



IS/ISO 9001 - 2000

# 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

CIN No. : L21015RJ1973PLC015819

Website : www.apmindustries.co.in

APMIL/127

September 29, 2017

The Secretary

BSE Ltd.,

25th Floor, P J Towers,

Dalal Street, Mumbai – 400001

Scrip Code No. 523537

Dear Sir,

**Sub: Regulation 34(1) of SEBI (LODR) Regulations, 2015 - Annual Report**

Pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015, please find enclosed the Annual report of APM Industries Limited which was approved and adopted in the 43<sup>rd</sup> Annual General Meeting of the Company held on 25th day of September, 2017 at 11.30 A.M., at its Registered Office at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) – 301019.

Thanking you

Yours faithfully,

For APM INDUSTRIES LIMITED



JYOTI UPADHYAY  
COMPANY SECRETARY

Encl. as above

**43<sup>rd</sup>**  
**A****NNUAL**  
**REPORT**  
**2016-2017**

**APM INDUSTRIES LIMITED**

**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 India  
IDBI Bank  
HDFC Bank

**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)

**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)

**COMPANY SECRETARY**  
JYOTI UPADHYAY

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

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## **NOTICE TO THE MEMBERS**

NOTICE is hereby given that the **43<sup>rd</sup>** Annual General Meeting of the Members of **APM Industries Limited** will be held on **Monday the 25<sup>th</sup> day of September, 2017 at 11.30 A.M.**, at its Registered Office at **SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) – 301019** to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March 2017, together with the Reports of the Directors and Auditors thereon.
2. To declare final dividend of Rs. 0.50 per equity shares of face value of Rs 2.00 each for the Financial Year 2016-17.
3. To appoint a Director in place of Shri R K Rajgarhia (DIN No. 00141766), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E), as Statutory Auditors of the Company in place of retiring Statutory Auditors and to fix their remuneration and in this connection to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**.

“RESOLVED THAT pursuant to the provisions of Section 139 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 thereof, for the time being in force), M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E) be and is hereby appointed as Statutory Auditors of the Company in place of M/s Chaturvedi & Co., Chartered Accountants (Firm Registration No. 302137E), the retiring Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 48<sup>th</sup> Annual General Meeting of the Company, at such remuneration and terms and conditions as may be decided by the Board of Directors of the Company.”

### **SPECIAL BUSINESS**

5. **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, 2018, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

**Registered Office:**  
SP-147, RIICO Industrial Area,  
Bhiwadi, Dist. Alwar  
(Rajasthan)-301019

By Order of the Board

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

Place: New Delhi  
Dated: August 11, 2017

### **NOTES**

1. The relevant Explanatory Statement pursuant to section 102 of the Companies Act, 2013, in respect of Special Business under Item No. 5 is annexed hereto.
2. A statement giving the relevant details of the Directors seeking re-appointment under Item No. 3 of the accompanying Notice, as required by Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard-2 on General Meetings is annexed herewith.
3. The register of members and share transfer books of the Company will remain closed from **September 19, 2017 (Tuesday)** to **September 25, 2017 (Monday)** both days inclusive for payment of Dividend and AGM.
4. 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.
5. 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.
6. **Dividend and IEPF**

Members who have not yet encashed the dividend warrant(s) from the financial year 2010-11 and onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. The details of the unclaimed dividends are available on the Company's website at [www.apmindustries.co.in](http://www.apmindustries.co.in) and Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in). Members are requested to contact Skyline Financial Services Private Limited, the Registrar and Share Transfer Agents of the Company to claim the unclaimed / unpaid dividends.

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under corresponding to Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The Members / claimants whose shares, unclaimed dividend, etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

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CIN No. L21015RJ1973PLC015819

Members are requested to note that, in order to avoid any loss/interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) they should submit their NECS / ECS details to the Company's Registrar and Share Transfer Agents. The requisite NECS /ECS application form can be obtained from the Company's Registrar and Share Transfer Agents. Alternatively, Members may provide details of their bank account quoting their folio numbers, to the Company's Registrar and Share Transfer Agents to enable them to print such details on the dividend warrants.

7. 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.
8. 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 to the Registrar / Company.
9. Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form.
10. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose email 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).

Members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with Registrar (in case of shares held in physical form).

11. 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 22, 2017 (Friday)**

End of remote e-voting : Upto 5.00 P.M. on **September 24, 2017 (Sunday)**

E-voting shall not be allowed beyond 5.00 P.M., on **September 24, 2017 (Sunday)**. 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 18, 2017 (Monday)**. 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**

12. 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.

13. 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)]:
  - (i) Open email and open PDF file viz; "APM Industries Limited 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.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
  - (v) 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.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "APM Industries Limited".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) 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

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

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- (iii) 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.
- (iv) 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.
- (v) 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 18, 2017**.

14. 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 18, 2017 (Monday), 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)*

15. "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'.
16. "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.
17. 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.

18. 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 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.

19. The route map showing directions to reach the venue of the 43<sup>rd</sup> AGM is annexed.

**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 No. 5 of the accompanying Notice.

**ITEM NO. 5**

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, 2018. 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.45,000/-. 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. 5 of the Notice for approval by the Members.

**Registered Office:**  
SP-147, RIICO Industrial Area,  
Bhiwadi, Dist. Alwar  
(Rajasthan)-301019

By Order of the Board

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

Place: New Delhi  
Dated: August 11, 2017

**ANNEXURE TO ITEM No. 3 OF THE NOTICE**

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting  
[in pursuance of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 & Secretarial Standard 2]

Particulars	Item No. 3
Name of the Director	Shri R K Rajgarhia
Director Identification Number (DIN)	00141766
Date of Birth	14/08/1938
Age	79 Years
Nationality	Indian
Date of Appointment on Board	1 <sup>st</sup> August, 1994
Qualification	Graduate
Experience	57 Years
Nature of his expertise in specific functional areas	Investment decision, financing activities, strategic planning in capital budgeting and overall decision.
Shareholding in APM Industries Limited	17.81%
Directorships held in other listed companies	Perfectpac Limited
List of Directorships held in other Companies	Rajgarhia Leasing and Financial Services Pvt. Ltd.
Memberships / Chairmanships of Committees in APM Industries Limited	1. Chairman of Corporate Social Responsibility Committee, 2. Member in Nomination and Remuneration Committee
Memberships / Chairmanships of in other Public Companies	Nil
Relationship with other directors	Related to Shri S G Rajgarhia, Non Executive Director of the Company
Number of Board meeting attended during the year	Refer to corporate Governance Report
Remuneration last drawn	Refer to corporate Governance Report

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors are pleased to present the 43<sup>rd</sup> Annual Report together with the Audited Standalone & Consolidated financial statements for the financial year ended March 31, 2017.

### FINANCIAL RESULTS

	(Rs. In lakhs)	
	Standalone	Consolidated
	2016-17	2015-16
Gross Revenue	25417	27017
Profit before depreciation and tax	2323	3354
Less: Depreciation	420	296
Profit before income tax	1903	3058
Less: Tax	653	1048
Net profit for the year	1250	2010
Add: Balance brought forward from the previous year	4825	4226
Add: Transferred from revaluation reserve	100	-
Amount available for appropriation	6175	6236
Appropriations:		
- Total Dividend	324	757
- Corporate Dividend Tax	69	154
- General reserve	-	500
- Balance carried forward to Balance Sheet	5784	4825
Total	6175	6236

The Consolidated Financial Statements have been prepared in accordance with the provisions of Schedule III of the Companies Act, 2013 and Accounting Standards issued by the Institute of Chartered Accountant of India and the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and form part of Annual Report.

### OPERATIONS

During the year 2016-17, the production of synthetic blended yarn was marginally lower, i.e., 169 lakh kgs as compared to 176 lakh kgs in 2015-16. The gross revenue also decreased by 5.92% from Rs.270 crores to Rs.254 crores. This was due to a reduction in the sale volume and the prices of finished products. Net profits also reduced from Rs.20.10 crores in 2015-16 to Rs.12.50 Crores in 2016-17, which was mainly due to the effect of demonetisation. The profitability was further effected due to an increase in the power cost.

### TRANSFER TO RESERVES

No amount has been transferred to General Reserve for the Financial Year 31st March, 2017.

### EXPORTS

The export turnover decreased to Rs.202.00 lakhs from Rs.258.00 lakhs 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 52976 to 55584 spindles during the Financial Year 2016-17.

The company has replaced 7632 spindles, along with other balancing machinery for modernization of plant & machinery and completed upgradation 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 has a further plan to replace 25 TFO machines, 8 Auto coners and 6 cheese winding machines with energy efficient and high production machines. This would enable the company to reduce cost of production & improve quality of its product.

### SUBSIDIARY

The Company has one subsidiary i.e. APM Finvest Limited. It is not a material subsidiary in terms of sub-regulation (1)(c) of Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In accordance with Section 129(3) of the Companies Act, 2013 ("Act") and Rule 5 of the Companies (Accounts) Rules, 2014 and relevant Accounting Standards ("AS"), the Company has prepared consolidated financial statements of the Company and its subsidiary company, which form part of the Annual Report. A statement in Form AOC-I containing salient features of the financial statements of the subsidiary

company is annexed as **Annexure - I** to this report. In accordance with provisions of Section 136(1) of the Act, the Annual Report of the Company, containing therein the standalone and consolidated financial statements and audited financial statement of the subsidiary has been placed on the website of the Company, [www.apmindustries.co.in](http://www.apmindustries.co.in).

### PROSPECTS

The Government of India has implemented Good & Service Tax (GST) in July, 2017. This is a landmark reform and in the long run will provide significant growth stimulus to business, but may create some short term disruptions.

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

### PUBLIC DEPOSIT

Your 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, 2017.

### DIVIDEND

Your Directors in its meeting held on 11 November, 2016 had paid an Interim Dividend @ 75% i.e. Rs 1.50 per equity share of face value of Rs 2.00 each. The Board of Directors have now recommended a final dividend of 25% i.e. Rs 0.50 per equity shares of face value of Rs 2.00 each, subject to approval of the shareholders. The total Dividend for Financial Year 2016-17 is 100% i.e. Rs 2.00 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, 2017, 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, 2017 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

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. The Company Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee reviewed the internal controls and financial reporting issues with Internal Auditors and Statutory Auditors.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

- The members in their 42<sup>nd</sup> Annual General Meeting held on 24.09.2016, approved the change in designation of Shri R K Rajgarhia as Chairman of the Company and Shri Hari Ram Sharma as Managing Director of the Company.
- 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.

- iii. As per the provisions of Companies Act, 2013, Shri R K Rajgarhia retires by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.
- iv. 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, have 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 have 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

In accordance with the provision of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s Chaturvedi & Co., Chartered Accountants (Firm Registration No. 302137E), completes its term as the Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting ("AGM") of the Company.

Your Directors on recommendation of the Audit Committee, seek approval of the Members at the ensuing AGM of the Company, for appointment of M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E), for an initial term of five (5) consecutive years. M/s. Chaturvedi & Partners, Chartered Accountants, have confirmed their eligibility and willingness for appointment as Statutory Auditors of the Company under the provisions of the Companies Act, 2013 and Rules framed thereunder. Accordingly, a resolution, proposing appointment of M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E) as the Statutory Auditors of the Company for a term of five (5) consecutive years, from the conclusion of the 43rd AGM till the conclusion of the 48th AGM of the Company pursuant to Section 139 of the Companies Act and Rules framed thereunder on such remuneration as may be decided by Board of Directors of the Company, is set out in the resolution included in the Notice convening the AGM of the Company. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM.

The Board of Directors places on record its appreciation for the services rendered by M/s Chaturvedi & Co., Chartered Accountants, as the Statutory Auditors of the Company.

### 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 M/s RSM & Co., Company Secretaries, New Delhi to undertake the Secretarial Audit of the Company for the financial year ended 31.03.2017. The Report of the Secretarial Audit Report is annexed herewith as **ANNEXURE - II** 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 2017-18.

### INTERNAL AUDITOR

Pursuant to provisions of Section 138 of the Companies Act, 2013, the Board of Directors has re-appointed M/s TN Chaturvedi & Co., Chartered Accountant, Delhi as Internal Auditors of the Company, for the financial year 2017-18.

### 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 5 (Five) 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 - III** to this Report.

### - NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of four members. Shri K R Gupta is the Chairman and the other members of the Committee are Shri R K Rajgarhia, Shri R R Bagri and Smt Uma Hada. The policies of the Company are attached herewith marked as **ANNEXURE - IV** 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-WBM.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 2016-17 are disclosed in Form No. AOC - 2 in **ANNEXURE - V**. 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-RPT.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 Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## 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-NCR.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>

## ix) **POLICY - DETERMINING MATERIAL SUBSIDIARY**

The Objective of this Policy is to determine the "Material Subsidiaries of the Company" and to provide the Governance Framework for Subsidiaries. The policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-DMS.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 - VI** 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 - VII** 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 - VIII**.

## **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 - IX** to this Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year 2016-17 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]

## **MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR**

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the company to which the financial statements relate, i.e. Change in nature of business No changes has been made in nature of business carried out by 31st March, 2017 and the date of the Board's Report.

## **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 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

**R K Rajgarhia**  
Chairman  
DIN : 00141766

Place : New Delhi  
Dated : August 11, 2017

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

### **Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures**

#### **Part A- Subsidiaries**

Sl. No.	Particulars	Details (Amount in Rs)
1	Name of the subsidiary	APM Finvest Limited
2	The date since when subsidiary was acquired/incorporated	13.05.2016
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	13.05.2016-31.03.2017
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
5	Share capital	20,000,000.00
6	Reserves and surplus	100,527.00
7	Total assets	20,612,650.00
8	Total Liabilities	20,612,650.00
9	Investments	-
10	Turnover	974,238.00
11	Profit before taxation	145,480.00
12	Provision for taxation	44,953.00
13	Profit after taxation	100,527.00
14	Proposed Dividend	-
15	Extent of shareholding (in percentage)	100.00%

#### **Part B- Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures- NA**

For and on behalf of the Board

**R K Rajgarhia**  
Chairman  
DIN : 00141766

Place : New Delhi  
Dated : August 11, 2017

**ANNEXURE – II TO DIRECTORS' REPORT**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

The Members

APM Industries Limited

CIN: L21015RJ1973PLC015819

Registered Office: SP-147, RIICO Industrial Area

Bhiwadi, Dist. Alwar

Rajasthan- 301019

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **APM INDUSTRIES LIMITED** (hereinafter called the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance – Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2017 according to the provisions of:-

1. The Companies Act, 2013("the Act") and Rules made thereunder as amended/modified;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period);**
  - (d) The Securities and Exchange Board of India ( Share Based Employee Benefits) Regulations 2014, **(Not applicable to the Company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable to the Company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar and Transfer Agent during the audit period);**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not applicable to the Company during the audit period). and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. We further report that, we relied on the representation made by the Company and its officer for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
7. We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

8. We have also examined the compliances with the applicable clauses of the following:-

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges.

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

9. We further report that:-

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and Majority of decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

10. We further report that during the audit period, there were no instances of:-

- (i) Public / Rights / Preferential Issue of Shares / Debenture / Sweat Equity;
- (ii) Redemption / Buy-back of Securities;
- (iii) Merger / Amalgamation / Reconstruction etc.;

This report is to be read with our letter of even date which is annexed as "Annexure-A" and form an integral part of this report.

