	July 22, 2016
30 <sup>th</sup> September, 2016	November 14, 2016
31 <sup>st</sup> December, 2016	February 14, 2017
31 <sup>st</sup> March, 2017 (Audited Annual Accounts)	May 15, 2017 (May 30, 2017)

### C. Date of Book Closure

From September 17, 2016 (Saturday) to September 20, 2016 (Tuesday), both days inclusive.

### D. Listing on Stock Exchange at:

Scrip Code

Bombay Stock Exchange Limited 523537

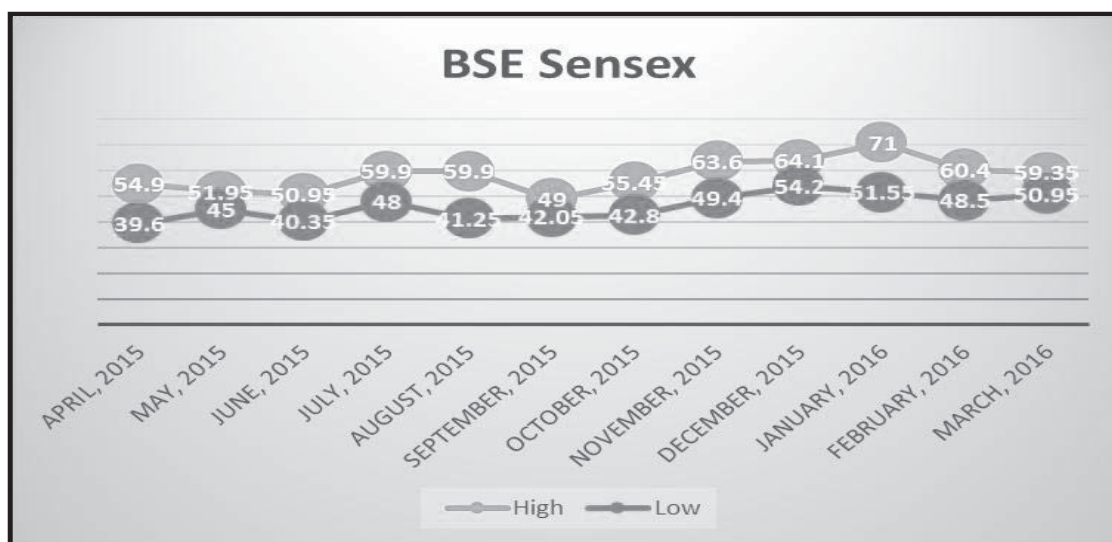
The Listing fees for the year 2016 – 2017 have been paid to the above Stock Exchange.

Demat ISIN No. in NSDL and CDSL for equity shares **INE-170D01025**

### E. Market Share Price for the year 2015-16

Closing share prices on Bombay Stock Exchange Limited:

		(in Rs.)
Month	High	Low
April, 2015	54.90	39.60
May, 2015	51.95	45.00
June, 2015	50.95	40.35
July, 2015	59.90	48.00
August, 2015	59.90	41.25
September, 2015	49.00	42.05
October, 2015	55.45	42.80
November, 2015	63.60	49.40
December, 2015	64.10	54.20
January, 2016	71.00	51.55
February, 2016	60.40	48.50
March, 2016	59.35	50.95



**F. Performance in comparison to broad based indices such as BSE Sensex.**

The shares of the company are not considered by the Stock Exchange in their index fluctuations.

**G. Shareholding Pattern of the Company as on 31<sup>st</sup> March 2016.**

Category	No. of Shares Held	%age of share holding
a) Promoters/persons acting in concern	13756033	63.65
b) Banks, Financial Institutions, Insurance Companies	6666	0.03
c) NRIs/OCBs	169793	0.79
d) Other Corporate bodies	1024339	4.74
e) Indian Public	6654529	30.79
<b>Total</b>	<b>21611360</b>	<b>100.00</b>

**H. Distribution of shareholding as on 31<sup>st</sup> March, 2016**

Range		Shareholders		Shares	
No. of shares		Number	% to Total Holders	Number	% to Total Capital
Upto 500		9836	84.71	2072957	9.59
501 1000		904	7.79	764939	3.54
1001 2000		395	3.40	615865	2.85
2001 3000		170	1.46	435714	2.02
3001 4000		70	0.60	255713	1.18
4001 5000		71	0.61	340906	1.58
5001 10000		83	0.71	606038	2.80
10001 And above		82	0.71	16519228	76.44
<b>Total</b>		<b>11483</b>	<b>100.00</b>	<b>21611360</b>	<b>100.00</b>

**I. Share Transfer System**

Share transfers in physical form are registered by the Registrars and returned to the respective transferees within a period ranging from two to three weeks, provided the documents lodged with the Registrars/Company are complete in all respects.

**J. Dematerialization of shares and liquidity**

Nearly 93.78% of total equity share capital is held in dematerialized form upto 31.03.2016 with NSDL/CDSL. The shares of the Company are listed on BSE Limited, which provide sufficient liquidity to the investors.

**K. Registered Office and Plant Location of the Company**

APM Industries Limited  
SP-147 RIICO Industrial Area  
Bhiwadi  
Dist. Alwar (Rajasthan) – 301 019  
Tel. : 01493 – 522400  
Fax : 01493 – 522413  
Email : [bhiwadi@apmindustries.co.in](mailto:bhiwadi@apmindustries.co.in)

**APM INDUSTRIES LIMITED**  
**CIN No. L21015RJ1973PLC015819**

<p><b>L. Address for Correspondence</b>  Shareholders can make correspondence at the following addresses both for Demat and Physical transfer work and other grievances, if any:</p> <p>1. <b>Corporate office</b>  APM Industries Limited  910 – Chiranjiv Tower  43 – Nehru Place  New Delhi – 110 019  Tel : 011 – 26441015 – 17  Fax : 011 – 26441018  E-mail : <a href="mailto:delhi@apmindustries.co.in">delhi@apmindustries.co.in</a></p> <p>2. <b>Registrars and Share Transfer Agent</b>  M/s Skyline Financial Services Pvt. Ltd.,  D-153/A, 1<sup>st</sup> Floor  Okhla Industrial Area Phase -1  New Delhi – 110 020  Tel : 011 – 26812682/83/84  E-mail : <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a></p>	<p><b>M. Redressal of Investor Grievances through SEBI Complaints Redress System (SCORES).</b>  SCORES is a web based centralized grievance redressal system of SEBI that enables the investors to lodge, follow up and track the status of redressal of complaints online. The investor complaints are processed in a centralized web based complaints redressal system. The Company is registered with SEBI Complaints Redress System (SCORES) and ensures to file Action Taken Report under SCORES well within the prescribed timeframe.</p> <p style="text-align: right;">For and on behalf of the Board</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Palce : New Delhi  Dated : July 22, 2016</p> </td><td style="width: 50%; vertical-align: top;"> <p><b>S G RAJGARHIA</b>  <b>Director</b>  <b>DIN : 00002245</b></p> <p><b>HARI RAM SHARMA</b>  <b>Managing Director</b>  <b>DIN : 00178632</b></p> </td></tr> </table>	<p>Palce : New Delhi  Dated : July 22, 2016</p>	<p><b>S G RAJGARHIA</b>  <b>Director</b>  <b>DIN : 00002245</b></p> <p><b>HARI RAM SHARMA</b>  <b>Managing Director</b>  <b>DIN : 00178632</b></p>
<p>Palce : New Delhi  Dated : July 22, 2016</p>	<p><b>S G RAJGARHIA</b>  <b>Director</b>  <b>DIN : 00002245</b></p> <p><b>HARI RAM SHARMA</b>  <b>Managing Director</b>  <b>DIN : 00178632</b></p>		

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members,  
**APM INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by APM Industries Limited ('the company'), for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Chaturvedi & Co.**  
Chartered Accountants  
Firm Registration No.302137E

**(Pankaj Chaturvedi)**  
Partner  
Membership No.091239

New Delhi  
July 22, 2016

**CFO CERTIFICATE**

To  
Board of Directors  
APM Industries Limited

Dear Sir,

I, C. S. Vijay, hereby certify that:

A. I, have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of my knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violated of the Company's code of conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. I have indicated to the auditors and the Audit committee that:

1. No significant changes in internal control over financial reporting during the year;
2. No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. No instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Bhiwadi  
Dated : April 28, 2016

**C. S. Vijay**  
**CFO**

## MANAGEMENT DISCUSSION AND ANALYSIS

[Schedule V – Regulation 34(3) of SEBI (LODR) Regulations, 2015]

### Introduction

Management Discussion and Analysis mainly comprises of the statements which, inter-alia, involve predictions based on perceptions and may, therefore, be prone to risks and uncertainties. It is the sum total of the Company's expectations, beliefs, estimates and projections which may be forward looking within the meaning of applicable laws and regulations. The actual results could differ materially from those expressed herein specifically or impliedly.

#### a) Industry structure and developments

In India, many states announced Capital subsidy and interest subsidy apart from Technology Up-gradation Fund Scheme (TUFS) announced by Government of India for New investments in Textile Sector. However, under Amended Technology Up-Gradation Fund Scheme (ATUFS) the capital investment subsidy is available to textile industries other than spinning sector. The pace of investments was not higher than the previous years due to reduced yarn export and downward trend of crude oil price during the year 2015-16.

With positive sentiments about consistent growth projections for India, we expect to do well in coming year.

#### b) Opportunities & Threats

We expect that there will be good growth potential in Apparel sector. With the growth of Automobile industries, demand for Technical and home textiles will also grow. The awareness of fashion amongst the youngsters is pushing up per capita consumption of Textiles in India. The Government of India has been given special incentives to garment sector under TUF Scheme, which is an opportunity.