**For RSM & CO.**  
**Company Secretaries**

**RAVI SHARMA**  
**PARTNER**

**FCS NO.4468, C. P. NO. 3666**

Dated: August 8, 2017

Place: New Delhi

**Annexure-A**

The Members

APM Industries Limited

CIN: L21015RJ1973PLC015819

Registered Office: SP-147, RIICO Industrial Area

Bhiwadi, Dist. Alwar

Rajasthan- 301019

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, rule and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For RSM & CO.**  
**Company Secretaries**

**RAVI SHARMA**  
**PARTNER**

**FCS NO.4468, C. P. NO. 3666**

Dated: August 8, 2017

Place: New Delhi

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## ANNEXURE – III TO DIRECTORS' REPORT

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2016 -2017

#### 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	3077.50
Prescribed CSR Expenditure (2% of Average Net Profit as computed above)	61.55
Unspent amount carry forward from previous Financial year 2015-16	21.89
Total CSR Expenditure to be spent in the Financial year 2016-17	83.44

Details of CSR spent during the financial year:

- Total amount spent for the financial year	74.38
- Amount unspent, if any	9.06

Details of Amount spent on CSR activities during the Financial Year 2016-17

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, Tijara & Delhi	57.50	55.40	-	-	Direct/Rotary Vidya Kendra (A unit of Delhi South Central Charitable Trust)
2	Promotion of Healthcare	Clause (i) promoting health care including preventive health care	Bhiwadi, Distt. Alwar (Rajasthan)	15.94	10.25	-	-	Direct/Ram Lal Rajgarhia Memorial Trust
3	Promoting special education and employment enhancing vocational skill among women	Clause (ii) promoting education	Delhi	1.00	0.47	-	-	Servants of the People Society (A trust founded by Lala Lajpat Rai)
4	Contribution for Running old age home for senior citizens	Clause (iii)	Delhi	2.00	2.00	-	-	Sant Hardayal Education & Orphanage Welfare Society (old Age home-Guru Vishram Vridh Ashram)
5	Conservation of Natural resources	Clause (IV) Conservation of natural resources	Bhiwadi, Distt. Alwar (Rajasthan)	5.00	5.00	-	-	Mukhya Mantri Jal Swavlamban Yojna
6	Animal Welfare	Clause (iv)	Bhiwadi, Distt. Alwar (Rajasthan)	2.00	1.26	-	-	Baba Mohan Ram Goshala
<b>Total Expenditure</b>				<b>83.44</b>	<b>74.38</b>	-	-	

#### Reason for unspent amount

The projects undertaken under Sl. No 2 above could not be incurred fully because late start of the Dispensary i.e. from November, 2016. Further the contribution to Registered organized Trust also incurred on lower side. The unspent amount of Rs 9.06 Lakhs will be incurred in 2017-18.

#### 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 K Rajgarhia**  
Chairman in CSR Committee  
DIN : 00141766

**Hari Ram Sharma**  
Managing Director  
DIN: 00178632

Place : New Delhi  
Dated : August 11, 2017

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

### **1. PREAMBLE**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the stock exchanges (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration/Compensation Committee ("NRC") and approved by the Board of Directors of the Company.

### **2. DEFINITIONS**

- 2.1 Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 Board means Board of Directors of the company.
- 2.3 Directors mean Directors of the company.
- 2.4 Key Managerial Personnel means:
  - 2.4.1 Chief Executive Officer or the Managing Director;
  - 2.4.2 Whole-time director;
  - 2.4.3 Chief Financial Officer;
  - 2.4.4 Company Secretary; and
  - 2.4.5 Such other officer as may be prescribed.
- 2.5 Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors but including Functional Heads.
- 2.6 Listing agreement shall mean an agreement that is entered into between a recognized stock exchange and an entity, on the application of that entity to the recognized stock exchange, undertaking to comply with conditions for listing of designated securities.

### **3. GUIDING PRINCIPLES**

The Nomination and Remuneration Committee and this policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19(4) under the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

### **4. ROLE OF THE COMMITTEE**

The role of the Committee inter-alia will be the following:-

- a. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- b. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c. devising a policy on diversity of board of directors;
- d. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- e. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

### **5. CONSTITUTION OF COMMITTEE**

The Board of Directors of the Company (the Board) shall constitute the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

### **6. FREQUENCY OF MEETING**

The meeting of the Committee shall be held at such regular interval as may be required.

#### **COMMITTEE MEMBERS' INTERESTS**

- 6.1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 6.2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### **7. SECRETARY**

The Company Secretary of the company shall act as Secretary of the Committee.

### **8. BOARD DIVERSITY**

The Board should consist of minimum three Directors and maximum fifteen Directors.

Provided that Company may appoint more than fifteen Directors after passing a Special resolution.

The Board shall consist of such number of Directors, including at least one women Director and not less than fifty percent of the Board of Directors comprising non-executive directors, as is necessary to effectively manage the Company of its size.

Where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.

Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

The Committee will lead the process for Board appointments. All Board appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Board may consider diversifying its existing structure by appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, international business, operations management etc. so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise.

### **9. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

#### **9.1. Appointment Criteria and Qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who is below the age of 21 years or who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) No person, shall be appointed as a Director who hold office as a director, including any alternate directorship, in more than twenty companies at the same time: Provided that the maximum number of public companies in which a person can be appointed as a Director shall not exceed ten.

#### **9.2. Term / Tenure**

- a) **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

## 10. DIRECTORS' REMUNERATION

### 10.1 Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. While deciding the remuneration of Managing Director and Whole-time Directors, 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 whole time directors are subject to approval of the Board of Directors, shareholders and the limit laid down under the Companies Act, 2013 from time to time.

### 10.2 Remuneration to Non-Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

## 11. KEYMANAGERIAL PERSONNEL & SENIOR MANAGEMENT

Appointment of KMP and senior management and their cessation of the service are subject to the approval of the Nomination and Remuneration

Committee and Board of Directors. Remuneration of KMP and senior management is decided by the Managing Director on the recommendation by the Whole Time Directors / Executive Directors concerned.

## 12. REMOVAL

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, or any other reasons, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## 13. RETIREMENT

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion in retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 14. DISCLOSURE OF INFORMATION

The information of remuneration may be disclosed in the Company's annual financial statements as per statutory requirements.

## 15. REVIEW AND AMENDMENT

- The NRC or the Board may review the Policy as and when it deems necessary.
- This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

For and on behalf of the Board

**R K Rajgarhia**  
Chairman  
DIN: 00141766

Place : New Delhi  
Dated : August 11, 2017

## ANNEXURE – V 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:	
<ol style="list-style-type: none"> <li>Name(s) of the related party and nature of relationship</li> <li>Nature of contracts / arrangements / transactions</li> <li>Duration of the contracts / arrangements / transactions</li> <li>Salient terms of the contracts or arrangements or transactions including the value, if any</li> <li>Justification for entering into such contracts or arrangements or transactions</li> <li>Date(s) of approval by the Board</li> <li>Amount paid as advances, if any</li> <li>Date on which the resolution was passed in general meeting as required under first proviso to section 188</li> </ol>	The Company has not entered into any contract or arrangement with its related parties which is not at arm's length during Financial Year 2016-17
2 Details of material contracts or arrangement or transactions at arm's length basis:	
<ol style="list-style-type: none"> <li>Name(s) of the related party and nature of relationship</li> <li>Nature of contracts / arrangements / transactions</li> <li>Duration of the contracts / arrangements / transactions</li> <li>Salient terms of the contracts or arrangements or transactions including the value, if any</li> <li>Justification for entering into such contracts or arrangements or transactions</li> <li>Date(s) of approval by the Board</li> <li>Amount paid as advances, if any</li> <li>Date on which the resolution was passed in general meeting as required under first proviso to section 188</li> </ol>	The Company has not entered into any contract or any material contract or arrangement with its related parties at arm's length during Financial Year 2016-17

NOTE: The details of names, nature of relationship, nature of contracts / arrangements / transactions with related party 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

**R K Rajgarhia**  
Chairman  
DIN: 00141766

Place : New Delhi  
Dated : August 11, 2017

**ANNEXURE – VI 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. Installation of 1 No Stabilizer for Dye house lighting.
2. Replacement of 196 Nos. CFL Lights of 36 Watt with 18 Watt LED Lights in office blocks.
3. Replacement of 4000 Nos. Tube Lights of 36 Watt with 18 Watt LED Tube Lights in Production department.
4. Replacement of one (1) submersible pump of 30HP with energy efficient pump of 15 HP.
5. Ash injection system installed in 5 ton Boiler.

(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.26.47 Lakhs.**

**B. RESEARCH & DEVELOPMENT AND 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.33 annexed to the Balance Sheet.

**FORM 'A'**

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

	<u>Unit</u>	<u>2016-17</u>	<u>2015-16</u>
<b>A POWER AND FUEL CONSUMPTION</b>			
<b>1 Electricity</b>			
- Purchased unit	Unit in lakhs	<b>484.63</b>	470.66
- Total amount	Rs. In lakhs	<b>3136.68</b>	2627.16
- Rate	Rs./Unit	<b>6.47</b>	5.58
<b>2 Own Generation</b>			
- Through Diesel Generator	Unit in lakhs	<b>7.24</b>	6.94
- Unit per Litre of Diesel	Unit	<b>3.59</b>	3.61
- Cost	Rs./Unit	<b>15.08</b>	13.75
<b>3 Coal (Grade B, C, D &amp; E)/Petcock</b>			
- Quantity	MT	<b>2337.05</b>	2524.34
- Total cost	Rs. in lakhs	<b>207.20</b>	201.45
- Average rate	Rs./MT	<b>8866.02</b>	7980.30
<b>4 Diesel</b>			
- Quantity	Ltrs. In lakhs	<b>2.01</b>	1.92
- Total cost	Rs. In lakhs	<b>107.21</b>	94.86
- Average rate	Rs./Ltr.	<b>53.58</b>	49.35
<b>B CONSUMPTION PER UNIT OF PRODUCTION*</b>			
1 Electricity		<b>291.77</b>	271.07
2 Coal B, C, D & E Grade/Pet coke		<b>13.86</b>	14.33
* Production unit, per 100 kgs.			

**FORM 'B'**

**RESEARCH & DEVELOPMENT AND 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, Induction of new customers, 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

**R K Rajgarhia**  
Chairman  
DIN: 00141766

Place : New Delhi  
Dated : August 11, 2017

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## ANNEXURE – VII 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 2016-17, the percentage increase in remuneration of Chairman, Managing Director, CFO and Company Secretary during the financial year 2016-17 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	52.09:1	-	Performance of the company affected negative due to demonetisation of High value currency and Increase in power cost.
2.	Shri H R Sharma	Managing Director	45.43:1	31.83	
3.	Shri C S Vijay	CFO	9.84:1	00.05	
4.	Ms. Jyoti Upadhyay*	Company Secretary	1.65:1	54.40	

\*Ms Jyoti Upadhyay was appointed as Company Secretary on 20.05.2015, hence percentage increase in the remuneration during the year comes higher.

#### 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.

- ii.

Sl. No.	Particulars	Details
1	% increase in the median remuneration of employee for the financial year.	7%
2	Total number of employees of the Company as on 31 <sup>st</sup> March 2017	2187
3	Explanation on the relationship between average increase in remuneration and Company performance	The Company's net profit has been decreased during the year, because market was badly affected due to demonetisation and increase in power cost. However the company has given normal increase in remuneration w.e.f. 01.01.2016.
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.118.54 Crores as on 31st March 2016 to Rs.149.01 Crores as on 31st March 2017.
	ii) Variation in price earning (PE) ratio	PE Ratio was 9.78 at 31st March 2017 as compared to 5.90 at 31 <sup>st</sup> March 2016
	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 31st March 2017 was Rs. 68.95 as compare to Rs.54.85 on 31 <sup>st</sup> March 2016.
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 salary of employees excluding managerial personnel during financial year 2017 was 7% whereas average increase in remuneration of executive directors was (-) 6 %.

**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. - NIL
2. Employed for part of the year and in receipt of remuneration of not less than Rs.8.50 Lakhs per month - NIL.
3. Information as per Rule 5 (3) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - top ten employee of the company in terms of remuneration drawn.

Sl. No	Name	Designation	Qualification	Age	Experience (In Years)	Date of Joining	Nature of Employment	Remuneration (Rs. In Lakh)	No. of Equity shares & % held	Previous Employment
1	Sh R K Rajgarhia	Chairman	B.Com	79	57	01.08.1994	Permanent	93.26	3850000 17.81	Orient Steel & Industries Ltd.
2	Sh Hari Ram Sharma	Managing Director	B.Com	66	45	15.01.1976	Permanent	81.33	1045 -	Perfectpac Ltd.
3	Sh Arun Kumar Sharma	V.P.(Per & Admn)	MA LLB, D.LL	63	35	20.10.1984	Permanent	17.77	1000 -	Hansi Coop Spinning Mills Ltd.
4	Sh C S Vijay	V.P.(Comm.)/CFO	B.Com	55	35	05.08.1982	Permanent	17.61	1000 -	State Bank of Bikaner & Jaipur
5	Sh Ajay Rajgarhia	V.P.(Bus. Dev)	MBA	50	25	22.06.1992	Permanent	17.37	2250000 10.41	-
6	Sh J S Somani	V.P.(Marketing)	M.A.	71	50	21.08.1989	Permanent	16.85	1000 -	Indian Rayon & Industries Ltd.
7	Sh Girish Madan	V.P.(Tech & Prod)	B.Tech	65	42	30.04.1996	Permanent	15.23	1000 -	Jaipur Polyspin Ltd.
8	Sh Ravi Dutt Sharma	V.P.(Engg)	ITI	65	42	05.04.1981	Permanent	15.00	1000 -	Uttara Rasayan Udyog
9	Sh Anup Banerjee	V.P.(Tech & DEv)	M.Tech	64	42	14.04.1994	Permanent	13.68	1000 -	Viral Filaments Ltd.
10	Sh Prem Dutt	G.M. Mktg.	Graduate	63	39	08.02.1983	Permanent	12.71	- -	Arunodaya Mills Ltd.

For and on behalf of the Board

Place : New Delhi  
Dated : August 11, 2017

**R K Rajgarhia**  
**Chairman**  
**DIN: 00141766**

**ANNEXURE – VIII TO DIRECTORS' REPORT**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

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 listed on BSE Limited
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 Finvest Limited, SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) - 301019	U65990RJ2016PLC054921	wholly owned Subsidiary	100%	2(87)



# 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 (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% of Change during the year
	Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	<b>Promoters</b>									
	1) <b>Indian</b>									
	a) Individual / HUF	9393033	-	9393033	43.46	9683120	-	9683120	44.81	1.34
	b) Central Govt.	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	4363000	-	4363000	20.19	4047500	-	4047500	18.73	-1.46
	e) Banks / FI	-	-	-	-	-	-	-	-	-
	f) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	<b>13756033</b>	<b>-</b>	<b>13756033</b>	<b>63.65</b>	<b>13730620</b>	<b>-</b>	<b>13730620</b>	<b>63.53</b>	<b>-0.12</b>
	2) <b>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>13756033</b>	<b>-</b>	<b>13756033</b>	<b>63.65</b>	<b>13730620</b>	<b>-</b>	<b>13730620</b>	<b>63.53</b>	<b>-0.12</b>
B	<b>Public Shareholding</b>									
	1) <b>Institutions</b>									
	a) Mutual Funds	6416	-	6416	0.03	6416	-	6416	0.03	-
	b) Banks / FI	-	250	250	-	-	250	250	-	-
	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>6416</b>	<b>250</b>	<b>6666</b>	<b>0.03</b>	<b>6416</b>	<b>250</b>	<b>6666</b>	<b>0.03</b>	<b>-</b>
	2) <b>Non- Institutions</b>									
	a) Bodies Corp.									
	i) Indian	583970	21085	605055	2.80	751653	20835	772488	3.57	0.77
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3586693	1833437	5420130	25.08	3621629	1796672	5418301	25.07	-0.01
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1234399	-	1234399	5.71	1096772	-	1096772	5.07	-0.63
	c) Others (specify)	589077	-	589077	2.73	586513	-	586513	2.71	-0.01
	<b>Sub-total (B)(2)</b>	<b>5994139</b>	<b>1854522</b>	<b>7848661</b>	<b>36.32</b>	<b>6056567</b>	<b>1817507</b>	<b>7874074</b>	<b>36.43</b>	<b>0.12</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>6000555</b>	<b>1854772</b>	<b>7855327</b>	<b>36.35</b>	<b>6062983</b>	<b>1817757</b>	<b>7880740</b>	<b>36.47</b>	<b>0.12</b>
C	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>19756588</b>	<b>1854772</b>	<b>21611360</b>	<b>100.00</b>	<b>19793603</b>	<b>1817757</b>	<b>21611360</b>	<b>100.00</b>	<b>-</b>