The downward trend in Petroleum products creating uncertainty in the Textile chain as a whole, resulting which there may be fall in the yarn prices & profitability. Also there is shortage of skilled / unskilled labour, which may also effects the working of the company.

#### c) Segment-wise performance

The Company has only one line of business, namely, manufacturing of Synthetic Blended Yarn. The Company has no activity outside India except export of yarn manufactured in India; therefore, there is no geographical segment and no segment wise information is required.

#### d) Outlook

The company continues to modernize its plant and machinery and add balancing equipment. The production capacity increased from 50336 to 52976 Spindles during the Financial Year 2015-16.

The company has planned to replace 7632 spindles, along with other balancing machinery for modernization of plant & machinery and up-gradation of Effluent Treatment Plant to the level of Zero Liquid Discharge in the year 2016-17. This would enable the company to improve productivity as well as quality of its products and fulfill requirement under Rajasthan Pollution Control Act.

The company's performance in the current year is expected to be satisfactory.

#### e) Risks & Concerns

Volatile oil prices directly influence pressure on Polyester Fibre prices almost on daily basis. This cannot be passed on to the customers on day to day basis. Hence new element of risk has been introduced in yarn industry. Also the non-availability of trained/skilled man power is a matter of concern.

#### f) Internal control systems and their adequacy

The company has a professional internal control system, which provides adequate safeguards and effective monitoring of transactions. The company has a strong internal audit system and an independent Internal Auditor. The Internal Auditor reports to the Chairman, and the Audit Committee of the Board. Personnel of the Internal Auditor conduct periodical audits in all the areas to ensure that the company's control mechanism is properly followed and all statutory requirements are duly complied with.

#### g) Discussion on financial performance with respect to operating performance

The operating performance of the Company has been discussed in Directors Report under the head Financial Results, Operations and Prospects. The profit before tax for the year 2015-16 was at Rs 30.58 crores as against Rs.28.75 crores in the year 2014-15.

#### h) Material developments in Human Resources / Industrial Relations front, including number of people employed

The company treats its human resources as its most important asset and believes in its contribution to the all-round growth of the company. Your company's progress is a reflection and outcome of the human resources it has. Your company has fostered a culture of ownership, accountability and self-evaluation that encourages employees to continuously improve on their efficiency. The industrial relations remained cordial throughout the year.

#### i) Overview of the company's performance

During the year 2015-16, the production of Synthetic Blended Yarn was marginally lower i.e. 176 lac kg as compared to 184 lac kg., in 2014-15 and the gross revenue decreased by 14.34% from Rs.316 crores to Rs.271 crores in 2015-16. The gross revenue decreased due to reduction in sale volume and price of finished product. However, the profit were higher because of reduction in raw material prices. Your company achieved a net profit Rs.20.10 crores in 2015-16 as against Rs.18.85 Crores during the previous year, which is higher by 6.63%. The earnings per share for the year 2015-16 was Rs.9.30, as compared to the previous year's Rs.8.72.

#### j) Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's expectations or predictions may be forward looking within the meaning of applicable laws or regulations. Actual results may differ materially from those expressed or implied.

For and on behalf of the Board

**S G RAJGARHIA**  
**Director**  
**DIN : 00002245**

**HARI RAM SHARMA**  
**Managing Director**  
**DIN : 00178632**

Place : New Delhi  
Dated : July 22, 2016

## CODE OF CONDUCT

To  
Board of Directors  
APM Industries Limited

Dear Sir,

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

We confirm that the Company has in respect of the year ended March 31, 2016, received from Members of the Board and Senior Management Team of the Company a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive level, Vice President and the Company Secretary as on March 31, 2016.

Place : New Delhi  
Dated : July 22, 2016

**HARI RAM SHARMA**  
**Managing Director**  
**DIN : 00178632**

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of APM INDUSTRIES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **APM Industries Limited ("the Company")**, which comprise the Balance sheet as at March 31, 2016, the Statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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"; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 27(a);
  - ii. the Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For CHATURVEDI & CO.**

Chartered Accountants

Firm Registration No. 302137E

**PANKAJ CHATURVEDI**

Partner

Membership No. 091239

**New Delhi**  
**13 May, 2016**

### **ANNEXURE A REFERRED IN INDEPENDENT AUDITORS REPORT OF EVEN DATE**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2016, we report that:

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. These Fixed assets have been physically verified by the management at reasonable interval during the year pursuant to a Program for physical verification. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. The title deed of immovable properties are held in the name of the Company
- ii. Physically verification of inventories has been conducted at reasonable interval by the management and no material discrepancies were noticed.
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly the clause iii (a) (b) and (c) of paragraph 3 of the Order are not applicable to the Company.
- iv. According to the information and explanation given to us, the company has not, directly or indirectly, advance any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interest or give any guarantee or provide any security in connection with any loan taken by him or such other person. The Company had complied with the provision of Section 186 of the Companies Act, 2013 regarding investment and loan.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. Accordingly the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company specified by the Central Government for the maintenance of cost records under Sub Section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



- vii. a. The Company is regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues, as applicable with the appropriate authorities and no outstanding statutory dues as on the last day of the financial year concerned for more than six months from the date they became payable.
- b. According to the information and explanation given to us, there were no disputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, value added tax or cess as at March 31, 2016 except sales tax of Rs.11,48,212 and Rs.14,02,597 for the year 2002-2003 and 1999-2000 respectively pending before Rajasthan High Court.
- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any bank or financial institution. The Company had not issued any debenture during the year.
- 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 during the year. The term loan availed during the year were applied for the purpose for which term loan was taken.
- x. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the company has complied with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 during the year.
- xii. The company is not a Nidhi Company. Accordingly, the clause xii of paragraph 3 of the Order is not applicable to the Company.
- xiii. The company has complied with the provision of the section 177 and 188 of the Companies Act, 2013 and have disclosed as required by the applicable accounting standard with respect to the transaction with the related parties in the Financial Statements.
- xiv. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Accordingly, the clause xiv of paragraph 3 of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him. Accordingly, the clause xv of paragraph 3 of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under section 45 –IA of Reserve Bank of India Act, 1934. Accordingly, the clause xvi of paragraph 3 of the Order is not applicable to the Company.

**For CHATURVEDI & CO.**  
Chartered Accountants  
Firm Registration No. 302137E

**PANKAJ CHATURVEDI**  
Partner  
Membership No. 091239

New Delhi  
13 May, 2016

## **Annexure - B to the Auditors' 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 "APM INDUSTRIES LIMITED ("the Company") as of March 31, 2016 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating

effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

**For CHATURVEDI & CO.**  
Chartered Accountants  
Firm Registration No. 302137E

**PANKAJ CHATURVEDI**  
Partner  
Membership No. 091239

New Delhi  
13 May, 2016



**APM INDUSTRIES LIMITED**  
CIN No. L21015RJ1973PLC015819

**BALANCE SHEET**

AS AT MARCH 31, 2016

PARTICULARS	Note No.	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	43,222,720	43,222,720
(b) Reserves and Surplus	2	1,844,985,818	1,745,065,855
<b>2 Non-Current Liabilities</b>			
(a) Long Term Borrowings	3	51,911,271	36,210,743
(b) Deferred Tax Liabilities (Net)	4	98,698,186	92,047,972
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	5	220,359,404	71,669,480
(b) Trade Payables	6	32,848,070	33,035,502
(c) Other Current Liabilities	7	213,128,489	246,837,733
(d) Short Term Provisions	8	14,460,077	54,898,590
<b>Total</b>		<b>2,519,614,035</b>	<b>2,322,988,595</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>1 (a) Fixed Assets</b>	9		
(i) Tangible Assets		1,199,562,481	1,182,888,588
(ii) Intangible Assets		1,157,980	1,840,703
(iii) Capital Work in Progress		4,873,618	8,938,791
(b) Non-Current Investments	10	480,127,796	305,739,916
(c) Long Term Loans and Advances	11	34,786,580	15,607,820
<b>2 Current Assets</b>			
(a) Current Investments	12	30,000,000	20,000,000
(b) Inventories	13	424,670,770	400,072,837
(c) Trade Receivables	14	242,001,240	235,866,569
(d) Cash and Bank Balances	15	17,290,379	19,951,637
(e) Short Term Loans and Advances	16	79,298,223	127,480,647
(f) Other Current Assets	17	5,844,968	4,601,087
<b>Total</b>		<b>2,519,614,035</b>	<b>2,322,988,595</b>
<b>Significant Accounting Policies and Notes to the Financial Statements</b>			
	26		