**APM INDUSTRIES LIMITED**  
CIN No. L21015RJ1973PLC015819

ii) <b>SHAREHOLDING OF PROMOTERS</b>								
Sl. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			
		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	RAJENDRA KUMAR RAJGARHIA	3850000	17.81	3.12	3850000	17.81	3.12	-
2	PRABHA RAJGARHIA	1600000	7.4	-	1600000	7.4	-	-
3	SANJAY RAJGARHIA	275000	1.27	-	275000	1.27	-	-
4	POOJA RAJGARHIA	130000	0.6	-	130000	0.6	-	-
5	ADITI RAJGARHIA	150000	0.69	-	150000	0.69	-	-
6	AJAY RAJGARHIA	2250000	10.41	-	2250000	10.41	-	-
7	JAYATI RAJGARHIA	140000	0.65	-	140000	0.65	-	-
8	ESSVEE FISCAL PVT. LTD.	97500	0.45	-	97500	0.45	-	-
9	RKR FOUNDATION	50000	0.23	-	50000	0.23	-	-
10	FARIDABAD PAPER MILLS LIMITED	2770000	12.82	-	2770000	12.82	-	-
11	RAJGARHIA LEASING AND FINANCIAL SERVICES PVT. LTD.	1130000	5.23	-	1130000	5.23	-	-
12	SHRI GOPAL RAJGARHIA	573850	2.66	-	573850	2.66	-	-
13	ANISHA MITTAL	398770	1.85	-	398770	1.85	-	-
14	ASHWIN MITTAL	25413	0.12	-	-	-	-	-0.12
15	BHAVNA RAJGARHIA	-	-	-	315500	1.46	-	1.46
16	ROVO MARKETING PRIVATE LTD.	315500	1.46	-	-	-	-	-1.46

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 (01.04.16 to 31.03.17)	
		No. of Share at the beginning of the year (01.04.2016)	% of total shares of the company				No. of shares	% of total shares of the company
1	ROVO MARKETING PRIVATE LTD.	315500	1.46	03-Feb-17	-315500	Sale	-	-
2	ASHWIN MITTAL	25413	0.12	15-Apr-16	-13720	Sale	11693	0.05
				30-Sep-16	-7460	Sale	4233	0.02
				07-Oct-16	-1433	Sale	2800	0.01
				21-Oct-16	-1025	Sale	1775	0.01
				28-Oct-16	-1775	Sale	-	-
3	BHAVNA RAJGARHIA	-	-	10-Feb-17	315500	Purchase	315500	1.46

iv) <b>SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)</b>								
Sl. No.	Name	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.16 to 31.03.17)	
		No of Shares at the Beginning (01.04.16)	% 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	SUBRAMANIAN P	0	0	14-Oct-16	539220	Purchase	539220	2.5
				21-Oct-16	-2660	Sale	536560	2.48
				28-Oct-16	-3560	Sale	533000	2.47
				13-Jan-17	-4000	Sale	529000	2.45
2	SASMAL MARCOM PVT. LTD.	250000	1.16					
3	TANVI JIGNESH MEHTA	0	0	13-May-16	100000	Purchase	100000	0.46
				10-Mar-17	-100000	Sale	0	0
				17-Mar-17	100000	Purchase	100000	0.46
4	MAHENDRA GIRDHARILAL	89754	0.42				89754	0.42
5	SHARAD DALPATRAI TRIVEDI	56733	0.26	11-Nov-16	30000	Purchase	86733	0.4
6	DR RAMESH CHIMANLAL SHAH	120000	0.56	20-May-16	-7162	Sale	112838	0.52
				19-Aug-16	-6272	Sale	106566	0.49
				09-Dec-16	-6566	Sale	100000	0.46
				06-Jan-17	-5000	Sale	95000	0.44
				13-Jan-17	-9000	Sale	86000	0.4
7	VISHWANATH HARLALKA	81780	0.38	11-Nov-16	-850	Sale	80930	0.37

# APM INDUSTRIES LIMITED

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Sl. No.	Name	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.16 to 31.03.17)	
		No of Shares at the Beginning (01.04.16)	% of total shares of the company				No of Shares at the end of the Year (31.03.16)	% of total shares of the company
8	RAMESH C SHAH	84000	0.39	19-Aug-16	-4000	Sale	80000	0.37
				30-Sep-16	-5000	Sale	75000	0.35
				13-Jan-17	-1000	Sale	74000	0.34
9	MASTER CAPITAL SERVICES LTD	400	0	08-Apr-16	-200	Sale	200	0
				15-Apr-16	300	Purchase	500	0
				06-May-16	-100	Sale	400	0
				13-May-16	500	Purchase	900	0
				20-May-16	100	Purchase	1000	0
				03-Jun-16	-100	Sale	900	0
				10-Jun-16	-100	Sale	800	0
				17-Jun-16	-250	Sale	550	0
				24-Jun-16	-500	Sale	50	0
				08-Jul-16	100	Purchase	150	0
				15-Jul-16	100	Purchase	250	0
				02-Sep-16	1000	Purchase	1250	0.01
				09-Sep-16	-100	Sale	1150	0.01
				21-Oct-16	2700	Purchase	3850	0.02
				28-Oct-16	50	Purchase	3900	0.02
				04-Nov-16	50	Purchase	3950	0.02
				11-Nov-16	-3200	Sale	750	0
				18-Nov-16	-50	Sale	700	0
				02-Dec-16	50	Purchase	750	0
				09-Dec-16	-100	Sale	650	0
				03-Feb-17	100	Purchase	750	0
				10-Feb-17	1000	Purchase	1750	0.01
				17-Feb-17	75	Purchase	1825	0.01
				24-Feb-17	8772	Purchase	10597	0.05
				03-Mar-17	62450	Purchase	73047	0.34
				10-Mar-17	-1320	Sale	71727	0.33
				17-Mar-17	-9	Sale	71718	0.33
				24-Mar-17	-3775	Sale	67943	0.31
10	SUBHASH AGARWAL	60030	0.28	08-Jul-16	-1600	Sale	58430	0.27
				05-Aug-16	1730	Purchase	60160	0.28
				12-Aug-16	16	Purchase	60176	0.28
				19-Aug-16	6985	Purchase	67161	0.31
				26-Aug-16	-1000	Sale	66161	0.31
				02-Sep-16	-1071	Sale	65090	0.3
				25-Nov-16	1125	Purchase	66215	0.31
				06-Jan-17	515	Purchase	66730	0.31
				10-Feb-17	2500	Purchase	69230	0.32
				31-Mar-17	-2000	Sale	67230	0.31
				31-Mar-17	66579	Purchase	66579	0.31
				08-Apr-16	-200	Sale	79800	0.37
				15-Apr-16	950	Purchase	80750	0.37
12	SHRI PARASRAM HOLDINGS PVT.LTD.	80000	0.37	22-Apr-16	-100	Sale	80650	0.37
				20-May-16	300	Purchase	80950	0.37
				17-Jun-16	1000	Purchase	81950	0.38
				22-Jul-16	-400	Sale	81550	0.38
				05-Aug-16	-5000	Sale	76550	0.35
				19-Aug-16	50	Purchase	76600	0.35
				26-Aug-16	100	Purchase	76700	0.35
				02-Sep-16	700	Purchase	77400	0.36
				16-Sep-16	-100	Sale	77300	0.36
				23-Sep-16	600	Purchase	77900	0.36
				30-Sep-16	100	Purchase	78000	0.36
				07-Oct-16	-2343	Sale	75657	0.35
				14-Oct-16	-50	Sale	75607	0.35
				21-Oct-16	300	Purchase	75907	0.35
				28-Oct-16	-900	Sale	75007	0.35
				04-Nov-16	-11150	Sale	63857	0.3
				11-Nov-16	-2825	Sale	61032	0.28
				18-Nov-16	-200	Sale	60832	0.28
				25-Nov-16	800	Purchase	61632	0.29
				02-Dec-16	-200	Sale	61432	0.28
				09-Dec-16	-27285	Sale	34147	0.16
				16-Dec-16	500	Purchase	34647	0.16
				23-Dec-16	200	Purchase	34847	0.16
				30-Dec-16	-100	Sale	34747	0.16
				06-Jan-17	100	Purchase	34847	0.16
				13-Jan-17	1400	Purchase	36247	0.17
				20-Jan-17	150	Purchase	36397	0.17
				27-Jan-17	950	Purchase	37347	0.17
				03-Feb-17	1714	Purchase	39061	0.18
				10-Feb-17	12580	Purchase	51641	0.24
				17-Feb-17	830	Purchase	52471	0.24
				24-Feb-17	-1550	Sale	50921	0.24
				03-Mar-17	1685	Purchase	52606	0.24
				17-Mar-17	-1100	Sale	51506	0.24
				31-Mar-17	-625	Sale	50881	0.24
13	TANVI J MEHTA	100000	0.46	06-May-16	-100000	Sale	0	0
14	SANGEETHA S	264490	1.22	07-Oct-16	-264490	Sale	0	0
15	SATHYA S	160000	0.74	26-Aug-16	-2610	Sale	157390	0.73
				07-Oct-16	-157390	Sale	0	0
16	SAVITHA S	119130	0.55	26-Aug-16	-1340	Sale	117790	0.55
				07-Oct-16	-117790	Sale	0	0
17	VISHWA PRAKASH MUNDRA	75000	0.35	23-Sep-16	-11825	Sale	63175	0.29
				30-Sep-16	-1000	Sale	62175	0.29
				24-Feb-17	-62175	Sale	0	0

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v)	SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL								
	Sl. No.	Name	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.16 to 31.03.17)	
			No. of Share at the beginning of the year (01.04.2016)	% 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	-
	4	Shri C S Vijay	1000	-				1000	-

vi)	INDEBTEDNESS					(Amount in Rs.)
	Indebtedness of the Company including interest outstanding / accrued but not due for payment					
		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year						
i)	Principal Amount	25,16,64,546	3,64,84,497	-	28,81,49,043	
ii)	Interest due but not paid	-	-	-	-	
ii)	Interest accrued but not due	-	-	-	-	
Total ( i + ii + iii )		25,16,64,546	3,64,84,497	-	28,81,49,043	
Change in Indebtedness during the financial year						
-	Addition	13,76,50,150	29,89,087	-	14,06,39,237	
-	Reduction	1,50,02,170	-	-	1,50,02,170	
-	Exchange difference	-	-	-	-	
Net Change		12,26,47,980	29,89,087	-	12,56,37,077	
Indebtedness at the end of the financial year						
i)	Principal Amount	37,43,12,526	3,94,73,584	-	41,37,86,110	
ii)	Interest due but not paid	-	-	-	-	
iii)	Interest accrued but not due	11,58,290	-	-	11,58,290	
Total ( i + ii + iii )		37,54,70,816	3,94,73,584	-	41,49,44,400	

# APM INDUSTRIES LIMITED

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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	Shri Hari Ram Sharma Managing Director	Total Amount		
	1	Gross salary	75,25,637	79,72,720	1,54,98,357		
		a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,50,297	1,39,002	4,89,299		
		b) Value of perquisites U/S 17(2) Income-tax Act, 1961	-	-	-		
		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	14,50,000	-	14,50,000		
		- others specify	-	-	-		
	5	Others, please specify (PF)	-	21,600	21,600		
		Total (A)	93,25,934	81,33,322	1,74,59,256		
	Ceiling as per the Act		Rs.1.86 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	2,60,000	2,60,000	1,75,000	-	6,95,000
		- Commission	-	-	-	-	-
		- Others, please specify	-	-	-	-	-
		Total (1)	2,60,000	2,60,000	1,75,000	-	6,95,000
	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)	2,60,000	2,60,000	1,75,000	2,00,000	8,95,000
	Ceiling as per the Act		Rs.0.19 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	16,87,300	2,81,988	19,69,288		
		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	52,569	14,994	67,563		
		- Cars	-	-	-		
		- Interest concession on loan	-	-	-		
		Total	17,61,469	2,96,982	20,58,451		

**APM INDUSTRIES LIMITED**  
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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 COMPANY</b>					
	- Penalty			NONE		
	- Punishment					
	- Compounding					
	<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

**R K Rajgarhia**  
Chairman  
DIN : 00141766

Place : New Delhi.  
Dated : August 11, 2017

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## ANNEXURE – IX TO DIRECTORS' REPORT

### CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its working, and in all its interactions with its stakeholders including shareholders, employees, lenders and the government. The Company is committed to attain the highest standards of corporate governance.

The Board of Directors believes that Corporate Governance is the most powerful tool for achieving corporate excellence and presents a compliance report on the corporate governance pursuant to Listing Regulations and the Company endeavours to adopt best practices of Corporate Governance.

#### 2. BOARD OF DIRECTORS

2.1 As on 31st March 2017, the strength of your Company's Board is six. The Board has an Executive Chairman and five members comprising of one Managing Director, three Non-Executive Independent Directors & one Non-Executive Non-Independent Director. 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.

2.2 During the year 2016–17, five Board meetings were held on 13.05.2016, 22.07.2016, 11.11.2016, 03.02.2017 and 20.03.2017. The 42nd Annual General Meeting of the Company was held on Saturday, the 24<sup>th</sup> day of **September, 2016**.

Name of the Directors / Designation / DIN No.	Category	No. of Shares held	No. of Board Meetings		No. of Directorships 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 (Chairman) DIN No-00141766	Promoter & Executive Chairman	3850000	5	4	1	1	1	Yes
Shri S G Rajgarhia (Director) DIN No-00002245	Promoter & Non - Executive	573850	5	5	2	1	-	Yes
Shri K R Gupta (Director) DIN No-00027295	Non – Executive & Independent	-	5	5	-	-	3	Yes
Shri R R Bagri (Director) DIN No-00275313	Non – Executive & Independent	-	5	5	2	4	1	Yes
Smt Uma Hada (Director) DIN No-06463684	Non – Executive & Independent	-	5	4	-	2	-	No
Shri Hari Ram Sharma (Managing Director) DIN No-00178632	Executive	1045	5	5	-	3	-	Yes

#### 2.3 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.

#### 2.4 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

#### 3. 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/Famprog02.pdf>.

#### 4. AUDIT COMMITTEE

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company, compliance of adequate internal control system, Accounting Standards and financial disclosure and other issues conforming to the requirements specified by the Companies Act, 2013 and by the Stock Exchanges in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year 2016–17, five Audit Committee meetings were held on 13.05.2016, 22.07.2016, 11.11.2016, 03.02.2017 and 20.03.2017.

The attendance of each Committee members is as under:

Name/ Category of members	Chairman/ Member	No. of Meetings	
		Held	Attended
Shri K R Gupta (Non - Executive & Independent)	Chairman	5	5
Shri S G Rajgarhia (Non - Executive & Non Independent)	Member	5	5
Shri R R Bagri (Non - Executive & Independent)	Member	5	5
Smt Uma Hada (Non - Executive & Independent)	Member	5	4

**5. NOMINATION AND REMUNERATION COMMITTEE**

The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act 2013, and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee was constituted for identifying the persons to be appointed as Directors and Senior Management personnel, recommend to the Board – the appointment and removal of Directors, carry out evaluation of Directors, formulate the criteria for determining qualifications, positive attributes and independence of Directors, and to recommend a policy relating to the remuneration of Directors.

During the year 2016–17, one Nomination and Remuneration Committee meeting were held on 13.05.2016.

The attendance of the members is as under:

Name/ Category of members	Chairman/ Member	No. of Meetings	
		Held	Attended
Shri K R Gupta (Non - Executive & Independent)	Chairman	1	1
Shri S G Rajgarhia (Executive Director)	Member	1	1
Shri R R Bagri (Non - Executive & Independent)	Member	1	1
Smt Uma Hada* (Non - Executive & Independent)	Member	-	-

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

\*Smt Uma Hada became member in Nomination and Remuneration Committee on 11.11.2016.

**6. PERFORMANCE EVALUATION FOR INDEPENDENT DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholder Relationship Committee. The Directors have expressed their satisfaction with the evaluation process.

**7. REMUNERATION OF DIRECTORS**

The Directors appointments and Remuneration are governed by the resolutions passed at the Annual General Meeting of the Company pursuant to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of remuneration paid to Executive Directors during 2016 – 2017 are as under:

Name of the Directors	Designation	Remuneration (Rs.)
Shri R K Rajgarhia	Chairman	93,25,934
Shri H R Sharma	Managing Director	81,33,322

Non-Executive Directors are only paid sitting fees for Board / Committee Meetings attended by them. No service contracts were entered into with Directors.

The details of sitting fee paid to the Non - Executive Directors during 2016–2017, are given below:

(Amount in Rs.)			
Name of the Directors	Board Meetings	Committee Meetings	Total
Shri K R Gupta	1,00,000	1,60,000	2,60,000
Shri S G Rajgarhia	1,00,000	1,00,000	2,00,000
Shri R R Bagri	1,00,000	1,60,000	2,60,000
Smt. Uma Hada	80,000	95,000	1,75,000



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## 8. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee has been formed comprising of the following two Non-Executive Directors and one Executive Director to specifically serve the grievance of the shareholders / investors. The Committee reviews the services rendered namely - redressal of complaints of the shareholders like delay in transfer of shares, non-receipt of Annual Report, non-receipt of dividends, etc., and also the action taken by the Company on such matters. The committee members met on 13.05.2016 and 11.11.2016 during the financial year ended 31st March 2017.

Name/ Category of members	Chairman/ Member	No. of Meetings	
		Held	Attended
Shri K R Gupta (Non - Executive & Independent)	Chairman	2	2
Shri R R Bagri (Non - Executive & Independent)	Member	2	2
Shri Hari Ram Sharma (Executive Director)	Member	2	2

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

During the year 2016–2017, 04 Shareholders' complaints were received and resolved. There was no Outstanding Complaint and pending share transfers as on 31.03.2017.

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"**.

## 9. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee. The terms of reference of this Committee, assigned by their Board encompasses:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the activities referred to in clause A.
- To monitor the CSR policy of the Company from time to time.

Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made there under or any other statutory laws of India.

During the year 2016–17, four Corporate Social Responsibility Committee meetings were held on 13.05.2016, 15.07.2016, 15.11.2016 and 03.02.2017.

The attendance of the members is as under:

Name/ Category of members	Chairman/ Member	No. of Meetings	
		Held	Attended
Shri K R Gupta (Non – Executive & Independent)	Chairman	4	4
Shri R R Bagri (Non – Executive & Independent)	Member	4	4
Shri Hari Ram Sharma (Executive Director)	Member	4	4

## 10. RISK MANAGEMENT COMMITTEE

The Risk Management Committee is headed by Shri R R Bagri. The other members of the Committee are Shri Hari Ram Sharma and Shri C S Vijay.

## 11. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on February 03, 2017, 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

The meeting was attended by all the three Independent Directors of the Company, Shri K R Gupta, Shri R R Bagri and Smt Uma Hada.

12. **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
42 <sup>nd</sup> Annual	Saturday, 24 <sup>th</sup> September, 2016 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 provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 to consider appointment of Shri R K Rajgarhia as Chairman of the Company.</p> <p>2) <b>Special Resolution</b> pursuant to provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 to consider appointment of Shri Hari Ram Sharma as Managing Director of the Company.</p> <p>3) <b>Special Resolution</b> pursuant to the provisions of Section 94 read with Section 88 and 92 and other applicable provisions of the Companies Act, 2013 to keep Register and Index of Members at other place.</p>
41 <sup>st</sup> Annual General Meeting	Friday, 25 <sup>th</sup> September, 2015 at 11.30 A.M. at 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)	-

Note: The Board of Directors in its meeting held on 12.07.2017 approved the postal ballot notice for amendment and alteration in Memorandum & Articles of Association of the Company. The voting result shall be declared on 24.08.2017. This information shall form part of Annual Report 2017-18.

13. **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 Results are published in Business Standard (all Editions) and Seema Sandesh (Jaipur Edition).

The Company also posts its financial results for all quarters on it's website: [www.apmindustries.co.in](http://www.apmindustries.co.in)

14. **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.

15. **CFO CERTIFICATION**

Shri C S Vijay, CFO of the Company, has given the above certificate pertaining to financial year 2016-17 to the Board of Directors which was taken note of at the Board meeting and published in this report.

16. **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 2016-17.
- 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

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

- 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-WBM.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-RPT.pdf>.
- 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>.

## 17. 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 2017 does not contain any modified opinion.

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

Shri R K Rajgarhia is the Chairman and Shri Hari Ram 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.

## 18. GENERAL SHAREHOLDER INFORMATION

### A. Annual General Meeting:

Date : September 25, 2017

Day : Monday

Time : 11.30 A.M.

Venue : SP – 147 RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) - 301019

### B. Tentative Financial Calendar for 2017 – 2018

Adoption of Quarterly Results Ended 2017-18	On or before
30 <sup>th</sup> June, 2017	August 11, 2017
30 <sup>th</sup> September, 2017	November 14, 2017
31 <sup>st</sup> December, 2017	February 14, 2018
31 <sup>st</sup> March, 2018 (Audited Annual Accounts)	May 15, 2018 (May 30, 2018)

### C. Date of Book Closure

From **September 19, 2017 (Tuesday) to September 25, 2017 (Monday)** both days inclusive.

### D. Listing on Stock Exchange at:

Scrip Code

BSE Limited

523537

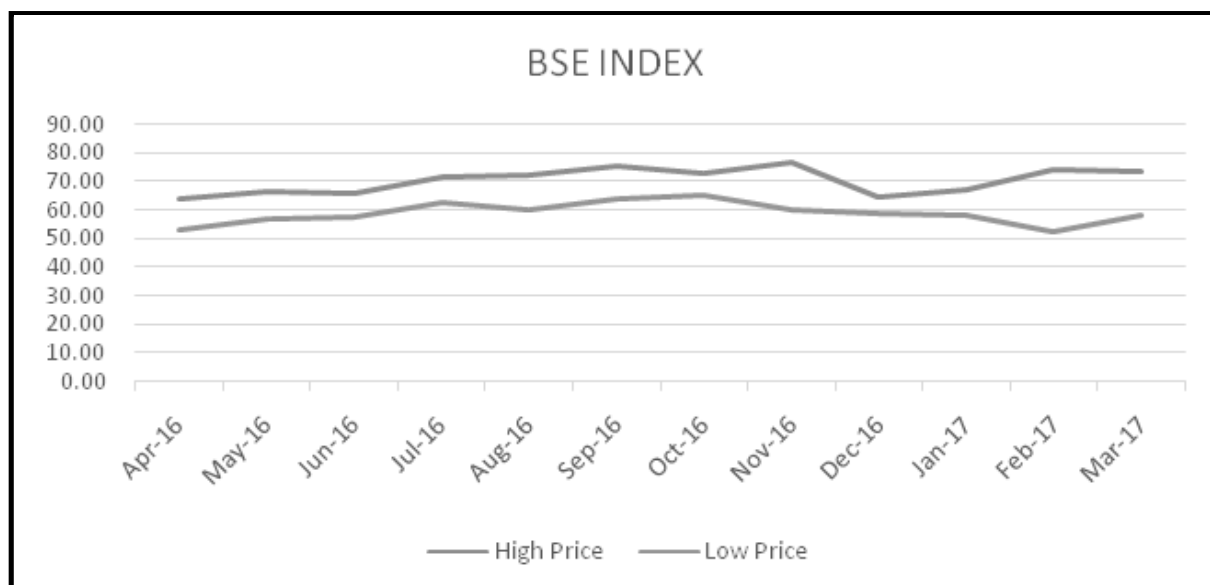
The Listing fees for the financial year 2017 – 2018 have been paid to the above Stock Exchange.

Demat ISIN No. in NSDL and CDSL for equity shares **INE170D01025**

### E. Market Share Price for the year 2016-17

Closing share prices on BSE Limited:

Month	High	Low
Apr-16	64.00	53.10
May-16	66.50	57.20
Jun-16	65.90	57.50
Jul-16	72.00	62.40
Aug-16	72.30	59.80
Sep-16	75.40	63.60
Oct-16	72.85	65.00
Nov-16	76.85	60.10
Dec-16	64.40	59.05
Jan-17	67.00	58.20
Feb-17	74.50	52.70
Mar-17	73.50	58.15



**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 31st March 2017.**

Category	No. of Shares Held	%age of share holding
a) Promoters/persons acting in concern	13730620	63.65
b) Banks, Financial Institutions, Insurance Companies	6666	0.03
c) NRIs	96132	0.44
d) Other Corporate bodies	772488	3.57
e) Indian Public	7005454	32.43
<b>Total</b>	<b>21611360</b>	<b>100.00</b>

**H. Distribution of shareholding as on 31st March 2017**

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
1	2	3	4	5
Upto 5,000	11094	96.92	7275560	16.83
5001 10,000	184	1.61	1411616	3.27
10001 20,000	84	0.73	1210386	2.80
20001 30,000	23	0.20	566872	1.31
30001 40,000	9	0.08	332574	0.77
40001 50,000	9	0.08	394254	0.91
50001 1,00,000	16	0.14	1194358	2.76
1,00,001 And above	28	0.24	30837100	71.34
<b>Total</b>	<b>11447</b>	<b>100.00</b>	<b>43222720</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 91.58% of total equity share capital is held in dematerialized form upto 31.03.2017 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

<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: <b>1. 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> <b>2. 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>	<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.  For and on behalf of the Board  <b>R K Rajgarhia</b> Chairman DIN : 00141766  Place : New Delhi Dated : August 11, 2017
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## 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, for the year ended March 31, 2017 as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015').

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

New Delhi  
August 11, 2017

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

## 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:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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:
- No significant changes in internal control over financial reporting during the year;
  - No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 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 24, 2017

**C. S. Vijay**  
CFO

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

This is to confirm that the Company has adopted a Code of Conduct for its employees 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.

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

For and on behalf of the Board

Place: New Delhi  
Date: May 12, 2017

**Hari Ram Sharma**  
**Managing Director**  
**DIN : 00178632**

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**Introduction**

Management Discussion and Analysis mainly comprise 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 the Technology Upgradation Fund Scheme (TUFS) announced by the Government of India for new investments in the textile sector. However, under the Amended Technology Upgradation Fund Scheme (ATUFS) the capital investment subsidy is not available to spinning sector. The pace of investments was not higher than the previous years due to reduced yarn export and continuous downward trend of crude oil price during the year 2016-17.

With positive sentiments about consistent growth projections for India and implementation of GST from July 2017, we expect to do well in coming year.

**b) OPPORTUNITIES & THREATS**

We expect that there will be good growth potential in the apparel sector. With the growth of automobiles, demand for technical textiles will also increase. The awareness of fashion amongst the young generation is pushing up the per capita consumption of textiles in India. The Government of India has been given special incentives to the garment sector under TUF Scheme, which are all opportunities.

The fall in yarn prices, sluggish demand and short term disruptions due to implemented Good & Service Tax (GST) is a threat to the industry. Also there is a shortage of skilled / unskilled labour, which may affect 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 52976 to 55584 spindles during the Financial Year 2016-17.

The company has replaced 7632 spindles, along with other balancing machinery for modernization of plant & machinery and completed upgradation 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 has a further plan to replace 25 TFO machines, 8 Auto coners and 6 cheese winding machines with energy efficient and high production machines. This would enable the company to reduce cost of production & improve quality of its product.

The Government of India has implemented Good & Service Tax (GST) in July, 2017. This is a landmark reform and in the long run will provide significant growth stimulus to business, but may create some short term disruptions. 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 2016-17 was at Rs.19.03 crores as against Rs. 30.58 crores in the year 2015-16.

**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 2016-17, the production of synthetic blended yarn was marginally lower, i.e., 169 lakh kgs as compared to 176 lakh kgs in 2015-16. The gross revenue also decreased by 5.92% from Rs.270 crores to Rs.254 crores. This was due to a reduction in the sale volume and the prices of finished products. Net profits also reduced from Rs. 20.10 crores in 2015-16 to Rs.12.50 Crores in 2016-17, which was mainly due to the effect of demonetisation. The profitability was further effected due to an increase in the power cost.

The earnings per share for the year 2016-17 was Rs. 5.79 as compared to the previous year's Rs. 9.30.

**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

Place : New Delhi  
Dated : August 11, 2017

**R K Rajgarhia**  
**Chairman**  
**DIN: 00141766**

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## INDEPENDENT AUDITORS' REPORT

### The Members of

### APM INDUSTRIES LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **APM Industries Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2017, 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 standalone 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 standalone 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 standalone 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 standalone 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 standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2017 and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- 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 to the extent applicable.
- As required by section 143 (3) of the Act, we report that:
  - 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;
  - 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;
  - 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;
  - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- 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
- 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:
  - the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 27(a).
  - 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.
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - the Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 35 to the financial statements.

**For CHATURVEDI & CO.**

Chartered Accountants  
Firm Registration No. 302137E

**PANKAJ CHATURVEDI**

Partner  
Membership No. 091239

New Delhi  
May 12, 2017

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

The Annexure referred to in Independent Auditors' Report to the members of APM Industries on the standalone financial statements for the year ended March 31, 2017, we report that:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - These Fixed assets have been physically verified by the management during the year pursuant to a regular programme designed for physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - The title deed of immovable properties are held in the name of the Company.
- Physically verification of inventories has been conducted at reasonable interval by the management and no material discrepancies were noticed.
- According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, LLP 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.
- 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 directors are interested 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.
- 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.
- We have broadly reviewed the cost records maintained by the Company specified by the Central Government under Sub Section (1) of Section 148 of the Companies Act, 2013 and rules thereunder and are of the opinion that prima facie the prescribed cost records have been made and 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 there are no outstanding statutory due outstanding at year end for a period of 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, 2017 except sales tax demand of Rs. 2,94,483 for the year 2016-17 pending in appeal before Deputy commissioner, Commercial Taxation Department, Alwar.
- 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 did not have any debenture outstanding during the year.
- ix. According to the information and explanations given to us, the Company has not raised any 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. According to the information and explanation given to us, no 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 paid or provided managerial remuneration in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- 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 provisions of the sections 177 and 188 of the Companies Act, 2013 and have disclosed the details in the financial statements as required by the applicable accounting standard with respect to the transaction with the related parties during the year.
- 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 them. 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  
May 12, 2017

## **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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**PANKAJ CHATURVEDI**  
Partner  
Membership No. 091239

New Delhi  
May 12, 2017



**APM INDUSTRIES LIMITED**

CIN No. L21015RJ1973PLC015819

**BALANCE SHEET**

AS AT MARCH 31, 2017

PARTICULARS	Note No.	As At March 31, 2017 (Rs.)	As At March 31, 2016 (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	1,930,693,320	1,844,985,818
<b>2 Non-Current Liabilities</b>			
(a) Long Term Borrowings	3	114,073,571	51,911,271
(b) Deferred Tax Liabilities (Net)	4	120,877,108	98,698,186
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	5	256,631,787	220,359,404
(b) Trade Payables	6		
A Dues to Micro Enterprises and Small Enterprises		1,013,804	439,383
B Other Sundry Creditors		26,667,445	37,949,026
(c) Other Current Liabilities	7	228,799,605	207,588,150
(d) Short Term Provisions	8	14,037,756	14,460,077
<b>Total</b>		<b>2,736,017,116</b>	<b>2,519,614,035</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>1 (a) Fixed Assets</b>	9		
(i) Tangible Assets		1,302,034,023	1,199,562,481
(ii) Intangible Assets		870,637	1,157,980
(iii) Capital Work in Progress		28,484,892	4,873,618
(b) Non-Current Investments	10	522,329,165	480,127,796
(c) Long Term Loans and Advances	11	17,610,261	34,786,580
<b>2 Current Assets</b>			
(a) Current Investments	12	10,000,000	30,000,000
(b) Inventories	13	464,908,519	424,670,770
(c) Trade Receivables	14	275,406,084	242,001,240
(d) Cash and Bank Balances	15	15,261,136	17,290,379
(e) Short Term Loans and Advances	16	96,294,623	79,298,223
(f) Other Current Assets	17	2,817,776	5,844,968
<b>Total</b>		<b>2,736,017,116</b>	<b>2,519,614,035</b>
Significant Accounting Policies and			
Notes forming part of the financial statements			
1-38			
As per our report of even date attached		For and on behalf of the Board	
<b>For CHATURVEDI &amp; CO.</b>			
Chartered Accountants			
Firm Registration No. 302137E			
<b>(PANKAJ CHATURVEDI)</b>			
Partner			
Membership No. 091239			
<b>Place : New Delhi</b>			
<b>Date : May 12, 2017</b>			
	<b>H R SHARMA</b>	<b>K R GUPTA</b>	<b>R K RAJGARHIA</b>
	Managing Director	Director	Chairman
	DIN - 00178632	DIN - 00027295	DIN - 00141766
	<b>C S VIJAY</b>		<b>JYOTI UPADHYAY</b>
	Chief Financial Officer		Company Secretary
			Membership No. 37410

## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	Note No.	For the Year Ended March 31, 2017 (Rs.)	For the Year Ended March 31, 2016 (Rs.)
<b>INCOME</b>			
I Revenue from Operations	18	2,497,963,734	2,659,853,580
II Other Income	19	43,826,816	41,857,840
III <b>Total Revenue (I + II)</b>		<u>2,541,790,550</u>	<u>2,701,711,420</u>
<b>IV Expenses:</b>			
Cost of Materials Consumed	20	1,465,649,987	1,508,741,150
Changes in Inventories of Finished Goods and Work-in-Progress	21	(82,199,341)	5,616,732
Employee Benefits Expenses	22	345,552,119	334,264,180
Finance Costs	23	22,961,008	15,235,092
Depreciation and Amortization Expenses	24	42,041,104	29,588,588
Other Expenses	25	557,442,685	502,472,726
<b>Total Expenses</b>		<u>2,351,447,562</u>	<u>2,395,918,468</u>
V <b>Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		190,342,988	305,792,952
VI Exceptional Items		-	-
VII <b>Profit before Extraordinary Items and Tax (V-VI)</b>		190,342,988	305,792,952
VIII Extraordinary Item		-	-
IX <b>Profit before tax (VII-VIII)</b>		<u>190,342,988</u>	<u>305,792,952</u>
X <b>Tax Expenses</b>			
Current Tax		43,100,000	99,600,000
Deferred Tax		22,178,922	6,650,214
Earlier Year Tax Adjustment		21,209	(1,406,904)
XI <b>Profit for the year (IX-X)</b>		<u>125,042,857</u>	<u>200,949,642</u>
Earning per equity share of face value of Rs. 2/- each:			
Basic and Diluted	34	5.79	9.30
Significant Accounting Policies and Notes forming part of the financial statements	1-38		

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**  
Managing Director  
DIN - 00178632

**K R GUPTA**  
Director  
DIN - 00027295

**R K RAJGARHIA**  
Chairman  
DIN - 00141766

**(PANKAJ CHATURVEDI)**  
Partner  
Membership No. 091239

**C S VIJAY**  
Chief Financial Officer

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

**Place : New Delhi**  
**Date : May 12, 2017**

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year before Taxation	190,342,988	305,792,952
Adjustments for		
Depreciation and amortisation	42,041,104	29,588,588
Excess Provision Written Back	(7,657,552)	(20,312,822)
(Profit)/ Loss on Sale of Fixed Assets	(1,535,494)	(4,623,634)
Provision for doubtful advances	-	6,000,000
Profit on Sale of Units of Mutual Fund/Shares	(21,180,395)	(49,880)
Interest & Finance Charges	22,961,008	15,235,092
Interest Income	(12,674,707)	(13,591,107)
Dividend Income	(487,482)	(1,119,556)
<b>Operating profit before working capital changes</b>	<b>211,809,470</b>	<b>316,919,634</b>
<b>Changes in assets and liabilities</b>		
(Increase)/Decrease in Inventories	(40,237,750)	(24,597,932)
(Increase)/Decrease in Trade Receivables	(33,266,271)	(6,134,671)
(Increase)/Decrease in Loans and Advances	(13,405,767)	39,525,868
Increase/(Decrease) in Current Liabilities	(6,081,205)	702,828
<b>Cash generated from operations activities</b>	<b>118,818,477</b>	<b>326,415,727</b>
Taxes Paid	47,207,053	96,841,146
<b>Net cash provided by operating activities</b>	<b>71,611,424</b>	<b>229,574,581</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(151,235,811)	(68,455,113)
Sale of Fixed Assets	2,335,629	5,912,179
Investment in Subsidiary	(20,000,000)	-
Purchase of investments (net)	18,979,026	(184,338,000)
Dividend received	487,482	1,119,556
Interest Received	13,225,667	12,880,420
<b>Net cash used in investing activities</b>	<b>(136,208,007)</b>	<b>(232,880,958)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in Long Term borrowings	89,493,906	(6,038,770)
Increase/(decrease) in Working Capital and other borrowings	36,272,383	148,689,924
Dividend and Corporate Dividend Tax Paid	(41,267,009)	(126,770,943)
Interest and finance charges paid	(21,931,940)	(15,235,092)
<b>Net cash provided by financing activities</b>	<b>62,567,340</b>	<b>645,119</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>(2,029,243)</b>	<b>(2,661,258)</b>
Cash and cash equivalents at the beginning of the year	17,290,379	19,951,637
Cash and cash equivalents at the end of the year	15,261,136	17,290,379

### Notes

- The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on cash Flow Statement notified in the Companies (Accounting Standard) Rules 2006.
- 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	224,893	307,657
Cheques in Hand		
Balances with Banks		
- In Current Accounts	3,086,174	2,074,894
- In Fixed Deposits with less than 3 months maturity	-	1,026,105
- In Unclaimed Dividend Account	11,950,069	13,881,723
	<b>15,261,136</b>	<b>17,290,379</b>

Notes 1-38 forming 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

### (PANKAJ CHATURVEDI)

Partner  
Membership No. 091239

Place : New Delhi

Date : May 12, 2017

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

**C S VIJAY**  
Chief Financial Officer

**K R GUPTA**  
Director  
DIN - 00027295

**R K RAJGARHIA**  
Chairman  
DIN - 00141766

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

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## NOTES FORMING PART OF THE BALANCE SHEET AS ON MARCH 31, 2017

NOTE NO.	As At March 31, 2017 (Rs.)	As At March 31, 2016 (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 as 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 Equity Shareholders holding more than 5 % Shares in the Company :		
<b>Name</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>% Held</b>	<b>Number of Shares</b>	<b>% Held</b>
<b>Equity Shares of Rs. 2/- each fully paid-up</b>		
Rajendra Kumar Rajgarhia	17.81	3,850,000
Faridabad Paper Mills Limited	12.82	2,770,000
Ajay Rajgarhia	10.41	2,250,000
Prabha Rajgarhia	7.40	1,600,000
Rajgarhia Leasing and Financial Services Pvt. Ltd.	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 share 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. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to their share holdings.		
<b>2 RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
Balance at the beginning and end of the year	31,000	31,000
<b>General Reserve</b>		
Balance at the beginning of the year	698,652,868	648,652,868
Add: Transfer from Surplus	—	50,000,000
<b>Closing Balance</b>	698,652,868	698,652,868
<b>Revaluation Reserve (Refer note 9.1)</b>		
Balance at the beginning of the Year	639,455,724	649,447,220
Less: Transferred to Surplus	9,991,496	9,991,496
<b>Closing Balance</b>	629,464,228	639,455,724
<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	482,534,301	422,622,842
Add: Transferred from Statement of Profit and Loss	125,042,857	200,949,642
Add: Transferred from Revaluation Reserve	9,991,496	—
	617,568,654	623,572,484
Less : Appropriations		
Transferred to General Reserve	—	50,000,000
Interim Dividend (Refer Note 2.1)	32,417,040	75,639,760
Tax on Dividend (Refer Note 2.1)	6,918,315	15,398,423
<b>Total</b>	39,335,355	141,038,183
<b>Balance at the end of the year</b>	578,233,299	482,534,301
<b>Total</b>	1,930,693,320	1,844,985,818
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 11.11.2016 and paid on 28.11.2016.		
2.2 The Company recommended final dividend @ Rs. 0.50 per equity share (i.e. 25% on face value of Rs. 2/- per share) in its Board Meeting held on 12.05.2017, subject to approval of shareholders.		

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

NOTE NO.	As At March 31, 2017 (Rs.)	As At March 31, 2016 (Rs.)
<b>3 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Secured Term Loan from Banks	114,073,571	51,911,271
<b>Total</b>	<b>114,073,571</b>	<b>51,911,271</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 Lakhs)</b>		
Term Loans from Banks amounting to Rs. 1,75,15,630/- (March 31, 2016 Rs. 2,33,15,630)	Repayable in 32 quarterly instalments from October 2011 along with interest at the rate of 12.15% p.a.	
<b>b Punjab National Bank (Rs. 163 Lakhs)</b>		
Term Loans from Banks amounting to Rs. 38,22,772/- (March 31, 2016 Rs. 63,35,795)	Repayable in 20 quarterly instalments from June 2014 along with interest at the rate of 11.35% p.a.	
<b>c HDFC Bank (Rs. 750 Lakhs)</b>		
Term Loans from Banks amounting to Rs. 7,02,31,462/- (March 31, 2016 Rs. NIL)	Repayable in 16 equally quarterly instalments from Sept. 2017 alongwith interest at the rate of 10.05% p.a.	
<b>3.1.2</b> Following Term Loan from bank 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 Lakhs)</b>		
Term Loans from Banks amounting to Rs. 6,55,84,459/- (March 31, 2016 Rs. 3,14,49,067/-)	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>3.1.3</b> Secured long term loans aggregating to Rs 15,71,54,323/- (March 31, 2016 Rs. 6,76,60,417/-) are guaranteed by the Chairman.		
<b>3.2</b> The Long Term borrowing shown above is net of Rs. 4,30,80,752/- (March 31, 2016 Rs. 1,57,49,146) current maturities, which is shown under note no.7		
<b>4 DEFERRED TAX LIABILITIES (NET)</b>		
The Breakup of Deferred tax liabilities and assets is as under :		
<b>Deferred Tax Liabilities</b>		
Timing difference on Fixed assets' Depreciation & Amortization	126,967,494	107,393,364
<b>Deferred Tax Assets on Account of</b>		
Employee benefits	5,748,599	6,228,831
Doubtful Debts	341,787	2,466,347
<b>DEFERRED TAX LIABILITIES (NET)</b>	<b>120,877,108</b>	<b>98,698,186</b>

**APM INDUSTRIES LIMITED**  
CIN No. L21015RJ1973PLC015819

NOTE NO.	As At March 31, 2017 (Rs.)	As At March 31, 2016 (Rs.)
<b>5 SHORT TERM BORROWINGS</b>		
<b>Secured :</b>		
Working Capital Loans from banks ( <i>Refer Note 5.1 &amp; 5.2</i> )	217,158,203	183,874,907
<b>Unsecured</b>		
Demand Loan from related party ( <i>Refer Note 30.D</i> )	39,473,584	36,484,497
<b>Total</b>	<u>256,631,787</u>	<u>220,359,404</u>
<p><b>5.1</b> Working capital loans of Rs. 9,41,32,021/- 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 of the Company.</p> <p><b>5.2</b> Working capital loans of Rs. 12,30,26,182/- is secured by investment in units of Mutual Funds and Tax Free Bonds.</p>		
<b>6 TRADE PAYABLES</b>		
Dues to Micro Enterprises and Small Enterprises ( <i>Refer Note 28</i> )	1,013,804	439,383
Other Sundry Creditors	26,667,445	37,949,026
<b>Total</b>	<u>27,681,249</u>	<u>38,388,409</u>
<b>7 OTHER CURRENT LIABILITIES</b>		
<u>Current Maturities of long Term Debts</u>		
From Banks ( <i>Refer Note 3.2</i> )	43,080,752	15,749,146
Interest accrued but not due	1,158,290	129,222
Advance from Customers	698,729	533,152
Unpaid Dividend ( <i>Refer note 7.1</i> )	11,950,069	13,881,723
Payable for purchase of fixed assets	4,601,797	280,000
Other Payables		
i. Employee benefits Payable	50,950,347	52,626,304
ii. Statutory Dues Including Provident Fund and Tax Deducted At Source	5,315,895	5,691,180
iii. Security deposits	644,848	588,695
iv. Other payables	110,398,878	118,108,728
<b>Total</b>	<u>228,799,605</u>	<u>207,588,150</u>
<p><b>7.1</b> There are no amounts due for payment to The Investor Education and protection Fund under section 125 of the Companies Act, 2013.</p>		
<b>8 SHORT TERM PROVISIONS</b>		
<b>Provision for Employee Benefits (<i>Refer note 32</i>)</b>		
For Gratuity	14,037,756	11,713,215
For Leave Encashment	—	—
<b>Other Provisions</b>		
For Income Tax (Net of Advances)	—	2,746,862
<b>Total</b>	<u>14,037,756</u>	<u>14,460,077</u>

**APM INDUSTRIES LIMITED**  
CIN No. L21015RJ1973PLC015819

NOTE 9 :- FIXED ASSETS																																
PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK																								
	As At April 1, 2016 (Rs.)	Additions during the year (Rs.)	Sales/ Adjustments (Rs.)	As At March 31, 2017 (Rs.)	Upto Mar. 31, 2016 (Rs.)	For the year (Rs.)	Sales/ Adjustments (Rs.)	Other Adjustments (Rs.)	Upto March 31, 2017 (Rs.)	As At March 31, 2017 (Rs.)	As At March 31, 2016 (Rs.)																					
Tangible Assets (A)																																
(I) Own Assets																																
Building	145,507,354	2,034,263		147,541,617	50,643,214	3,685,837			54,329,051	93,212,566	94,864,140																					
Plant & Equipments	1,019,000,647	140,045,271	8,173,133	1,150,872,785	623,353,645	21,682,955	7,607,253		637,429,347	513,443,438	395,647,002																					
Power Generation Unit	127,024,760			127,024,760	83,390,943	1,393,859			84,784,802	42,239,958	43,633,817																					
Furniture & Fixtures	20,762,397	779,726		21,542,123	13,354,559	1,019,698			14,374,257	7,167,866	7,407,838																					
Office Equipments	14,841,237	467,949	2,184	15,307,002	12,049,533	911,657	2,184		12,959,006	2,347,996	2,791,704																					
Vehicles	23,439,161	1,496,999	981,007	23,955,153	8,120,743	2,860,844	746,752		10,234,835	13,720,318	15,318,418																					
Total (I)	1,350,575,556	144,824,208	9,156,324	1,486,243,440	790,912,637	31,554,850	8,356,189	-	814,111,298	672,132,142	559,662,919																					
(II) Asset on Lease																																
Lease hold Land	720,000,000	-	-	720,000,000	80,100,438	9,997,681	-		90,098,119	629,901,881	639,899,562																					
Total Tangible Assets ( I + II )	2,070,575,556	144,824,208	9,156,324	2,206,243,440	871,013,075	41,552,531	8,356,189	-	904,209,417	1,302,034,023	1,199,562,481																					
For previous year	2,036,688,651	56,859,799	22,972,894	2,070,575,556	853,800,063	38,897,361		-	871,013,075	1,199,562,481																						
Intangible Assets (B)																																
Computer Software	8,519,172	201,230		8,720,402	7,361,192	488,573			7,849,765	870,637	1,157,980																					
For previous year	8,519,172	-		8,519,172	6,678,469	682,723			7,361,192	1,157,980	1,840,703																					
Grand Total (A+B)	2,079,094,728	145,025,438	9,156,324	2,214,963,842	878,374,267	42,041,104	8,356,189	-	912,059,182	1,302,904,660	1,200,720,461																					
For previous year	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																						
Note 9.1																																
(a) Lease hold land was revalued as on 12.05.2008 by an external valuer at the prevailing market value which resulted in a net increase of Rs. 719,387,692.																																
(b) Depreciation for the Year ended 31.03.17 Rs. 4,20,41,104/- includes Amortisation on revalued lease hold land Rs. 99,91,496/-																																
(c) Capitalization during the year includes interest of Rs. 56,25,218/-																																
<div>Capital work-in-progress:</div> <table><tr><td>Building</td><td>14,342,437</td><td>-</td></tr><tr><td>Plant &amp; Machinery</td><td>14,142,455</td><td>3,119,471</td></tr><tr><td>Office Equipment</td><td>-</td><td>-</td></tr><tr><td>Vehicle</td><td>-</td><td>-</td></tr><tr><td>Pre-Operative Exp.</td><td>-</td><td>1,754,147</td></tr><tr><td>Total</td><td>28,484,892</td><td>4,873,618</td></tr><tr><td>GRAND TOTAL</td><td>1,331,389,552</td><td>1,205,594,079</td></tr></table>												Building	14,342,437	-	Plant & Machinery	14,142,455	3,119,471	Office Equipment	-	-	Vehicle	-	-	Pre-Operative Exp.	-	1,754,147	Total	28,484,892	4,873,618	GRAND TOTAL	1,331,389,552	1,205,594,079
Building	14,342,437	-																														
Plant & Machinery	14,142,455	3,119,471																														
Office Equipment	-	-																														
Vehicle	-	-																														
Pre-Operative Exp.	-	1,754,147																														
Total	28,484,892	4,873,618																														
GRAND TOTAL	1,331,389,552	1,205,594,079																														