As per our report of even date attached

For and on behalf of the Board

**For CHATURVEDI & CO.**

Chartered Accountants  
Firm Registration No. 302137E

**H R SHARMA**  
Executive Director  
DIN - 00178632

**K R GUPTA**  
Director  
DIN - 00027295

**R K RAJGARHIA**  
Chairman & Managing Director  
DIN - 00141766

**(PANKAJ CHATURVEDI)**

Partner  
Membership No. 091239

**JYOTI UPADHYAY**  
Company Secretary  
Membership No. 37410

**C S VIJAY**  
CFO

Place : New Delhi  
Date : May 13, 2016

## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	Note No.	For the Year Ended March 31, 2016 (Rs.)	For the Year Ended March 31, 2015 (Rs.)
<b>INCOME</b>			
I Revenue from Operations		2,667,437,506	3,137,149,526
Less: Excise Duty		(2,044,069)	(3,538,122)
	18	2,665,393,437	3,133,611,404
II Other Income	19	41,857,840	26,449,999
III <b>Total Revenue (I + II)</b>		2,707,251,277	3,160,061,403
IV <b>Expenses:</b>			
Cost of Materials Consumed	20	1,508,741,150	1,888,261,078
Changes in Inventories of Finished Goods and Work-in-Progress Decrease	21	5,616,732	67,730,019
Employee Benefits Expense	22	334,264,180	344,871,200
Finance Costs	23	15,235,092	18,671,967
Depreciation and Amortization Expense	24	29,588,588	29,586,343
Other Expenses	25	508,012,583	523,446,456
<b>Total Expenses</b>		2,401,458,325	2,872,567,063
V <b>Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		305,792,952	287,494,340
VI Exceptional Items		-	-
VII <b>Profit before Extraordinary Items and Tax (V-VI)</b>		305,792,952	287,494,340
VIII Extraordinary Item		-	-
IX <b>Profit before tax (VII-VIII)</b>		305,792,952	287,494,340
X <b>Tax Expense</b>			
Current Tax		99,600,000	88,414,280
Deferred Tax		6,650,214	10,819,640
Prior Period Tax Adjustment		(1,406,904)	(245,545)
XI <b>Profit for the year (IX-X)</b>		200,949,642	188,505,965
Earning per equity share of face value of Rs. 2/- each:			
Basic and Diluted		9.30	8.72
<b>Significant Accounting Policies and Notes to the Financial Statements</b>	26		

As per our report of even date attached

For and on behalf of the Board

**For CHATURVEDI & CO.**

Chartered Accountants

Firm Registration No. 302137E

**(PANKAJ CHATURVEDI)**

Partner

Membership No. 091239

Place : New Delhi

Date : May 13, 2016

**H R SHARMA**

Executive Director

DIN - 00178632

**K R GUPTA**

Director

DIN - 00027295

**R K RAJGARHIA**

Chairman & Managing Director

DIN - 00141766

**JYOTI UPADHYAY**

Company Secretary

Membership No. 37410

**C S VIJAY**

CFO

**APM INDUSTRIES LIMITED**  
CIN No. L21015RJ1973PLC015819

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year before Taxation</b>	<b>305,792,952</b>	<b>287,494,340</b>
Adjustments for		
Depreciation and amortisation	29,588,588	29,586,343
Excess Provision Written Back	(20,312,822)	(725,766)
(Profit)/ Loss on Sale of Fixed Assets	(4,623,634)	1,001,867
Provision for doubt full debtors	-	68,201
Provision for doubt full advances	6,000,000	-
Short Term Capital Gain/Loss	-	-
Profit on sale of Invetsment	(49,880)	-
Long Term Capital Gain/Loss	-	(5,988,256)
Interest & Finance Charges	15,235,092	18,671,967
Interest Income	(13,591,107)	(17,985,028)
Dividend Income	(1,119,556)	(177,170)
<b>Operating profit before working capital changes</b>	<b>316,919,634</b>	<b>311,946,498</b>
<b>Changes in assets and liabilities</b>		
(Increase)/Decrease in Inventories	(24,597,932)	25,278,414
(Increase)/Decrease in Sundry Debtors	(6,134,671)	25,814,958
(Increase)/Decrease in Loans and Advances	39,525,868	(14,526,306)
Increase/(Decrease) in Current Liabilities	702,828	45,006,816
<b>Cash generated from operations activities</b>	<b>326,415,727</b>	<b>393,520,380</b>
Taxes Paid	96,841,146	93,977,281
<b>Net cash provided by operating activities</b>	<b>229,574,582</b>	<b>299,543,099</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(68,455,113)	(22,933,498)
Sale of Fixed Assets	5,912,179	1,617,045
Purchase of investments (net)	(184,338,000)	(193,977,634)
Dividend received	1,119,556	177,170
Interest Received	12,880,420	18,228,230
<b>Net cash used in investing activities</b>	<b>(232,880,958)</b>	<b>(196,888,687)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in Long Term borrowings	(6,038,770)	(37,531,058)
Increase/(decrease) in Working Capital and other borrowings	148,689,924	17,416,835
Dividend and Corporate Dividend Tax Paid	(126,770,943)	(49,429,617)
Interest and finance charges paid	(15,235,092)	(18,671,967)
<b>Net cash provided by financing activities</b>	<b>645,119</b>	<b>(88,215,807)</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>(2,661,258)</b>	<b>14,438,604</b>
Cash and cash equivalents at the beginning of the year	19,951,637	5,513,033
Cash and cash equivalents at the end of the year	17,290,379	19,951,637

**Notes**

- The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on cash Flow Statement.
- Figures in brackets indicate cash outflow.
- Previous year figures have been regrouped and recast wherever necessary to conform to current year classification.
- Cash & Cash Equivalents include:

Cash in Hand	307,657	530,895
Cheques in Hand		
Balances with Banks		
- In Current Accounts	2,074,894	3,891,248
- In Fixed Deposits with less than 3 months maturity	1,026,105	10,000,000
- In Unclaimed Dividend Account	13,881,723	5,529,494
	<b>17,290,379</b>	<b>19,951,637</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For and on behalf of the Board**

**For CHATURVEDI & CO.**

Chartered Accountants

Firm Registration No. 302137E

**H R SHARMA**

Executive Director

DIN - 00178632

**K R GUPTA**

Director

DIN - 00027295

**R K RAJGARHIA**

Chairman & Managing Director

DIN - 00141766

**(PANKAJ CHATURVEDI)**

Partner

Membership No. 091239

**JYOTI UPADHYAY**

Company Secretary

Membship No. 37410

**C S VIJAY**

CFO

**Place : New Delhi**

**Date : May 13, 2016**

**APM INDUSTRIES LIMITED**  
CIN No. L21015RJ1973PLC015819

**NOTES FORMING PART OF THE BALANCE SHEET AS ON MARCH 31, 2016**

NOTE NO.	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
35,000,000 (Previous Year 35,000,000) Equity Shares of Rs. 2/- each	70,000,000	70,000,000
300,000 (Previous year 300,000) Redeemable Preference Shares of Rs. 100/- each	30,000,000	30,000,000
<b>Issued</b>		
22,217,080 (Previous Year 22,217,080) Equity Shares of Rs. 2/- each	44,434,160	44,434,160
<b>Subscribed and Paid up</b>		
21,611,360 (Previous Year 21,611,360) Equity Shares of Rs. 2/- each (fully paid up)	43,222,720	43,222,720
<b>Total</b>	43,222,720	43,222,720
a) The reconciliation of number of shares outstanding is set out below:		
Number of Equity Shares at the beginning	21,611,360	21,611,360
Add: Number of Shares Issued	-	-
Number of Equity Shares at the end	21,611,360	21,611,360
b) Details of Shareholders holding more than 5 percent Shares :		
<b>Name</b>	<b>As at March 31, 2016 Number of Shares</b>	<b>As at March 31, 2015 Number of Shares</b>
	<b>% Held</b>	<b>% Held</b>
<b>Equity</b>		
Rajendra Kumar Rajgarhia	17.81 3,850,000	17.81 3,850,000
Faridabad Paper Mills Limited	12.82 2,770,000	12.82 2,770,000
Ajay Rajgarhia	10.41 2,250,000	10.41 2,250,000
Prabha Rajgarhia	7.40 1,600,000	7.40 1,600,000
Rajgarhia Leasing and Financial Services Pvt. Ltd.	5.23 1,130,000	5.23 1,130,000
	53.67	53.67
c) <b>Rights to the Share Holders</b>		
The Company has only one class of equity shares having a face value of Rs.2 per share and each holder of equity shares is entitled to one vote per share. All equity Share holders are having right to get dividend in proportion to paid up value of the each equity share, as and when declared.		
<b>2 RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>	31,000	31,000
Balance at the beginning and end of the year		
<b>General Reserve</b>	648,652,868	550,000,000
Less: Adjustment on A/c of Depreciation (Refer Note 9.1)		1,347,132
Add: Surplus	50,000,000	100,000,000
<b>Closing Balance</b>	698,652,868	648,652,868
<b>Revaluation Reserve (Refer note 9.1)</b>		
Balance at the beginning of the Year	649,447,220	659,438,716
Less: Transferred to statement of profit and loss	9,991,496	9,991,496
<b>Closing Balance</b>	639,455,724	649,447,220
<b>Securities Premium Reserve</b>		
Balance at the beginning and end of the year	24,311,925	24,311,925
<b>Surplus</b>		
Balance at the beginning of the year	422,622,842	404,134,946
Add: Transferred from Statement of Profit and Loss	200,949,642	188,505,965
	623,572,484	592,640,911
Less : Appropriations		
Transferred to General Reserve	50,000,000	100,000,000
Proposed Dividend (Refer Note 2.1 & 2.2)	75,639,760	58,350,672
Corporate Tax on Dividend (Refer Note 2.1 & 2.2)	15,398,423	11,667,397
<b>Total</b>	141,038,183	170,018,069
<b>Balance at the end of the year</b>	482,534,301	422,622,842
<b>Total</b>	1,844,985,818	1,745,065,855

- 2.1 The Company had declared interim dividend @ Rs.1.50 per equity share (i.e. 75% on face value of Rs. 2/- per share) in its Board Meeting held on 06.11.2015 and paid on 10.11.2015.
- 2.2 The Company had declared second interim dividend @ Rs.2.00 per equity share (i.e. 100% on face value of Rs. 2/- per share) in its Board Meeting held on 11.03.2016 and paid on 15.03.2016.

**APM INDUSTRIES LIMITED**  
**CIN No. L21015RJ1973PLC015819**

NOTE NO.	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
<b>3 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Secured Term Loan from Banks	51,911,271	36,210,743
<b>Total</b>	<b>51,911,271</b>	<b>36,210,743</b>
<b>3.1 Nature of Security &amp; Terms of Repayment</b>		
<b>3.1.1</b> Following Term Loans are secured by joint mortgage by deposit of title deeds of the Company's immovable properties situated at Bhiwadi and charge on all immovable and movable assets, both present and future subject to prior charge created on specified movable assets in favour of Company's bankers ranking pari-passu for working capital facilities:		
<b>Loan From</b>	<b>Terms of Repayment</b>	
<b>a Industrial Development Bank of India (Rs. 560 Lacs)</b> Term Loans from Banks amounting to Rs 2,33,15,630/- (March 31, 2015 Rs. 2,91,15,630)	Repayable in 32 quarterly instalments from October 2011 along with interest at the rate of 13.00% p.a.	
<b>b Punjab National Bank (Rs. 163 Lacs)</b> Term Loans from Banks amounting to Rs. 63,35,795/- (March 31, 2015 Rs. 96,30,803)	Repayable in 20 quarterly instalments from June 2014 along with interest at the rate of 11.35% p.a.	
<b>c State Bank of Bikaner &amp; Jaipur (Rs. 1710 Lacs)</b> Term Loans from Banks amounting to Rs. 58,48,106/- (March 31, 2015 Rs. 2,96,10,274)	Repayable in 32 quarterly instalments from July 2008 along with interest at the rate of 12.45% p.a.	
<b>3.1.2</b> Secured long term loans aggregating to Rs 6,69,48,599 (March 31,2015 Rs. 7,17,03,471/-) are guaranteed by the chairman and Managing Director.		
<b>3.1.3</b> Term Loan is secured by first charge on the assets purchased/ Proposed to be purchased with bank finance and promoters contribution. Further loan is secured by second pari-passu charge on block assets of the company.		
<b>Loan From</b>	<b>Terms of Repayment</b>	
<b>Punjab National Bank (Rs. 750 Lacs)</b> Term Loans from Banks amounting to Rs. 3,14,49,067/- (March 31,2015 Rs. Nil)	Repayable in 16 equally quartely instalments from June 2017 and interest at the rate of 10.85% p.a.and payable as and when charged in the account.	
<b>3.1.4</b> Vehicle loans from Banks amounting to Rs 8,41,040/- (March 31,2015 Rs. 21,24,938/-) are secured by hypothecation/ Lien of the respective vehicles.	Repayable in 36 equalised monthly instalments	
<b>3.2</b> The Long Term borrowing shown above is net of Rs. 1,58,78,368/- (Mar 31,2015 Rs.3,76,17,666) current maturities,which is shown under note no.7		
<b>4 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation	107,393,364	97,907,892
<b>Deferred Tax Assets</b>		
On Timing differences	8,695,178	5,859,920
Short Term Capital Loss	-	-
<b>Total</b>	<b>98,698,186</b>	<b>92,047,972</b>
Deferred Tax Assets and Deferred Tax liabilities have been offset as they relates to the same governing taxation laws i.e. The Income Tax Act,1961		

**APM INDUSTRIES LIMITED**  
CIN No. L21015RJ1973PLC015819

NOTE NO.	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
<b>5 SHORT TERM BORROWINGS</b>		
<b>Secured :</b>		
Working Capital Loans from banks (Refer Note 5.1 & 5.2)	183,874,907	58,267,395
<b>Unsecured</b>		
Demand Loan from related party	36,484,497	13,402,085
<b>Total</b>	<b>220,359,404</b>	<b>71,669,480</b>
<p>5.1 Working capital loans of Rs.8,35,68,136/- are secured by hypothecation of inventories, book debts, receivables and other movable assets and also by second charge on Company's immovable properties situated at Bhiwadi ranking pari-passu between the Banks/ Financial Institutions and guaranteed by Chairman &amp; Managing Director of the Company.</p> <p>5.2 Working capital loans of Rs.10,02,86,771/- is secured by Debt Mutual Funds and Tax Free Bonds.</p>		
<b>6 TRADE PAYABLES</b>		
Dues to Micro, Small and Medium Enterprises (Refer Note 28)	439,383	659,993
Other Sundry Creditors	32,408,687	32,375,509
<b>Total</b>	<b>32,848,070</b>	<b>33,035,502</b>
<b>7 OTHER CURRENT LIABILITIES</b>		
<u>Current Maturities of long Term Debts</u>		
From Banks (Refer Note 3.2)	15,878,368	37,617,666
Advance from Customer	1,453,977	4,436,175
Unpaid Dividend (Refer note 7.1)	13,881,723	5,529,494
Other Payables		
i. Accrued salaries and benefits	52,626,304	48,224,785
ii. Statutory Dues Including Provident Fund and Tax Deducted At Source	5,691,180	8,862,678
iii. Security deposit	588,695	987,425
iv. Other payables	123,008,242	141,163,521
v. Interest on amount due to micro and small enterprises	—	15,989
<b>Total</b>	<b>213,128,489</b>	<b>246,837,733</b>
7.1 There are no amounts due for payment to The Investor Education and protection Fund under section 125 of the Companies Act, 2013		
<b>8 SHORT TERM PROVISIONS</b>		
<b>Provision for Employee Benefits (Refer note 32)</b>		
For Gratuity	11,713,215	10,699,321
<b>Other Provisions</b>		
For Income Tax (Net of Advances)	2,746,862	—
For Wealth Tax	—	114,280
Proposed Dividend on Equity Shares	—	36,739,312
Dividend Distribution Tax	—	7,345,677
<b>Total</b>	<b>14,460,077</b>	<b>54,898,590</b>



**APM INDUSTRIES LIMITED**  
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**NOTE 9 :- FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As At April 1, 2015  (At Cost) (Rs.)	Additions during the year  (Rs.)	Sales/ Adjustments  (Rs.)	Total As At March 31, 2016 (At Cost) (Rs.)	Upto March 31, 2015  (Rs.)	For the Current Period  (Rs.)	Sales/ Adjustments  (Rs.)	Other Adjustments  (Rs.)	Upto March 31, 2016  (Rs.)	As At March 31, 2016  (Rs.)	As At March 31, 2015  (Rs.)
Tangible Assets (A)											
(I) Own Assets											
Building	135,080,104	10,427,250		145,507,354	47,206,741	3,436,473			50,643,214	94,864,140	87,873,363
Plant & Equipments	999,786,453	41,730,693	22,516,499	1,019,000,647	625,308,090	19,436,232	21,390,677		623,353,645	395,647,002	374,478,363
Power Generation Unit	127,024,760			127,024,760	81,997,084	1,393,859			83,390,943	43,633,817	45,027,676
Furniture & Fixtures	18,812,283	1,955,964	5,850	20,762,397	12,422,883	937,233	5,557		13,354,559	7,407,838	6,389,400
Office Equipments	13,838,933	1,061,158	58,854	14,841,237	11,196,933	908,511	55,911		12,049,533	2,791,704	2,642,000
Vehicles	22,146,118	1,684,734	391,691	23,439,161	5,565,575	2,787,372	232,204		8,120,743	15,318,418	16,580,543
Total (A)	1,316,688,651	56,859,799	22,972,894	1,350,575,556	783,697,306	28,899,680	21,684,349	-	790,912,637	559,662,919	532,991,345
(II) Asset on Lease											
Lease hold Land	720,000,000	-	-	720,000,000	70,102,757	9,997,681	-		80,100,438	639,899,562	649,897,243
Total Tangible Assets (I + II)	2,036,688,651	56,859,799	22,972,894	2,070,575,556	853,800,063	38,897,361	21,684,349	-	871,013,075	1,199,562,481	1,182,888,588
For previous year	2,024,500,532	17,385,075	5,196,956	2,036,688,651	816,197,034	38,325,015	2,578,044	1,856,058	853,800,063	1,182,888,588	
Intangible Assets (B)											
Computer Software	8,519,172			8,519,172	6,678,469	682,723			7,361,192	1,157,980	1,840,703
For previous year	8,519,172	-		8,519,172	5,240,903	1,252,824		184,742	6,678,469	1,840,703	3,278,269
Grand Total Fixed Assets (A+B)	2,045,207,823	56,859,799	22,972,894	2,079,094,728	860,478,532	39,580,084	21,684,349	-	878,374,267	1,200,720,461	1,184,729,291
For previous year	2,033,019,704	17,385,075	5,196,956	2,045,207,823	821,437,937	39,577,839	2,578,044	2,040,800	860,478,532	1,184,729,291	

**Note 9.1**

- (a) Lease hold land was revalued as on 12.05.2008 by an external valuer at the then market value which resulted in a net increase of Rs.719,387,692.
- (b) Depreciation for the year Rs 3,95,80,084/- includes Amortisation on revalued lease hold land Rs 99,91,496/-
- (c) Pursuant to the Companies Act, 2013 (the Act) the Company has during the financial year ended March 31,2015 revised depreciation rates on certain fixed assets as per the useful life specified in schedule ii of the Act or as re-assessed by the company. Due to this, based on transitional provision as per note 7 (b) of the schedule ii , on amount of Rs.13,47,132 (net of Deferred Tax of Rs. 6,93,668) have been adjusted to general reserve.