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

NOTE No.	Particulars		As At March 31, 2017 Rs.	As At March 31, 2016 Rs.
<b>10 NON-CURRENT INVESTMENTS</b>				
<b>In Government securities (Valued at Cost)</b>				
a)	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, 2017 (Rs.)	As at March 31, 2016 (Rs.)
		Nos		Nos
I	<b>Investment in Subsidiary (Unquoted Trade Investment, Valued at cost)</b>			
	APM Finvest Limited	10	2,000,000	-
			20,000,000	-
II	<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
	<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
	<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.			
III	<b>Other Investments</b>			
	<b>Investment in Equity Instruments (Quoted, value at cost)</b>			
	Bhilwara Spinners Ltd.	10	100	100
	Deepak Spinners Ltd.	10	100	100
	G.S.L. (India) Ltd.	10	50	50
	Hind Syntex Ltd.	10	-	100
	Visaka Industries Ltd.	10	-	10
	Indo Rama Synthetics (I) Ltd.	10	-	10
	Spentex Industries Ltd.	10	-	9
	Rajasthan Spng. & Wvg. Mills. Ltd.	10	-	195
	Sangam India Ltd.	10	-	158
	Shree Rajasthan Syntex Ltd.	10	-	50
	State Bank of Bikaner & Jaipur	10	12,200	12,200
	GVK Power & Infrastructure Ltd.	1	-	5,000
	Indian Oil Corporation Limited	10	14,000	-
			4,164,948	-
			6,035,675	2,034,306
IV	<b>Investment in Tax Free Bonds (Unquoted, value at cost)</b>			
	IIFCL Tax Free Bond	1000	-	-
	HUDCO Tax Free Bond	1000	-	-
	NAHI BONDS 2015	1000	5,714	5,714
	IREDA PUBLIC ISSUE II	1000	13,624	13,624
			19,338,000	79,338,000
IV	<b>Investment in Mutual Funds (unquoted, valued at cost)</b>			
	BIRLA SUN LIFE SHORT TERM OPPORTUNITIES FUND	10	721,567	721,567
	BIRLA SUNLIFE MIP-II-WEALTH 25-GROWTH	10	1,059,565	1,059,565
	BIRLA SUNLIFE DYNANIC BOND FUND	10	1,006,386	1,006,386
	BIRLA SUNLIFE MEDIUM TERM PLAN	10	506,466	-
	BIRLA SUNLIFE BALANCE FUND	10	3,798	2,500,000
	BNP PARTIES FLEXI DEBT FUND	10	544,624	544,624
	DSP BLACK ROCK EMERGING STAR FUND	10	1,000,000	500,000
	DSP BLACK ROCK FMP-SERIES-192	10	1,000,000	1,000,000
	DSP BLACK ROCK COR FUND	10	670,000	6,700,000
	DSP BLACK ROCK BALANCE FUND	10	19,410	2,500,000
	EDELWEISS NCD K7C501A (IIFL)	10	1,000,000	1,000,000
	EDELWEISS NCD K7C501B (IIFL)	10	1,000,000	1,000,000
	EDELWEISS-EFIL SERIES-17L504B	100,000	50	50
	FRANKLIN INDIA BALANCED FUND (G)	10	-	164,822
	FRANKLIN INDIA HIGH GROWTH COMPANIES FUND	10	183,171	183,171
	FRANKLIN INDIA PRIMA PLUS	10	5,439	2,500,000
	FOREFRONT (PMS) RELIGARE	10	1,000,000	-
	HDFC CORPORATE DEBT OPPORTUNITIES FUND	10	1,334,643	15,000,000
	HDFC MIP LONG TERM	10	581,602	581,602
	HDFC PRUDENCE FUND	10	26,019	13,523
	HDFC BALANCED FUND	10	89,802	10,000,000
	HDFC FMP SEWRIES-37	10	2,000,000	20,000,000
	ICICI PRUDENTIAL BALANCED FUND	10	101,563	10,000,000
	ICICI PRUDENTIAL SHORT TERM PLAN	10	1,656	49,880
	ICICI PRUDENTIAL VALUE DISCOVERY FUND	10	21,309	2,500,000
	ICICI PRUDENTIAL FMP SERIES 79-1104	10	1,000,000	10,000,000
	INDIA INFOLINE FINANCE LTD.	10	-	-
	INDIA INFOLINE FINANCE LTD.	10	-	1,000,000
	IIFL SPECIAL OPPORTUNITIES FUND	10	250,000	2,500,000
	KOTAK INCOME OPPOTUNITIES FUND	10	1,160,369	20,000,000
	MOTI LAL OSWAL FOCUSED GROWTH FUND	10	650,000	6,500,000
	OBC MPL-ALL CAP STRATEGY	10	1,000,000	10,000,000
	RELIANCE DYNAMIC BOND FUND	10	1,595,670	30,000,000
	RELIANCE FIXED HORIZON FUND-SERIES-XXVI	10	1,000,000	1,000,000
	RELIANCE FIXED HORIZON FUND-XXX SERIES	10	1,000,000	1,000,000
	RELIANCE FIXED HORIZON FUND-XXXI- SERIES	10	1,000,000	10,000,000
	RELIANCE FIXED HORIZON FUND-XXIX	10	1,000,000	10,000,000
	RELIANCE DEBT PLUS HYBRID OPINION	10	-	1,000,000
	RELIANCE MONTHLY INCOME PLAN	10	470,890	15,000,000
	RELIANCE MONTHLY INCOME PLAN	10	301,592	10,000,000
	RELIANCE REGULAR SAVING FUND BALANCE	10	121,737	5,000,000
	RELIANCE YIELD MAXIMISER	10	2,000,000	20,000,000
	RELIANCE CORPORATE BOND FUND	10	761,441	10,000,000
	SBI BLUE CHIP FUND -GROWTH	10	180,663	5,000,000
	TATA BALANCED FUND (G)	10	-	88,582
	UTI-GILLT ADVANTAGE FUND	10	-	327,561
	UTI DYNAMIC BOND FUND	10	303,335	5,000,000
	L & T RESURGENT CORPORATE BOND FUND	10	834,390	10,000,000
	<b>Total</b>		<b>453,249,880</b>	<b>375,049,880</b>
	<b>Grand Total</b>		<b>522,329,165</b>	<b>480,127,796</b>
<b>Note</b>				
Units of Mutual funds are pledged against working capital loan taken from Bank.				
Aggregate amount of quoted Investments			6,035,675	2,034,306
Market Value of Quoted Investments			14,836,920	6,273,866
Aggregate amount of unquoted Investments			516,293,490	478,093,490
Net asset value of units of Mutual Funds			535,978,766	475,284,687
Aggregate Provision for diminution in Value of Investments			-	-



# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

Note No.		As At March 31, 2017 Rs.		As At March 31, 2016 Rs.
<b>11 LONG TERM LOANS AND ADVANCES</b>				
<b>Loans and Advances</b>				
(Un-secured & Considered Good, Unless otherwise stated)				
Capital Advances {Refer Note 27 (b)}		2,682,998		20,083,899
Security Deposits		10,359,016		11,473,416
Advance Income Tax (net)		4,568,247		3,229,265
<b>Total</b>		<b>17,610,261</b>		<b>34,786,580</b>
<b>12 CURRENT INVESTMENTS</b>				
	Face Value	No. of Units	As At March 31, 2017 Rs.	Face Value No. of Units As At March 31, 2016 Rs.
Current maturity of long term investments valued at cost or NRV (whichever is lower)				
<b>Unquoted</b>				
Units of Mutual Funds			-	10 2000000 20,000,000
IIFL-FMP Series-6			-	-
RELIANCE DEBT PLUS HYBRID OPINION	10	1000000	10,000,000	-
<b>OTHER CURRENT INVESTMENT</b>				
IIFL PREFERENCE SHARES			-	10 1000000 10,000,000
<b>Total</b>			<b>10,000,000</b>	<b>30,000,000</b>
Aggregate amount of quoted Investments			-	-
Aggregate amount of unquoted Investments			10,000,000	30,000,000
Market & NAV Value of unquoted Investments			10,000,000	36,241,800
Aggregate Provision for diminution in Value of Investments			-	-
<b>13 INVENTORIES {Refer Note 26(h)}</b>				
(As taken, valued and certified by the management)				
Raw Materials			124,907,873	153,646,768
Work-in-Progress			51,857,012	47,535,218
Finished Goods (Refer Note 33A)			277,889,853	212,984,434
Stores and Spares			10,253,781	10,504,350
<b>Total</b>			<b>464,908,519</b>	<b>424,670,770</b>
<b>14 TRADE RECEIVABLES</b>				
<b>Outstanding for a period exceeding six months from the due date</b>				
Unsecured, Considered Good			44,045,398	25,604,414
Unsecured, Considered Doubtful			987,538	1,126,111
			45,032,936	26,730,525
Less: Provision for Doubtful debts			987,538	1,126,111
			44,045,398	25,604,414
<b>Others</b>				
Unsecured, Considered Good			231,360,686	216,396,826
<b>Total</b>			<b>275,406,084</b>	<b>242,001,240</b>
<b>15 CASH AND BANK BALANCES</b>				
<b>Cash and Cash Equivalents</b>				
Cash in Hand			224,893	307,657
Balances With Banks:-				
- In Current / Cash Credit Accounts			3,086,174	2,074,894
			3,311,067	2,382,550
<b>Other Bank Balances</b>				
- In Unpaid dividend accounts			11,950,069	13,881,723
- In Deposit Accounts with less than 3 months maturity *			-	1,026,105
			11,950,069	14,907,828
<b>Total</b>			<b>15,261,136</b>	<b>17,290,379</b>
* Includes Rs.NIL(Previous Year : 10,26,105) Margin Money deposite against guarantees.				
<b>16 SHORT TERM LOANS AND ADVANCES</b>				
(Un-secured & Considered Good, Unless otherwise stated)				
Loans and Advances to Subsidiary			383,910	-
<b>Unsecured Loans</b>				
Unsecured, Considered Good			47,500,000	50,000,000
Unsecured, Considered Doubtful			-	6,000,000
			47,883,910	56,000,000
Less: Provision for Doubtful Loans			-	6,000,000
			47,883,910	50,000,000
<b>Other loans and advances</b>				
- Prepaid Expenses			3,400,505	3,312,072
- CENVAT/VAT Credit Receivable			34,810,616	18,097,424
- Others advance for supply of goods and rendering of services			10,199,592	7,888,726
<b>Total</b>			<b>96,294,623</b>	<b>79,298,223</b>
16.1 The Company has given advances to 3 parties ranging from Rs. 75,00,000 to Rs. 3,00,00,000 for 90 days to 182 days at interest rate of 13.75% to 16% p.a.				
<b>17 OTHER CURRENT ASSETS</b>				
(Un-secured & Considered Good, Unless otherwise stated)				
Interest Accrued			1,589,679	2,140,639
Claim and other receivable			1,228,097	3,704,329
<b>Total</b>			<b>2,817,776</b>	<b>5,844,968</b>

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

Note No.	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
<b>18 REVENUE FROM OPERATIONS</b>		
Sale of products (Gross)	2,456,601,082	2,622,405,824
Other Operating Revenues :		
-Sales of Scrap	18,044,487	19,617,540
-Interest from customers on account of overdue receivables	22,989,184	19,523,858
-Job Work and other incentives	1,477,786	350,427
Sub total	2,499,112,539	2,661,897,649
Less : Excise Duty	(1,148,805)	(2,044,069)
<b>Revenue from Operations (Net)</b>	<b>2,497,963,734</b>	<b>2,659,853,580</b>
<b>19 OTHER INCOME</b>		
Interest received from Banks	25,275	82,750
Interest received from Others	7,541,946	8,356,299
Interest received from Tax Free Bond	5,107,486	5,152,058
Dividend received on investments	487,482	1,119,556
Liabilities/Provisions no longer required, written back	7,657,552	21,121,112
Gains on Foreign currency transactions (Net)	-	46,305
Profit on Sale of Fixed Assets	1,535,494	4,623,634
Miscellaneous Income	291,186	1,306,246
Profit on Sale of Units of Mutual Fund/Shares	21,180,395	49,880
<b>Total</b>	<b>43,826,816</b>	<b>41,857,840</b>
<b>20 COST OF MATERIALS CONSUMED {Refer note 33(b)}</b>		
Raw Materials Consumed		
Inventory at the beginning of the year	153,646,768	122,677,802
Add: Purchases (net)	1,436,911,092	1,539,710,116
Less: inventory at the end of the year	124,907,873	153,646,768
<b>Cost of Raw Materials consumed during the year</b>	<b>1,465,649,987</b>	<b>1,508,741,150</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	277,889,853	212,984,434
Work-in-Progress	51,857,012	47,535,218
<b>Total B</b>	<b>329,746,865</b>	<b>260,519,652</b>
Add: Adjustment of excise duty on opening stock of finished goods (C)	12,972,128	-
<b>Change in inventories (A-B-C)</b>	<b>(82,199,341)</b>	<b>5,616,732</b>
<b>Note:</b> Adjustment of excise duty in opening finished goods is done as the company has opted exemption on excise duty on finished goods.		
<b>22 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and other benefits	307,000,758	294,353,830
Contribution to Provident and other Funds	22,823,503	23,409,104
Staff Welfare Expenses	15,727,858	16,501,246
<b>Total</b>	<b>345,552,119</b>	<b>334,264,180</b>
<b>23 FINANCE COSTS</b>		
Interest Expense	21,961,990	14,492,299
Other Borrowing costs	999,018	742,793
<b>Total</b>	<b>22,961,008</b>	<b>15,235,092</b>

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

Note No.	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
<b>24 DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation and Amortization ( <i>Refer Note - 9</i> )	42,041,104	39,580,084
Less: Withdrawn from Revaluation Reserve ( <i>Refer Note - 2</i> )	—	9,991,496
	<u>42,041,104</u>	<u>29,588,588</u>
<b>25 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Consumption of Stores and Spare Parts	44,393,912	40,553,417
Packing Material	33,201,735	35,046,532
Power and Fuel	345,300,805	292,409,062
Repairs to Machinery	39,971,245	32,721,067
Repairs to Building	995,851	3,700,736
Variance in Excise duty on Finished Goods	—	(727,326)
	<u>463,863,548</u>	<u>403,703,488</u>
<b>Selling and Distribution Expenses</b>		
Freight and Forwarding Expenses	29,537,653	28,299,724
Brokerage and Commission	11,597,755	14,080,972
	<u>41,135,408</u>	<u>42,380,696</u>
<b>Establishment Expenses</b>		
Legal and Professional Fees	3,526,989	4,038,557
Rent	2,959,416	2,856,980
Rates and Taxes	1,495,484	1,287,747
Repairs to Others	1,429,334	1,656,887
Insurance	1,949,421	1,904,136
Travelling Expenses	1,975,274	1,170,214
Payment to Auditors ( <i>Refer note 31</i> )	720,003	623,980
Printing & Stationary	1,876,341	1,857,945
Vehicle Running Expenses	1,781,523	1,751,311
Computer Maintenance	601,456	845,873
Charity and Donation	195,000	3,100
Communication Expenses	2,056,269	2,335,898
Electricity & Water Charges	531,090	536,532
Membership Fee & Subscription	311,468	229,323
General Expenses	2,726,573	2,403,509
Provision for doubtful Debts	—	6,000,000
Director Remuneration & Sitting Fees	18,271,456	19,706,788
CSR Expenses ( <i>Refer note 25A</i> )	7,438,325	4,145,443
Pollution Control Expenses	2,598,307	3,034,319
	<u>52,443,729</u>	<u>56,388,542</u>
<b>Total</b>	<u>557,442,685</u>	<u>502,472,726</u>
<b>25A DISCLOSURE RELATED TO CSR EXPENDITURE DURING THE YEAR</b>		
A Gross amount required to be spent by the company during the year		
(i) Required to be spent for the year	6,155,343	6,334,541
(ii) Unspent balance of carried over of earlier year	2,189,098	—
	<u>8,344,441</u>	<u>6,334,541</u>
B Expenditure incurred during the year		
(i) Construction/acquisition of any Assets	5,730,827	2,151,319
(ii) On purpose other than (i) above	1,707,498	1,994,124
<b>Total</b>	<u>7,438,325</u>	<u>4,145,443</u>
Unspent balance carry forward	906,116	2,189,098

## **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**  
These financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial reporting Authority, the existing accounting standard notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with accounting standards notified under Companies (Accounting Standards) Rules, 2006, [as amended] and the other relevant provisions of the Companies Act, 2013. The accounting policy applied by the company are consistent with those used in previous year, unless and otherwise stated.
- c) **Use of estimates**  
The preparation of Financial Statements requires estimates and assumption to be made that affect the reported amount of the assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.
- d) **Operating Cycle and Current versus non-current classification**  
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.  
An asset is treated as current when it (a) Expected to be realised or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or (c) Expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.  
A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.  
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.
- e) **Fixed Assets**  
Fixed assets are stated at their cost of acquisition or construction except lease hold land at revalued amount less accumulated depreciation/ amortisation. 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.
- f) **Depreciation**  
i) Depreciation on Tangible assets is provided on straight line method at the rates and in the manner specified in the schedule II of the companies Act, 2013 in accordance with the provisions of section 123(2) of the Companies Act, 2013. The useful lives of assets are 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 leasehold land, amortization is calculated on revalued carrying amount over its remaining lease period and recognized in the statement of profit and loss.
- g) **Investments**  
Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are valued at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non-current investments.
- h) **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 is inclusive of Excise Duty wherever applicable, cost of stores and spares is net of CENVAT credit, wherever applicable. Cost of finished goods includes direct cost & factory overheads. The Company has made provision for cost of obsolescence or depletion in value, wherever applicable. Material purchased on ex-plant basis but not received till the date of Balance Sheet is considered as goods in transit.
- i) **Revenue Recognition**  
i) Revenue from sales is recognized on dispatch of goods from the factory/depot. Sales are inclusive of excise duty but exclusive of sales tax, cash discount, quantity discount, trade discount & rebate & claims.  
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 units of mutual funds/bonds/shares are accounted on transfer of ownership.
- j) **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 statement of profit and loss 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.
- k) **Employee Benefits**  
i) The contribution towards Provident Fund is made to the Statutory Authorities and is charged to the statement of profit and loss account.  
ii) Liability towards un-availed 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').