**Capital work-in-progress:**

Building	-	5,711,655
Plant & Machinery	3,119,471	3,227,136
Furniture & Fixture	-	-
Vehicle	-	-
Pre-Operative Exp.	1,754,147	-
Total	<b>4,873,618</b>	<b>8,938,791</b>
<b>GRAND TOTAL</b>	<b>1,205,594,079</b>	<b>1,193,668,082</b>

**APM INDUSTRIES LIMITED**  
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NOTE No.	Particulars	As At March 31, 2016 Rs.		As At March 31, 2015 Rs.	
<b>10 NON-CURRENT INVESTMENTS</b>					
<b>In Government securities (Valued at Cost)</b>					
a)	National Saving Certificates (Pledged with Sales Tax Department)		-		-
b)	In Post Office Saving Bank (Pledged with Excise Department)		3,000		3,000
	<b>Total</b>		<b>3,000</b>		<b>3,000</b>
S. No.	Particulars	Face Value Per Unit (Rs.)	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)	
			Nos	Nos	
I	<b>Trade investments (Valued at Cost)</b>				
	<b>a. Un-quoted Equity Instruments (Refer Note 10.1)</b>				
	Fully Paid Class A Equity Shares, held in V.S. Lignite Power Private Limited	10	1,256,039	1,256,039	12,560,390
	<b>b. Un-quoted Preference Shares (Refer Note 10.2)</b>				
	0.01% Class A Redeemable Preference Shares held in V.S. Lignite Power Private Limited	10	1,114,222	1,114,222	11,142,220
	<b>Total Un-quoted</b>		<b>23,702,610</b>		<b>23,702,610</b>
10.1	Dividend on Class A equity share is restricted to 0.01% of the face value of the shares.				
10.2	Preference Share-Preference shares are redeemable at par over the period of 10-20 year from date of allotment.				
II	<b>Other Investments</b>				
	<b>Investment in Equity Instruments</b>				
	Bhilwara Spinners Ltd.	10	100	508	508
	Deepak Spinners Ltd.	10	100	765	765
	G.S.L. (India) Ltd.	10	50	1,819	1,819
	Hind Syntex Ltd.	10	100	2,642	2,642
	Visaka Industries Ltd.	10	10	194	194
	Indo Rama Synthetics (I) Ltd.	10	10	76	76
	Spentex Industries Ltd.	10	9	77	77
	Rajasthan Spng. & Wvg. Mills. Ltd.	10	195	1,831	1,831
	Sangam India Ltd.	10	158	1,951	1,951
	Shree Rajasthan Syntex Ltd.	10	50	1,043	1,043
	State Bank of Bikaner & Jaipur	10	12,200	1,868,400	1,868,400
	GVK Power & Infrastructure Ltd.	1	5,000	155,000	155,000
			<b>2,034,306</b>		<b>2,034,306</b>
III	<b>Investment in Bonds</b>				
	IIFCL Tax Free Bond	1000	30,000	30,000,000	30,000,000
	HUDCO Tax Free Bond	1000	30,000	30,000,000	30,000,000
	NAHI BONDS 2015	1000	5,714	5,714,000	-
	IREDA PUBLIC ISSUE II	1000	13,624	13,624,000	-
			<b>79,338,000</b>		<b>60,000,000</b>
IV	<b>Investment in Mutual Funds</b>				
	BIRLA SUNLIFE DYNAMIC BOND FUND	10	1,006,386	25,000,000	421,448,349
	RELIANCE FIXED HORIZON FUND-XXX SERIES	10	1,000,000	10,000,000	1,000,000
	BSL SHORT TERM OPPORTUNITY FUND	10	721,567	15,000,000	721,567
	BIRLA SUNLIFE MONTHLY INCOME PLAN-II	10	1,059,565	30,000,000	1,059,565
	RELIANCE MONTHLY INCOME PLAN	10	470,890	15,000,000	772,483
	RELIANCE MONTHLY INCOME PLAN	10	301,592	10,000,000	-
	BNP PARIBAS FLEXI DEBT FUND	10	544,624	12,500,000	544,624
	HDFC CORPORATE DEBT OPPORTUNITIES FUND	10	1,146,652	12,500,000	1,146,652
	HDFC MIP LONG TERM	10	581,602	20,000,000	581,602
	HDFC PRUDENCE FUND	10	13,523	5,000,000	13,523
	HDFC BALANCED FUND	10	47,477	5,000,000	47,477
	ICICI PRUDENTIAL BALANCED FUND	10	54,733	5,000,000	54,733
	ICICI PRUDENTIAL SHORT TERM PLAN	10	1,656	49,880	-
	RELIANCE DYNAMIC BOND FUND	10	1,595,670	30,000,000	1,595,670
	FRANKLIN INDIA BALANCED FUND	10	164,822	15,000,000	-
	INDIA INFOLINE FINANCE LTD.	10	1,000,000	20,000,000	20
	INDIA INFOLINE FINANCE LTD.	10	1,000,000	10,000,000	10
	UTI-GILT ADVANTAGE FUND	10	327,561	10,000,000	327,561
	RELIANCE FIXED HORIZON FUND-XXIV	10	1,000,000	10,000,000	-
	TATA BALANCED FUND	10	88,582	15,000,000	-
	EDELWEISS NCD	10	2,000,000	20,000,000	-
	EDELWEISS FINANCE & INVESTMENTS LIMITED	100000	50	5,000,000	-
	DSP BLACK ROCK EMERGING STAR FUND	10	1,500,000	15,000,000	-
	UTI DYNAMIC BOND FUND	10	303,335	5,000,000	-
	FRANKLIN INDIA HIGH GROWTH FUND	10	86,959	2,500,000	-
	ICICI PRUDENTIAL SHORT TERM PLAN	10	166,499	5,000,000	-
	RELIANCE FIXED HORIZON FUND-XXIX	10	1,000,000	10,000,000	-
	SBI BLUE CHIP FUND	10	89,997	2,500,000	-
	RELIANCE REGULAR SAVING FUND	10	121,737	5,000,000	-
	RELIANCE YIELD MAXIMISER AIF	10	2,000,000	20,000,000	-
	RELIANCE DEBT PLUS HYBRID OPINION	10	1,000,000	10,000,000	-
	<b>Total</b>		<b>375,049,880</b>		<b>220,000,000</b>
	<b>Grand Total</b>		<b>480,127,796</b>		<b>305,739,916</b>
	<b>Note</b>				
	Mutual funds are pledged against working capital loan taken from Banks.				
	Aggregate amount of quoted Investments		456,425,186		282,034,306
	Market & NAV Value of Quoted Investments		487,449,993		303,336,848
	Aggregate amount of unquoted Investments		23,702,610		23,702,610
	Aggregate Provision for diminution in Value of Investments		-		-

**APM INDUSTRIES LIMITED**  
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Note No.		As At March 31, 2016 Rs.		As At March 31, 2015 Rs.			
<b>11</b>	<b>LONG TERM LOANS AND ADVANCES</b>						
	<b>Loans and Advances</b>						
	(Un-secured & Considered Good, Unless otherwise stated)						
	Capital Advances (Refer Note 27 (b))	20,083,899		4,423,412			
	Security Deposits	11,473,416		9,350,054			
	Advance Income Tax	3,229,265		1,834,354			
	<b>Total</b>	<b>34,786,580</b>		<b>15,607,820</b>			
<b>12</b>	<b>CURRENT INVESTMENTS</b>						
		<b>Face Value</b>	<b>No. of Units</b>	<b>As At March 31, 2016 Rs.</b>	<b>Face Value</b>	<b>No. of Units</b>	<b>As At March 31, 2015 Rs.</b>
	Current maturity of long term investments valued at cost or NAV (whichever is lower)						
	<b>Quoted</b>						
	Mutual Funds						
	IIFL-FMP Series-6	10	2000000	20,000,000	10	2000000	20,000,000
	<b>OTHER CURRENT INVESTMENT</b>						
	IIFL PREFERENCE SHARES	10	1000000	10,000,000	-	-	-
	<b>Total</b>			<b>30,000,000</b>			<b>20,000,000</b>
	Aggregate amount of quoted Investments			30,000,000			20,000,000
	Market & NAV Value of Quoted Investments			30,350,360			23,919,200
	Aggregate amount of unquoted Investments			-			-
	Aggregate Provision for diminution in Value of Investments			-			-
<b>13</b>	<b>INVENTORIES (Refer Note 26(f))</b>						
	Raw Materials			153,646,768			122,677,802
	Work-in-Progress			47,535,218			46,040,137
	Finished Goods			212,984,434			220,096,247
	Stores and Spares			10,504,350			11,258,651
	<b>Total</b>			<b>424,670,770</b>			<b>400,072,837</b>
<b>14</b>	<b>TRADE RECEIVABLES</b>						
	<b>Out standing for a period exceeding six months from the due date</b>						
	Unsecured, Considered Good			25,604,414			21,594,127
	Unsecured, Considered Doubtful			1,126,111			1,934,401
				26,730,525			23,528,528
	Less: Provision for Doubtful debts			1,126,111			1,934,401
				25,604,414			21,594,127
	<b>Others</b>						
	Unsecured, Considered Good			216,396,826			214,272,442
	<b>Total</b>			<b>242,001,240</b>			<b>235,866,569</b>
<b>15</b>	<b>CASH AND BANK BALANCES</b>						
	<b>Cash and Cash Equivalents</b>						
	Cash in Hand			307,657			530,895
	Balances With Banks:-						
	- In Current / Cash Credit Accounts			2,074,894			3,891,248
	- In Deposit Accounts with less than 3 months maturity *			1,026,105			10,000,000
				3,408,656			14,422,142
	- In Unpaid dividend accounts			13,881,723			5,529,494
				13,881,723			5,529,494
	<b>Total</b>			<b>17,290,379</b>			<b>19,951,637</b>
	* Includes Rs.10,26,105/-(Previous Year : 1,00,000) Margin Money deposit against guarantees.						
<b>16</b>	<b>SHORT TERM LOANS AND ADVANCES</b>						
	(Un-secured & Considered Good, Unless otherwise stated)						
	<b>Unsecured Loans</b>						
	Unsecured, Considered Good			50,000,000			106,000,000
	Unsecured, Considered Doubtful			6,000,000			-
				56,000,000			106,000,000
	Less: Provision for Doubtful Loans			6,000,000			-
				50,000,000			106,000,000
	<b>Other loans and advances</b>						
	- Prepaid Expenses			3,312,072			3,114,347
	- CENVAT/VAT Credit Receivable			18,097,424			14,015,723
	- Others advance for supply of goods and rendering of services			7,888,726			4,350,577
	<b>Total</b>			<b>79,298,223</b>			<b>127,480,647</b>
16.1	The Company has given advances to 5 parties ranging from Rs. 6,000,000 to Rs. 20,000,000 for 90 days to 120 days at interest rate of 14% to 19% p.a.						
<b>17</b>	<b>OTHER CURRENT ASSETS</b>						
	(Un-secured & Considered Good, Unless otherwise stated)						
	Interest Accrued			2,140,639			1,429,952
	Claim and other receivable			3,704,329			3,171,135
	<b>Total</b>			<b>5,844,968</b>			<b>4,601,087</b>

**APM INDUSTRIES LIMITED**  
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<b>NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016</b>		
<b>Note No.</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>18 REVENUE FROM OPERATIONS</b>		
Sale of products (Gross)	2,627,945,681	3,087,946,020
Other Operating Revenues :		
-Sales of Scrap	19,617,540	24,536,497
-Interest from customers on account of overdue receivables	19,523,858	24,213,941
-Job Work and other incentives	350,427	453,068
Sub total	2,667,437,506	3,137,149,526
Less : Excise Duty	(2,044,069)	(3,538,122)
<b>Revenue from Operations (Net)</b>	<b>2,665,393,437</b>	<b>3,133,611,404</b>
<b>19 OTHER INCOME</b>		
Interest received from Banks	82,750	10,420
Interest received from Others	8,356,299	12,898,608
Interest received from Tax Free Bond	5,152,058	5,076,000
Dividend received on investments	1,119,556	177,170
Liabilities/Provisions no longer required, written back	21,121,112	725,766
Gains on Foreign currency transactions (Net)	46,305	9,044
Profit On Sale Of Mutual Fund	49,880	-
Profit on Sale of Fixed Assets	4,623,634	-
Miscellaneous Income	1,306,247	1,564,735
Long Term Capital Gain/Loss	-	5,988,256
<b>Total</b>	<b>41,857,840</b>	<b>26,449,999</b>
<b>20 COST OF MATERIALS CONSUMED {Refer note 33(b)}</b>		
Raw Materials Consumed		
Inventory at the beginning of the year	122,677,802	82,737,256
Add: Purchases (net)	1,539,710,116	1,928,201,624
Less: inventory at the end of the year	153,646,768	122,677,802
<b>Cost of Raw Materials consumed during the year</b>	<b>1,508,741,150</b>	<b>1,888,261,078</b>
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
Stock at the end of the year:		
Finished Goods	212,984,434	220,096,247
Work-in-Progress	47,535,218	46,040,137
<b>Total A</b>	<b>260,519,652</b>	<b>266,136,384</b>
Stock at the beginning of the year		
Finished Good	220,096,247	280,203,403
Work-in-Progress	46,040,137	53,663,000
<b>Total B</b>	<b>266,136,384</b>	<b>333,866,403</b>
<b>Change in inventories (A-B)</b>	<b>(5,616,732)</b>	<b>(67,730,019)</b>
<b>22 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	294,353,830	303,989,913
Contribution to Provident and other Funds	23,409,104	24,331,897
Staff Welfare Expenses	16,501,246	16,549,390
<b>Total</b>	<b>334,264,180</b>	<b>344,871,200</b>
<b>23 FINANCE COSTS</b>		
Interest Expense	14,492,299	17,053,792
Other Borrowing costs	742,793	1,618,175
<b>Total</b>	<b>15,235,092</b>	<b>18,671,967</b>

**APM INDUSTRIES LIMITED**  
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Note No.	For the year ended March 31, 2016 Rs.	For the year ended March 31, 2015 Rs.
<b>24 DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation and Amortization (Refer Note - 9)	39,580,084	39,577,839
Less: Withdrawn from Revaluation Reserve (Refer Note - 2)	9,991,496	9,991,496
	<u>29,588,588</u>	<u>29,586,343</u>
<b>25 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Consumption of Stores and Spare Parts	40,553,417	38,856,629
Packing Material	35,046,532	39,917,215
Power and Fuel	292,409,062	294,585,948
Repairs to Machinery	32,721,067	48,016,935
Repairs to Building	3,700,736	7,327,625
Variance in Excise duty on Finished Goods	(727,326)	(4,732,433)
	<u>403,703,488</u>	<u>423,971,918</u>
<b>Selling and Distribution Expenses</b>		
Freight and Forwarding Expenses	28,299,724	30,267,410
Brokerage and Commission	14,080,972	15,124,468
Provision for Doubtful Debts	—	68,201
Claims & Discount	5,539,857	8,282,757
Bad Debts	—	—
	<u>47,920,553</u>	<u>53,742,836</u>
<b>Establishment Expenses</b>		
Legal and Professional Fees	4,038,557	2,897,495
Rent	2,856,980	2,833,980
Rates and Taxes	1,287,747	1,385,268
Repairs to Others	1,656,887	1,199,801
Insurance	1,904,136	1,951,635
Travelling Expenses	1,170,214	1,170,540
Payment to Auditors (Refer note 30)	623,980	541,629
Printing & Stationary	1,857,945	1,910,437
Vehicle Running Expenses	1,751,311	2,020,324
Computer Maintenance	845,873	504,258
Charity and Donation	3,100	—
Communication Expenses	2,335,898	2,174,770
Electricity & Water Charges	536,532	578,174
Membership Fee & Subscription	229,323	256,761
General Expenses	2,403,510	2,657,466
Provision for doubtful debts	6,000,000	—
Director Remuneration & Sitting Fees	19,706,788	14,828,429
CSR Expenses	4,145,443	5,720,793
Pollution Control Exp	3,034,319	2,098,076
Short Term Capital Gain/Loss	—	—
Loss on Sale of Fixed Assets	—	1,001,867
	<u>56,388,542</u>	<u>45,731,702</u>
<b>Total</b>	<b>508,012,583</b>	<b>523,446,456</b>
<b>25A DISCLOSURE RELATED TO CSR EXPENDITURE DURING THE YEAR</b>		
A Gross amount required to be spent by the company during the year	6,334,541	5,688,588
B Expenditure incurred during the year		
(i) Construction/acquisition of any Assets	2,151,319	5,064,332
(ii) On purpose other than (i) above	1,994,124	656,461
<b>Total</b>	<b>4,145,443</b>	<b>5,720,793</b>

## **26 SIGNIFICANT ACCOUNTING POLICIES**

- a) Corporate Information  
APM INDUSTRIES LIMITED (The Company) is engaged in the production and selling of Man Made Fibre's Spun Yarn. The Company has manufacturing facilities at BHIWADI (DISTT. ALWAR) Rajasthan.
- b) Basis of Accounting  
i. These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis, except for certain financial tangible assets which are measured at fair value. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- Use of estimates  
ii. The preparation of the financial statements in conformity with generally accepted accounting principles in India (GAAP) requires the management to make estimates and assumption that affect the balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and results of operation during the reporting period. Examples of such estimates include discount rates, income taxes, provision for bad and doubtful debts, advances, etc. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.
- c) Fixed Assets  
Fixed assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and borrowing costs related to such acquisition or construction. Capital Work in Progress comprises the cost of fixed assets not ready for their intended use as at the reporting date of the financial statements.
- d) Depreciation  
i) Pursuant to the Companies Act, 2013 ("the Act"), the Company has, during the financial year ended March 31, 2015 revised depreciation rates on certain fixed assets as per the useful life specified in Schedule-II of the Act or as re-assessed by the Company. Due to this, based on transitional provision as per note 7 (b) of the Schedule II, an amount of Rs.13.47 lacs (net of deferred tax of Rs.6.94 lacs) have been adjusted to General Reserve. The management estimates the useful lives for the other fixed assets as follows:
- |                       |             |
|-----------------------|-------------|
| Buildings             | 30-60 years |
| Plant & Equipment     | 25 years    |
| Electrical Equipment  | 10 years    |
| Power Generation Unit | 40 years    |
| Furniture & Fixtures  | 10 years    |
| Office Equipment      | 5 years     |
| Vehicles              | 8-10 years  |
| Computer Software     | 6 years     |
- ii) Cost of leasehold Land is being amortized over the period of lease of 99 years.  
iii) In case of revalued lease hold land, amortization is calculated on revalued cost based on remaining period of lease and the portion related to the revalued quantum is adjusted against revaluation reserve.
- e) Investments  
Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are valued at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.
- f) Inventories  
Inventories have been valued at lower of cost or net realizable value. For ascertaining the cost, following method has been adopted :-
- |                   |                          |
|-------------------|--------------------------|
| Raw materials     | At weighted average cost |
| Stores and spares | At weighted average cost |
| Stocks in Process | At estimated cost        |
| Finished Goods    | At actual cost           |
| Waste Materials   | At net realizable value  |
- Cost of raw material, stores and spares is net of cenvat credit, wherever applicable. Cost of finished goods includes direct cost, factory overheads and excise duty, wherever applicable. The Company has made provision for cost of obsolescence or depletion in value, wherever applicable. Material purchased on ex-godown basis but not received till the date of Balance Sheet are considered as goods in transit.
- g) Revenue Recognition  
i) Revenue from sales is recognized on despatch of goods from the factory/depot. Sales are inclusive of excise duty but exclusive of sales tax.  
ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. In case of claim of interest on customers for delayed payments, it is recognized on acceptance of the claim by the customers.  
iii) Dividend income is recognized when company's right to receive dividend is established.  
iv) Profit/(loss) on sales of mutual funds/bonds are accounted on transfer of ownership.
- h) Foreign Currency Transactions  
i) Transactions denominated in the foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.  
ii) Monetary items denominated in foreign currencies, other than those covered by forward exchange contracts, are translated in to rupee equivalent at the rates of exchange prevailing on the Balance Sheet date. In the case of forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract.  
iii) All exchange differences arising on settlement /conversion of foreign currency transactions are recognized as income or as expenses in the profit and loss account, except in cases where they relate to the acquisition of fixed assets, in which case they are adjusted in the carrying cost of the asset.
- i) Employee Benefits  
i) The contribution towards Provident Fund is made to the Statutory Authorities and is charged to the profit and loss account.  
ii) Liability towards unavailed earned leaves to employees is provided on the basis of actuarial valuation performed by an independent actuary at the year end and funded with leave encashment fund administrative by the group leave encashment scheme with the Life Insurance Corporation of India ('LIC').  
iii) In accordance with the payment of Gratuity Act 1972, the company provides for gratuity covering eligible employees on the basis of an actuarial valuation as at the year end and funded with gratuity fund administered by the group gratuity scheme with the Life Insurance Corporation of India ('LIC').
- j) Borrowing Costs  
Borrowing costs that are directly attributable to the acquisition or construction of the qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue in the period in which they are incurred. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Assets that are ready for their intended use when acquired are not considered as qualifying assets.
- k) Segment Reporting  
The business of the company, at present, consists of single product viz. yarn and therefore, there are no reportable Segments as per accounting standard (AS-17) "Segment Reporting".



# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

- l) **Leases**  
Finance leases or similar arrangement, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed as leased assets. Finance charges are charged directly against income.  
Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a basis, which reflect the time pattern of such payment appropriately.
- m) **Earnings per Share (EPS)**  
The earnings considered in ascertaining the company's EPS comprise the Net Profit or Loss for the period after tax and extra ordinary items. The basic EPS is computed on the basis of weighted average number of equity shares outstanding during the year. The number of shares for computation of diluted EPS comprises of weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year unless they are issued at a later date. The diluted potential equity shares are adjusted for the proceeds receivable assuming that the shares are actually issued at fair value. The number of shares and potentially dilutive shares are adjusted for shares splits/reverse share splits (consolidation of shares) and bonus shares, as appropriate.
- n) **Taxes on Income**  
Tax expense for the year comprises of current tax and deferred tax. Current taxes are measured at the current rate of tax in accordance with provisions of the Income Tax Act, 1961.  
Deferred tax Assets and Liabilities are recognized for future tax consequences attributable to the timing differences that result between taxable profit and the profit as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.  
Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses under tax laws to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Profit & Loss Account in the year of change.
- o) **Grants/Subsidies**  
Generally grants/subsidies are recognized where there is reasonable assurance that the company shall comply with the conditions attached to them and when such benefits have been earned by the company and is reasonably certain that the collection may be made. Grants/Subsidies related to revenue are credited to the Profit & Loss Statement or are deducted in reporting the related expenses.
- p) **Provisions**  
A provision is recognized when an enterprise has a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to the present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- q) **Impairment of Assets**  
The carrying values of assets of the cash-generating units at each balance sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable 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 estimated future cash flows to their present value based on appropriate discount factor.
- r) **Contingent Liabilities**  
Contingent liabilities are determined on the basis of available information and are disclosed by way of Notes to Accounts.

## 27. NOTES TO ACCOUNTS

### 1. Contingent liabilities and commitments (to the extent not provided for) :

- a. Claims against the Company not acknowledged as debts:-

Particulars	Year ended	
	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
Sales Tax	2,550,809	3,405,576
Bank Guarantee (Net of Margin Rs 1026105/- (Previous Year 100000))	NIL	265,000

- b. Other Commitments:

Estimated amount of contracts remaining to be executed on capital account [Net of advances Rs. 20,083,893/- (Previous Year Rs. 4,423,412/-) not provided for Rs. 32,352,130/- (Previous Year Rs. 31,281,555/-).

## 28. Due to Micro and Small Enterprises

Information relating to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 have been identified on the basis of information available with the Company. The required disclosures are given below:

	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
(a) Dues remaining unpaid as at Balance Sheet date		
-Principal amount	439,383	659,993
-Interest amount	-	-
(b) Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier and services providers beyond the appointed day during the period	-	-
-Principal amount		
-Interest amount		
(c) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during period) but without adding the interest specified under the Act	-	-
(d) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	15,989
(e) Interest accrued and remaining unpaid as at Balance Sheet date	-	15,989

**APM INDUSTRIES LIMITED**  
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29. The company at its meeting held on January 29, 2016 had approved the entering into non-banking finance, lending and investment business through a wholly owned subsidiary. The company is in process of incorporating the subsidiary company.

**30. Related party disclosures**

Information regarding Related Party Transactions as Accounting Standards AS-18 "Related Party Disclosures" notified by Companies (Accounting Standards) Rules, 2006, (as amended).

**List of related parties**

**A. Companies under common control**

Sr. No.	Name of the Company
1.	Orient Abrasives Limited
2.	Orient Refractories Limited
3.	Perfectpac Limited
4.	Rajgarhia Leasing & Financial Services (P) Limited
5.	Arvind Syntex Pvt. Ltd.

**B. Key Management Personnel and their relatives**

Sr. No.	Name of the Person	Relationship
1.	R. K. Rajgarhia	Chairman and Managing Director
2.	H. R. Sharma	Executive Director
3.	S. G. Rajgarhia	Director
4.	Ajay Rajgarhia	Key Management Person
5.	Aditi Rajgarhia	Grand Daughter of CMD
6.	Prabha Rajgarhia	Wife of CMD

**C. Related Party Transactions**

Particulars	Year	Company under common control (Rs.)	Key Management Personnel (Rs.)	Total (Rs.)
<b>Income/Expense</b>				
Sales (Net of Sales Return)	2015-16	10,481,733	-	10,481,733
	2014-15	6,451,304	-	6,451,304
Purchases	2015-16	-	-	-
	2014-15	529,061	-	529,061
Interest paid	2015-16	2,454,982	-	2,454,982
	2014-15	1,274,607	-	1,274,607
<b>Payment made by the Company for</b>				
Rent	2015-16	-	2,847,980	2,847,980
	2014-15	-	2,824,980	2,824,980
<b>Finance</b>				
Loans Repayment	2015-16	553,867,588	-	553,867,588
	2014-15	356,799,292	-	356,799,292
<b>Finance</b>				
Loans/ Advances Taken	2015-16	576,950,000	-	576,950,000
	2014-15	361,500,000	-	361,500,000
Remuneration to key Management personnel	2015-16	-	18,893,190	18,893,190
	2014-15	-	14,551,129	14,551,129
Remuneration to Others	2015-16	-	1,593,603	1,593,603
	2014-15	-	1,237,571	1,237,571
<b>Balances with related parties</b>				
Advances Taken	2015-16	36,484,497	-	36,484,497
	2014-15	13,402,085	-	13,402,085
Receivable	2015-16	411,411	-	411,411
	2014-15	2,847,522	-	2,847,522

D. No amount pertaining to related parties which have been provided for as doubtful debts or written off in respect of related parties.

E. Related party relationship is as identified by the Company and relied upon by the Auditors.

**F. Disclosure of Material Transactions with Related parties**

Particulars	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
<b>Purchases</b>		
Perfectpac Limited	-	501,970
Orient Refractories Limited	-	27,091
<b>Sales</b>		
Arvind Syntex Pvt Limited	10,481,733	6,451,304
<b>Interest Paid</b>		
Rajgarhia Leasing & Financial Services (P) Ltd.	2,454,982	1,274,607
<b>Rent Paid</b>		
Smt. Prabha Rajgarhia	979,860	979,860
Ms. Aditi Rajgarhia	159,720	159,720
Shri Ajay Rajgarhia	1,708,400	1,685,400

**APM INDUSTRIES LIMITED**  
**CIN No. L21015RJ1973PLC015819**

**31. Auditors Remuneration:**

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
<b>Payment to Statutory Auditors</b>		
Audit Fee	372,125	308,990
Tax audit Fee	85,875	84,270
Limited Review of Results	51,375	50,562
In other capacity		
(a) For Certification	5,725	0
(b) Reimbursement of expenses	108,880	48,945
<b>Total (A)</b>	<b>623,980</b>	<b>492,767</b>
<b>Payment to Cost Auditors</b>		
(a) Audit Fee	-	40,000
(b) Reimbursement of expenses	-	8,862
<b>Total (B)</b>	<b>-</b>	<b>48,862</b>
<b>Grand Total (A+B)</b>	<b>623,980</b>	<b>541,629</b>

**32. Employee Benefit:**

Effective from April 01, 2007, the company adopted the revised accounting standard 15 "Employee Benefits" (AS – 15) issued by the Institute of Chartered Accountants of India.