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- l) **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.
- m) **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".
- n) **Leases**  
Finance leases or similar arrangement, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased items to the company are capitalized and disclosed as leased assets. Lease charges are charged directly charged to Statement of Profit and Loss.  
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 Statement of Profit and Loss on a basis, which reflect the time pattern of such payment appropriately.
- o) **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.
- p) **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 Statement of Profit & Loss in the year of change.
- q) **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 Statement of Profit & Loss or are deducted in reporting the related expenses.
- r) **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.
- s) **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.
- t) **Contingent Liabilities**  
Contingent liabilities are determined on the basis of available information and are disclosed by way of Notes to Accounts. Contingent assets are not recognized in the financial statements.

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

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

Particulars	Year ended	
	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
Sales Tax	294,483	2,550,809

- b. Other Commitments:

Estimated amount of contracts remaining to be executed on capital account [Net of advances Rs. 2,682,998/- (Previous Year Rs. 20,083,893/-)] not provided for Rs.174,360/- (Previous Year Rs. 32,352,130/-).

## 28. Due to Micro and Small Enterprises

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

		As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
(a)	Dues remaining unpaid as at Balance Sheet date		
	-Principal amount	1,013,804	439,383
	-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 year) but without adding the interest specified under the MSME Act	-	-
(d)	Interest accrued and remaining unpaid at the end of the accounting year.	-	-
(e)	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, for the purpose of disallowance of a deductible expenditure under section 23 of MSME Act, 2006.		

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29. The Company has incorporated a wholly owned subsidiary, APM Finvest Limited on May 13, 2016 to carry on finance and investment business and has obtained license from Reserve Bank of India on February 16, 2017 to act as Non Banking Financial Company. The Company is in process of transferring of its finance and investment business to its subsidiary after approval from members and in pursuance of the provisions of Companies Act, 2013 and other applicable law, if any.

## 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. APM FINVEST LIMITED, wholly owned subsidiary (incorporated on 13.05.2016)

B. Companies/ Body Corporate under common control

Sr. No.	Name of the Company
1.	Perfectpac Limited
2.	Rajgarhia Leasing & Financial Services Private Limited
3.	Arvind Syntex Private Limited
4.	Faridabad Paper Mills Private Limited
5.	Essvee Fiscal LLP
6.	Rovo Marketing Private Limited
7.	R K R Foundation
8.	Ram Lal Rajgarhia Memorial Trust

C. Key Management Personnel & their relatives:

Sr. No.	Name of the Person	Relationship
1.	R. K. Rajgarhia	Chairman
2.	H. R. Sharma	Managing Director & Director in Arvind Syntex Private Limited
3.	S. G. Rajgarhia	Director & Brother of Chairman
4.	Ajay Rajgarhia	Son of Chairman & Vice President
5.	Aditi Rajgarhia	Grand Daughter of Chairman
6.	Prabha Rajgarhia	Wife of Chairman

D. Related Party Transactions

(Amount in Rs.)

Particulars	Year	Subsidiary Company	Companies/ Body Corporate under common control	KMP and their Relatives	Total
<b>Income/Expense</b>					
Sales (Net of Sales Return)	2016-17		4,083,252	-	4,083,252
	2015-16		10,481,733	-	10,481,733
Purchases	2016-17		-	-	-
	2015-16		-	-	-
Interest paid	2016-17		3,154,643	-	3,154,643
	2015-16		2,454,982	-	2,454,982
Corporate Social Responsibility Expenses	2016-17		500,000	-	500,000
	2015-16		-	-	-
<b>Investment in Subsidiary</b>	2016-17	20,000,000			20,000,000
	2015-16	-			-
<b>Expenses incurred on behalf of Subsidiary</b>	2016-17	383,910			383,910
	2015-16	-			-
<b>Payment made by the Company for Rent</b>	2016-17		-	2,949,066	2,949,066
	2015-16		-	2,847,980	2,847,980
<b>Finance</b>					
Loans Repayment	2016-17		522,710,913	-	522,710,913
	2015-16		553,867,588	-	553,867,588
<b>Finance</b>					
Loans/ Advances Taken	2016-17		525,700,000	-	525,700,000
	2015-16		576,950,000	-	576,950,000
Remuneration to key Management personnel	2016-17		-	17,459,256	17,459,256
	2015-16		-	18,893,190	18,893,190
Remuneration to Others	2016-17		-	1,736,973	1,736,973
	2015-16		-	1,593,603	1,593,603
<b>Balances with related parties</b>					
Loan Taken	2016-17		39,473,584	-	39,473,584
	2015-16		36,484,497	-	36,484,497
Receivable	2016-17	383,910	-	-	383,910
	2015-16		411,411	-	411,411

E. No amount pertaining to related parties which have been provided for as doubtful debts or written off.

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

G. Disclosure of Related Party Transactions

Particulars	Year ended March 31, 2017 (Rs.)	Year ended March 31, 2016 (Rs.)
<b>Purchases</b>		
<b>Sales</b>		
Arvind Syntex Pvt Limited	4,083,252	10,481,733
<b>Interest Paid</b>		
Rajgarhia Leasing & Financial Services (P) Ltd.	3,154,643	2,454,982
<b>Rent Paid</b>		
Smt. Prabha Rajgarhia	1,065,596	979,860
Ms. Aditi Rajgarhia	159,720	159,720
Shri Ajay Rajgarhia	1,723,750	1,708,400

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## 31. Auditors Remuneration:

	Year ended March 31, 2017 (Rs.)	Year ended March 31, 2016 (Rs.)
<b>Payment to Statutory Auditors</b>		
Audit Fee	373,750	372,125
Tax audit Fee	86,250	85,875
Limited Review Fee	69,000	51,375
In other capacity		
For Certification	5,725	5,725
Reimbursement of expenses	140,658	108,880
<b>Total (A)</b>	<b>675,383</b>	<b>623,980</b>
<b>Payment to Cost Auditors</b>		
(a) Audit Fee	40,000	-
(b) Reimbursement of expenses	4,620	-
<b>Total (B)</b>	<b>44,620</b>	<b>-</b>
<b>Grand Total (A+B)</b>	<b>720,003</b>	<b>623,980</b>

## 32. Employee Benefit:

Disclosure under revised accounting standard "Employee Benefits" (AS – 15).

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, 2017		For the Year ended March 31, 2016	
	Gratuity (Rs.)	Compensated Absences (Rs.)	Gratuity (Rs.)	Compensated Absences (Rs.)
Obligations at year beginning	56,889,128	3,869,039	51,232,437	3,862,637
Service Cost - Current	4,729,277	774,853	4,582,372	868,283
Interest Cost	4,551,130	309,523	3,970,514	299,354
Actuarial (gain) / loss	606,750	(973,491)	1,938,714	2,961,645
Benefit Paid	(5,183,087)	-	(4,834,909)	(4,122,880)
Obligations at year end	<b>61,593,198</b>	<b>3,979,924</b>	<b>56,889,128</b>	<b>3,869,039</b>
<b>Change in plan assets</b>				
Plan assets at year beginning, at fair value	45,175,913	3,908,278	40,533,116	7,689,816
Expected return on plan assets	3,839,953	326,341	3,445,315	692,083
Actuarial gain / (loss)	(269,241)	(3,908)	(117,543)	(350,741)
Contributions	3,991,904	-	6,149,934	-
Benefits paid	(5,183,087)	-	(4,834,909)	(4,122,880)
<b>Plan assets at year end, at fair value</b>	<b>47,555,442</b>	<b>4,230,711</b>	<b>45,175,913</b>	<b>3,908,278</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	61,593,198	3,979,924	56,889,128	3,869,039
Fair value of the plan assets at the end of the year	47,555,442	4,230,711	45,175,913	3,908,278
<b>Liability/(Assets) recognised in the Balance Sheet</b>	<b>14,037,756</b>	<b>(250,787)</b>	<b>11,713,215</b>	<b>(39,239)</b>
<b>Defined benefit obligations cost for the year</b>				
Service Cost - Current	4,729,277	774,853	4,582,372	868,283
Interest Cost	4,551,130	309,523	3,970,514	299,354
Expected return on plan assets	(3,839,953)	(326,341)	(3,445,315)	(692,083)
Actuarial (gain) / loss	875,991	(969,583)	2,056,257	3,312,386
<b>Net defined benefit obligations cost</b>	<b>6,316,445</b>	<b>(211,548)</b>	<b>7,163,828</b>	<b>3,787,940</b>

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

Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	2017 (in %)	2017 (in %)	2016 (in %)	2016 (in %)
Discount Rate	7.50	7.50	8.00	8.00
Future salary increases	5.00	5.00	5.50	5.50
Expected return on plan assets	8.25 & 8.05	8.25	8.35 & 8.50	8.35

**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	16,857,755 (17,619,487)	1,669,542 (1,453,330)	212,984,434 (220,096,247)	1,985,648 (1,669,542)	277,889,853 (212,984,434)

**B. Raw Material Consumption:**

Class of Goods	Unit	*Quantity (In Kgs.) Year ended		Value (In Rupees) Year ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
1 Viscose Staple Fibre	Kgs	1,025,312	875,133	191,161,336	147,577,326
2 Polyester Fibre	Kgs	15,672,856	16,764,723	1,068,014,433	1,149,624,988
3 Acrylic Fibre	Kgs	898,124	812,432	101,799,168	90,538,110
4 Cotton/Cotton Waste	Kgs	66,719	64,549	3,952,694	7,676,999
5 Polyester Filament Yarn/ Jute/Nylon/Bamboo Fibre	Kgs	2,089	2,578	411,683	252,687
6 Dyes and Chemicals	Kgs			100,310,673	113,071,040
				1,465,649,987	1,508,741,150

\*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, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Man Made Fibre Spun Yarn	Kgs	16,540,515*	17,402,833*	2,456,601,082	2,622,405,824

\* Excluding shortage/wastage of 1134 kgs (442kgs)

**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, 2017		Year ended March 31, 2016	
		Value	%	Value	%
1	<b>Raw materials</b>				
	Imported	-	-	-	-
	Indigenous	1,465,649,987	100	1,508,741,150	100
	<b>Total</b>	<b>1,465,649,987</b>	<b>100</b>	<b>1,508,741,150</b>	<b>100</b>
2	<b>Stores, Spares &amp; Packing Material</b>				
	Imported	687,914	0.89	137,262	0.18
	Indigenous	76,907,733	99.11	75,462,687	99.82
	<b>Total</b>	<b>77,595,647</b>	<b>100.00</b>	<b>75,599,949</b>	<b>100.00</b>

**E. CIF value of Imports**

Particulars		Year ended March 31, 2017 (Rs.)	Year ended March 31, 2016 (Rs.)
i	Stores, Spares & Packing Materials	599,337	106,707
ii	Capital Goods	20,336,400	-
	<b>Total</b>	<b>20,935,737</b>	<b>106,707</b>



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

Particulars	Year ended March 31, 2017 (Rs.)	Year ended March 31, 2016 (Rs.)
Commission	-	140,983

**G. Earning in Foreign Exchange (FOB Basis):**4,454,4782,921,857**34. Earning Per Shares**

Particulars	Year ended March 31, 2017 (Rs.)	Year ended March 31, 2016 (Rs.)
(a) Profit After Tax for calculation of Basic and Diluted EPS	125,042,857	200,949,642
(b) Weighted average number of equity shares for calculation of EPS	21,611,360	21,611,360
(c) Basic and Diluted EPS	5.79	9.30

**35. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below :-**

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	670,000	102,078	772,078
(+) Permitted receipts	-	3,247,739	3,247,739
(-) Permitted payments #	2,000	2,821,909	2,823,909
(-) Amount deposited in Banks	668,000	-	668,000
Closing cash in hand as on 30.12.2016	-	527,908	527,908

# Mutulated notes Rs. 2,000/- written off.

**36. 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.****37. Figures of previous year have been regrouped or rearranged wherever found necessary and the same are appearing in brackets.****38. Note 1 to 37 form an integral part of the Standalone Financial Statements 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**(PANKAJ CHATURVEDI)**Partner  
Membership No. 091239

Place : New Delhi

Date : May 12, 2017

**H R SHARMA**  
Managing Director  
DIN - 00178632**C S VIJAY**  
Chief Financial Officer**K R GUPTA**  
Director  
DIN - 00027295**R K RAJGARHIA**  
Chairman  
DIN - 00141766**JYOTI UPADHYAY**  
Company Secretary  
Membership No. 37410

## **INDEPENDENT AUDITORS' REPORT**

### **The Members of**

#### **APM INDUSTRIES LIMITED**

##### **1. Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **APM INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiary (Holding company and its subsidiary together referred to as, "the group") comprising of the Consolidated Balance sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended (hereinafter referred to as "the consolidated financial statements").

##### **2. Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, 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 (as amended). The Holding Company's Board of Directors, and the Board of Directors of the subsidiary included in the Group are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiary company which is incorporated in India are responsible for maintenance of adequate accounting records; safeguarding the assets; 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

##### **3. Auditors' Responsibility**

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

##### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at March 31, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

##### **5. Others Matters**

We did not audit the financial statements of APM FINVEST LIMITED (Indian subsidiary) included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 20,612,650 as at March 31, 2017 as well as the total revenue of Rs. 974,238 and net cash inflow amounting to Rs. 20,512,803 for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

As required by section 143 (3) of the Act, and based on the Auditor's report on the respective financial statements of subsidiary, we report to the extent applicable, that.

- We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statement.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept by the Group so far as appears from our examination of those books and the reports of other auditors;
- In our opinion, the consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the auditor who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the subsidiary company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India.
- 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 explanation given to us,
  - The consolidated financial statements has disclose the impact of pending litigations on its consolidated financial position of the group in its consolidated financial statements-Refer Note 28 (a);
  - The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards for material foreseeable losses. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary.
  - the requisite disclosures in the consolidated financial statements for holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 31, 2016 have been provided with respect to holding company. There are no such holdings or dealings in the subsidiary company. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the holding Company and subsidiary company and as produced to us by the Management of the Holding and subsidiary company – Refer Note 34 to the consolidated financial statements.

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

**PANKAJ CHATURVEDI**  
Partner  
Membership No. 091239

New Delhi  
May 12, 2017

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS****1. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of APM INDUSTRIES LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiary company, which is a company incorporated in India, as of that date.

**2. Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary company, which is a company incorporated in India, 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**3. 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, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with the 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 auditors’ 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 and the audit evidence obtained by the other auditors in terms of the report referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**4. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**5. 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.