Funded status of the Gratuity & Leave Encashment Plan and the amount recognized as required by AS 15 is set out below:

Particulars	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Gratuity (Rs.)	Compensated Absences (Rs.)	Gratuity (Rs.)	Compensated Absences (Rs.)
Obligations at year beginning	51,232,437	3,862,637	46,328,850	7,289,096
Service Cost - Current	4,582,372	868,283	4,653,846	997,138
Interest Cost	3,970,514	299,354	3,937,952	619,573
Actuarial (gain) / loss	1,938,714	2,961,645	2,232,834	1,159,641
Benefit Paid	(4,834,909)	(4,122,880)	(5,921,045)	(6,202,811)
Obligations at year end	<b>56,889,128</b>	<b>3,869,039</b>	<b>51,232,437</b>	<b>3,862,637</b>
<b>Change in plan assets</b>				
Plan assets at year beginning, at fair value	40,533,116	7,689,816	35,975,514	7,054,877
Expected return on plan assets	3,445,315	692,083	3,237,796	634,939
Actuarial gain / (loss)	(117,543)	(350,741)	(87,425)	-
Contributions	6,149,934	-	7,328,276	-
Benefits paid	(4,834,909)	(4,122,880)	(5,921,045)	-
<b>Plan assets at year end, at fair value</b>	<b>45,175,913</b>	<b>3,908,278</b>	<b>40,533,116</b>	<b>7,689,816</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>				
Present value of the defined benefit obligations at the end of the year	56,889,128	3,869,039	51,232,437	3,862,637
Fair value of the plan assets at the end of the year	45,175,913	3,908,278	40,533,116	7,689,816
<b>Liability/(Assets) recognised in the Balance Sheet</b>	<b>11,713,215</b>	<b>(39,239)</b>	<b>10,699,321</b>	<b>(3,827,179)</b>
<b>Defined benefit obligations cost for the year</b>				
Service Cost - Current	4,582,372	868,283	4,653,846	997,138
Interest Cost	3,970,514	299,354	3,937,952	619,573
Expected return on plan assets	(3,445,315)	(692,083)	(3,237,796)	(634,939)
Actuarial (gain) / loss	2,056,257	3,312,386	2,320,259	1,159,641
<b>Net defined benefit obligations cost</b>	<b>7,163,828</b>	<b>3,787,940</b>	<b>7,674,261</b>	<b>2,141,413</b>

The principal assumptions used in determining post employment benefit obligations are as below:

Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	2016 (in %)	2016 (in %)	2015 (in %)	2015 (in %)
Discount Rate	8.00	8.00	7.75	7.75
Future salary increases	5.50	5.50	5.25	5.25
Expected return on plan assets	8.35 & 8.50	8.35	9.00 & 8.75	9.00

**APM INDUSTRIES LIMITED**  
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**33. Additional information relating to Production, Sales, Stocks & Raw Material Consumption.**

**A. Particulars in respect of Production, Sales and Stocks:**

Class of Goods	Unit	Production	Opening Stock		Closing stock	
			Qty (kgs)	Value (Rs.)	Qty (kgs)	Value (Rs.)
Man- Made Fiber's Spun Yarn	Kgs	17619487 (18406139)	1453330 (1897707)	220,096,247 (280,203,403)	1669542 (1453330)	212,984,434 (220,096,247)

**B. Raw Material Consumption:**

Class of Goods	Unit	*Quantity (In Kgs.) Year ended		Value (In Rupees) Year ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
1 Viscose Staple Fibre	Kgs	875133	1130028	147,577,326	181,597,617
2 Polyester Fibre	Kgs	16764723	17083205	1,149,624,988	1,449,603,254
3 Acrylic Fibre	Kgs	812432	957060	90,538,110	137,756,218
4 Cotton/Cotton Waste	Kgs	64549	12596	7,676,999	1,669,409
5 Polyester Filament Yarn/Jute	Kgs	2578	10196	252,687	1,226,844
6 Dyes and Chemicals	Kgs			113,071,040	116,407,736
				1,508,741,150	1,888,261,078

\*Figures are net of sale of raw material

**C. Turnover of Products:**

Class of Goods	Unit	*Quantity (In Kgs.)		Value (In Rupees)	
		Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Man Made Fibre Spun Yarn	Kgs	17402833*	18848420*	2,627,945,681	3,087,946,020

\* Excluding shortage/wastage/loss by theft of 442 kgs (2096 kgs)

**D. Value of imported & indigenous Raw Materials and Stores & Spares and packing Materials consumed and percentage of each of the total consumption:**

Particulars		Year ended March 31, 2016		Year ended March 31, 2015	
		(Rs.)	%	(Rs.)	%
1	Raw materials				
	Imported	-	-	-	-
	Indigenous	1,508,741,150	100	1,888,261,078	100
	Total	1,508,741,150	100	1,888,261,078	100
2	Stores, Spares & Packing Material				
	Imported	137,262	0.18	7,698,944	9.77
	Indigenous	75,462,687	99.82	71,078,900	90.23
	Total	75,599,949	100.00	78,773,844	100.00

**E. CIF value of Imports**

Particulars		Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
i	Stores, Spares & Packing Materials	106,707	6,290,456
	Total	106,707	6,290,456

**APM INDUSTRIES LIMITED**  
**CIN No. L21015RJ1973PLC015819**

**F. Expenditure in Foreign Currency (On Payment Basis)**

Particulars	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
i. Commission	<u>140,983</u>	<u>154,935</u>

**G. Earning in Foreign Exchange**

2,921,857

13,741,572

**34. Earning Per Shares**

Particulars	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
(a) (Loss) / Profit After Tax for calculation of Basic and Diluted EPS	<b>200,949,642</b>	188,505,965
(b) Weighted average number of equity shares for calculation of EPS	<b>21,611,360</b>	21,611,360
(c) Basic and Diluted EPS	<b>9.30</b>	8.72

**35.** Profit/Loss on the sale of raw material is adjusted in the raw material consumed account. However, the amount of profit/loss is not material.

**36.** Figures of previous year have been regrouped or rearranged wherever found necessary and the same are appearing in brackets.

**37.** Note 1 to 37 form an integral part of the accounts and have duly been authenticated.

As per our report of even date attached

**For and on behalf of the Board**

**For CHATURVEDI & CO.**

*Chartered Accountants*

Firm Registration No. 302137E

**H R SHARMA**

Executive Director

DIN - 00178632

**K R GUPTA**

Director

DIN - 00027295

**R K RAJGARHIA**

Chairman & Managing Director

DIN - 00141766

**(PANKAJ CHATURVEDI)**

Partner

Membership No. 091239

**JYOTI UPADHYAY**

Company Secretary

Membership No. 37410

**C S VIJAY**

CFO

**Place : New Delhi**

**Date : May 13, 2016**

# APM INDUSTRIES LIMITED

CIN: L21015RJ1973PLC015819

Regd. Office: SP-147, RIICO Industrial Area, Bhiwadi, Dist., Alwar (Raj.)  
Tel: 01493 – 522400 Fax: 01493 – 522413, Email: bhiwadi@apmindustries.co.in

## PROXY FORM

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

Name of the Member : \_\_\_\_\_

Address : \_\_\_\_\_

E- mail ID : \_\_\_\_\_

Folio No./DP ID-Client ID : \_\_\_\_\_

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

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;


Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_, Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **42<sup>nd</sup> Annual General Meeting** of the Company being held on **Saturday, 24<sup>th</sup> day of September, 2016 at 11.30 A.M at SP-147, RIICO Industrial Area, Bhiwadi, Dist., Alwar (Raj.)**.  
I / We direct my / our proxy to vote on the resolution(s) in the manner as indicated below:

Resolution Number	Description	Optional 	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March 2016, together with the Reports of the Directors and Auditors thereon.		
2	To confirm the two interim dividends aggregating to Rs.3.50 per equity share as final dividend, already paid for the year ended 31 <sup>st</sup> March, 2016.		
3	To appoint a Director in place of Shri S G Rajgarhia, who retires by rotation and being eligible, offers himself for re-appointment.		
4	To ratify appointment of Statutory Auditors of the Company and to fix their remuneration.		
Special Business			
5	To consider appointment of Shri R K Rajgarhia as Chairman of the Company		
6	To consider appointment of Shri H R Sharma as Managing Director of the Company		
7	Ratification of Remuneration to Cost Auditor		
8	To keep Register and Index of Members at other place		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

Signature of the Shareholder: \_\_\_\_\_

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

**Note: This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

Affix Re. 1  
Revenue  
Stamp



# APM INDUSTRIES LIMITED

CIN: L21015RJ1973PLC015819

Regd. Office: SP-147, RIICO Industrial Area, Bhiwadi, Dist., Alwar (Raj.)  
Tel: 01493 – 522400 Fax: 01493 – 522413, Email: bhiwadi@apmindustries.co.in

## ATTENDANCE SLIP (42<sup>nd</sup> Annual General Meeting)

Name of the Member : \_\_\_\_\_

Or

Name of the Proxy : \_\_\_\_\_

Folio No./DP ID-Client ID : \_\_\_\_\_

No. of shares held : \_\_\_\_\_

I /we certify that I am a member/proxy for the member of the company.

I / We hereby record my/our presence at the **42<sup>nd</sup> Annual General Meeting** of the Company being held on **Saturday, 24<sup>th</sup> day of September, 2016** at **11.30 A.M** at **SP-147, RIICO Industrial Area, Bhiwadi, Dist., Alwar (Raj.)**.

\_\_\_\_\_  
**SIGNATURE**

### Note:

1. Please fill the Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting hall.
2. Member / proxy are requested to bring their identity card along with attendance / proxy form.
3. Authorized representatives of Corporate Member(s) shall produce proper authorization issued in their favour.

ROUTE MAP FOR VENUE OF 42<sup>ND</sup> AGM

APM INDUSTRIES LIMITED - (UNIT : ORIENT SYNTEX)

SP-147, RIICO INDUSTRIAL AREA, BHIWADI, DIST. ALWAR (RAJASTHAN)