**6. Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**7. Other matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary Company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

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

**PANKAJ CHATURVEDI**  
Partner  
Membership No. 091239

**New Delhi**  
**May 12, 2017**

## CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

PARTICULARS	Note No.	As At March 31, 2017 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' Funds</b>		
(a) Share Capital	1	43,222,720
(b) Reserves and Surplus	2	1,930,793,847
<b>2 Non-Current Liabilities</b>		
(a) Long Term Borrowings	3	114,073,571
(b) Deferred Tax Liabilities (Net)	4	120,777,261
<b>3 Current Liabilities</b>		
(a) Short Term Borrowings	5	256,631,787
(b) Trade Payables	6	
<b>A</b> Dues to Micro Enterprises and Small Enterprises		1,013,804
<b>B</b> Other Sundry Creditors		26,667,445
(c) Other Current Liabilities	7	228,880,442
(d) Short Term Provisions	8	14,085,132
<b>Total</b>		<b>2,736,146,009</b>
<b>II. ASSETS</b>		
<b>Non-Current Assets</b>		
<b>1 (a) Fixed Assets</b>	9	
(i) Tangible Assets		1,302,034,023
(ii) Intangible Assets		870,637
(iii) Capital Work in Progress		28,484,892
(b) Non-Current Investments	10	502,329,165
(c) Long Term Loans and Advances	11	17,610,261
<b>2 Current Assets</b>		
(a) Current Investments	12	10,000,000
(b) Inventories	13	464,908,519
(c) Trade Receivables	14	275,406,084
(d) Cash and Bank Balances	15	35,773,939
(e) Short Term Loans and Advances	16	95,910,713
(f) Other Current Assets	17	2,817,776
<b>Total</b>		<b>2,736,146,009</b>

Significant Accounting Policies and

Notes forming part of the consolidated financial statements 1-37

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 12, 2017

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

**C S VIJAY**  
Chief Financial Officer

**K R GUPTA**  
Director  
DIN - 00027295

**R K RAJGARHIA**  
Chairman  
DIN - 00141766

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

**APM INDUSTRIES LIMITED**

CIN No. L21015RJ1973PLC015819

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	Note No.	For the Year Ended March 31, 2017 (Rs.)
<b>INCOME</b>		
I Revenue from Operations	18	2,498,937,972
II Other Income	19	43,826,816
III <b>Total Revenue (I + II)</b>		<b>2,542,764,788</b>
<b>IV Expenses:</b>		
Cost of Materials Consumed	20	1,465,649,987
Changes in Inventories of Finished Goods and Work-in-Progress	21	(82,199,341)
Employee Benefits Expenses	22	345,552,119
Finance Costs	23	22,963,769
Depreciation and Amortization Expenses	24	42,041,104
Other Expenses	25	558,268,682
<b>Total Expenses</b>		<b>2,352,276,320</b>
V <b>Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>190,488,468</b>
VI Exceptional Items		—
VII <b>Profit before Extraordinary Items and Tax (V-VI)</b>		<b>190,488,468</b>
VIII Extraordinary Item		—
IX <b>Profit before tax (VII-VIII)</b>		<b>190,488,468</b>
X <b>Tax Expenses</b>		
Current Tax		43,244,800
Deferred Tax		22,079,075
Earlier Year Tax Adjustment		21,209
XI <b>Profit for the year (IX-X)</b>		<b>125,143,384</b>
Earning per equity share of face value of Rs. 2/- each:		
Basic and Diluted	33	5.79
Significant Accounting Policies and Notes forming part of the consolidated financial statements	1-37	

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. 091239Place : New Delhi  
Date : May 12, 2017**H R SHARMA**  
Managing Director  
DIN - 00178632**C S VIJAY**  
Chief Financial Officer**K R GUPTA**  
Director  
DIN - 00027295**R K RAJGARHIA**  
Chairman  
DIN - 00141766**JYOTI UPADHYAY**  
Company Secretary  
Membership No. 37410

**APM INDUSTRIES LIMITED**

CIN No. L21015RJ1973PLC015819

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

	Year Ended March 31, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Profit for the year before Taxation	190,488,468
Adjustments for	
Depreciation and amortisation	42,041,104
Excess Provision Written Back	(7,657,552)
Profit on Sale of Units of Mutual Fund/Shares	(1,535,494)
Long Term Term Capital Gain/Loss	(21,180,395)
Interest & Finance Charges	22,963,769
Interest Income	(12,674,707)
Dividend Income	(487,482)
<b>Operating profit before working capital changes</b>	<b>211,957,711</b>
<b>Changes in assets and liabilities</b>	
(Increase)/Decrease in Inventories	(40,237,750)
(Increase)/Decrease in Trade Receivables	(33,266,271)
(Increase)/Decrease in Loans and Advances	(13,021,857)
Increase/(Decrease) in Current Liabilities	(6,000,368)
<b>Cash generated from operations activities</b>	<b>119,431,465</b>
Taxes Paid	47,304,477
<b>Net cash provided by operating activities</b>	<b>72,126,988</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Fixed Assets	(151,235,812)
Sale of Fixed Assets	2,335,629
Purchase of investments (net)	18,979,026
Dividend received	487,482
Interest Received	13,225,667
<b>Net cash used in investing activities</b>	<b>(116,208,008)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Increase/(decrease) in Long Term borrowings	89,493,906
Increase/(decrease) in Working Capital and other borrowings	36,272,384
Dividend and Corporate Dividend Tax Paid	(41,267,009)
Interest and finance charges paid	(21,934,701)
<b>Net cash provided by financing activities</b>	<b>62,564,580</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>18,483,560</b>
Cash and cash equivalents at the beginning of the year	17,290,379
Cash and cash equivalents at the end of the year	35,773,939
<b>Notes</b>	
1. The consolidated cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on cash Flow Statement notified in the Companies (Accounting Standard) Rules 2006.	
2. Figures in brackets indicate cash outflow.	
3. Cash Flow for the previous financial year ended March 31, 2016 has not been given as the consolidated financial statements have been prepared for the first time.	
4. Cash & Cash Equivalents include:	
Cash in Hand	224,893
Cheques in Hand	
Balances with Banks	
- In Current Accounts	3,598,977
- In Unclaimed Dividend Account	11,950,069
Mutual Fund - Highly Liquid Investments	20,000,000
	<b>35,773,939</b>

Notes 1-37 forming part of the consolidated 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

**(PANKAJ CHATURVEDI)**

Partner

Membership No. 091239

Place : New Delhi

Date : May 12, 2017

**H R SHARMA**

Managing Director

DIN - 00178632

**C S VIJAY**

Chief Financial Officer

**K R GUPTA**

Director

DIN - 00027295

**R K RAJGARHIA**

Chairman

DIN - 00141766

**JYOTI UPADHYAY**

Company Secretary

Membership No. 37410

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

## NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2017

NOTE NO.	As At March 31, 2017 (Rs.)
<b>1 SHARE CAPITAL</b>	
<b>Authorised</b>	
35,000,000 Equity Shares of Rs. 2/- each	70,000,000
300,000 Redeemable Preference Shares of Rs. 100/- each	30,000,000
<b>Issued</b>	
22,217,080 Equity Shares of Rs. 2/- each	44,434,160
<b>Subscribed and Paid up</b>	
21,611,360 Equity Shares of Rs. 2/- each (fully paid up)	43,222,720
<b>Total</b>	43,222,720
a) The reconciliation of number of shares outstanding is as set out below:	
Number of Equity Shares at the beginning	21,611,360
Add: Number of Shares Issued	—
Number of Equity Shares at the end	21,611,360
b) Details of Equity Shareholders holding more than 5 % Shares in the Company :	
<b>Name</b>	<b>As at March 31, 2017</b>
	<b>% Held Number of Shares</b>
<b>Equity Shares of Rs. 2/- each fully paid-up</b>	
Rajendra Kumar Rajgarhia	17.81 3,850,000
Faridabad Paper Mills Limited	12.82 2,770,000
Ajay Rajgarhia	10.41 2,250,000
Prabha Rajgarhia	7.40 1,600,000
Rajgarhia Leasing and Financial Services Pvt. Ltd.	5.23 1,130,000
	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 share 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. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to their share holdings.	
<b>2 RESERVES &amp; SURPLUS</b>	
<b>Capital Reserve</b>	
Balance at the beginning and end of the year	31,000
<b>General Reserve</b>	
Balance at the beginning and end of the year	698,652,868
<b>Reserve Fund</b>	
Add: Transfer from Surplus	20,105
<b>Closing Balance</b>	20,105
<b>Revaluation Reserve (Refer note 9.1)</b>	
Balance at the beginning of the Year	639,455,724
Less: Transferred to Surplus	9,991,496
<b>Closing Balance</b>	629,464,228
<b>Securities Premium Reserve</b>	
Balance at the beginning and end of the year	24,311,925
<b>Surplus</b>	
Balance at the beginning of the year	482,534,301
Add: Transferred from Statement of Profit and Loss	125,143,384
Add: Transferred from Revaluation Reserve	9,991,496
	617,669,181
Less : Appropriations	
Transferred to Reserve Fund	20,105
Interim Dividend (Refer Note 2.1)	32,417,040
Tax on Dividend (Refer Note 2.1)	6,918,315
<b>Total</b>	39,355,460
<b>Balance at the end of the year</b>	578,313,721
<b>Total</b>	1,930,793,847

- 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 11.11.2016 and paid on 28.11.2016.
- 2.2 The Company recommended final dividend @ Rs. 0.50 per equity share (i.e. 25% on face value of Rs. 2/- per share) in its Board Meeting held on 12.05.2017, subject to approval of shareholders.

NOTE NO.	As At March 31, 2017 (Rs.)
<b>3 LONG TERM BORROWINGS</b>	
<b>Secured</b>	
Secured Term Loan from Banks	114,073,571
<b>Total</b>	<b>114,073,571</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 Lakhs)</b>	
Term Loans from Banks amounting to Rs 1,75,15,630/-	Repayable in 32 quarterly instalments from October 2011 along with interest at the rate of 12.15% p.a.
<b>b Punjab National Bank (Rs. 163 Lakhs)</b>	
Term Loans from Banks amounting to Rs. 38,22,772/-	Repayable in 20 quarterly instalments from June 2014 along with interest at the rate of 11.35% p.a.
<b>c HDFC Bank (Rs. 750 Lakhs)</b>	
Term Loans from Banks amounting to Rs. 7,02,31,462/-	Repayable in 16 equally quarterly instalments from Sept. 2017 alongwith interest at the rate of 10.05% p.a.
<b>3.1.2</b> Following Term Loan from bank 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 Lakhs)</b>	
Term Loans from Banks amounting to Rs. 6,55,84,459/-	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>3.1.3</b> Secured long term loans aggregating to Rs 15,71,54,323/- are guaranteed by the Chairman.	
<b>3.2</b> The Long Term borrowing shown above is net of Rs. 4,30,80,752/- current maturities, which is shown under note no.7	
<b>4 DEFERRED TAX LIABILITIES (NET)</b>	
The Breakup of Deferred tax liabilities and assets is as under :	
<b>Deferred Tax Liabilities</b>	
Timing difference on Fixed assets' Depreciation & Amortization	126,967,494
<b>Deferred Tax Assets on Account of</b>	
Employee benefits	5,748,599
Preliminary Expenses	99,847
Doubtful Debts	341,787
<b>DEFERRED TAX LIABILITIES (NET)</b>	<b>120,777,261</b>



# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

NOTE NO.	As At March 31, 2017 (Rs.)
<b>5 SHORT TERM BORROWINGS</b>	
<b>Secured :</b>	
Working Capital Loans from banks (Refer Note 5.1 & 5.2)	217,158,203
<b>Unsecured</b>	
Demand Loan from related party (Refer Note 30 C)	39,473,584
<b>Total</b>	<b>256,631,787</b>
<b>5.1</b> Working capital loans of Rs. 9,41,32,021/- 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 of the Company.	
<b>5.2</b> Working capital loans of Rs. 12,30,26,182/- is secured by Investment in Units of Mutual Funds and Tax Free Bonds.	
<b>6 TRADE PAYABLES</b>	
Dues to Micro, Small and Medium Enterprises (Refer Note 29)	1,013,804
Other Sundry Creditors	26,667,445
<b>Total</b>	<b>27,681,249</b>
<b>7 OTHER CURRENT LIABILITIES</b>	
<u>Current Maturities of long Term Debts</u>	
From Banks (Refer Note 3.2)	43,080,752
Interest accrued but not due	1,158,290
Advance from Customers	698,729
Unpaid Dividend (Refer note 7.1)	11,950,069
Payable for purchase of fixed assets	4,601,797
Other Payables	
i. Employee benefits Payable	50,950,347
ii. Statutory Dues Including Provident Fund and Tax Deducted At Source	5,352,395
iii. Security deposits	644,848
iv. Other payables	110,443,215
<b>Total</b>	<b>228,880,442</b>
<b>7.1</b> 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	14,037,756
For Leave Encashment	—
<b>Other Provisions</b>	
For Income Tax (Net of Advances)	47,376
<b>Total</b>	<b>14,085,132</b>

**NOTE 9 :- FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2016	Additions during the year	Sales/ Adjustments	As At March 31, 2017	Upto Mar. 31, 2016	For the year	Sales/ Adjustments	Other Adjustments	Upto March 31, 2017	As At March 31, 2017
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Tangible Assets (A)										
(I) Own Assets										
Building	145,507,354	2,034,263		147,541,617	50,643,214	3,685,837			54,329,051	93,212,566
Plant & Equipments	1,019,000,647	140,045,271	8,173,133	1,150,872,785	623,353,645	21,682,955	7,607,253		637,429,347	513,443,438
Power Generation Unit	127,024,760			127,024,760	83,390,943	1,393,859			84,784,802	42,239,958
Furniture & Fixtures	20,762,397	779,726		21,542,123	13,354,559	1,019,698			14,374,257	7,167,866
Office Equipments	14,841,237	467,949	2,184	15,307,002	12,049,533	911,657	2,184		12,959,006	2,347,996
Vehicles	23,439,161	1,496,999	981,007	23,955,153	8,120,743	2,860,844	746,752		10,234,835	13,720,318
Total (I)	1,350,575,556	144,824,208	9,156,324	1,486,243,440	790,912,637	31,554,850	8,356,189	-	814,111,298	672,132,142
(II) Asset on Lease										
Lease hold Land	720,000,000	-	-	720,000,000	80,100,438	9,997,681	-		90,098,119	629,901,881
Total Tangible Assets ( I + II )	2,070,575,556	144,824,208	9,156,324	2,206,243,440	871,013,075	41,552,531	8,356,189	-	904,209,417	1,302,034,023
Intangible Assets (B)										
Computer Software	8,519,172	201,230		8,720,402	7,361,192	488,573			7,849,765	870,637
Grand Total (A+B)	2,079,094,728	145,025,438	9,156,324	2,214,963,842	878,374,267	42,041,104	8,356,189	-	912,059,182	1,302,904,660

**Note 9.1**

- (a) Lease hold land was revalued as on 12.05.2008 by an external valuer at the prevailing market value which resulted in a net increase of Rs. 719,387,692.  
(b) Depreciation for the Year ended 31.03.17 Rs. 4,20,41,104/- includes Amortisation on revalued lease hold land Rs. 99,91,496/-  
(c) Capitalization during the year includes interest of Rs. 56,25,218/-

**Capital work-in-progress:**

Building	14,342,437
Plant & Machinery	14,142,455
Office Equipment	-
Vehicle	-
Pre-Operative Exp.	-
Total	28,484,892
<b>GRAND TOTAL</b>	<b>1,331,389,552</b>

# APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

NOTE No.	Particulars	As At March 31, 2017 Rs.	
<b>10 NON-CURRENT INVESTMENTS</b>			
In Government securities (Valued at Cost)			
a)	In Post Office Saving Bank (Pledged with Excise Department)		3,000
Total			3,000
S. No.	Particulars	Face Value Per Unit (Rs.)	As at March 31, 2017 Nos (Rs.)
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 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 11,142,220
	<b>Total Un-quoted</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 (Quoted, value at cost)</b>		
	Bhilwara Spinners Ltd.	10	100 508
	G.S.L. (India) Ltd.	10	50 1,819
	State Bank of Bikaner & Jaipur	10	12,200 1,868,400
	Indian Oil Corporation Limited	10	14,000 4,164,948
			<b>6,035,675</b>
III	<b>Investment in Tax Free Bonds (Unquoted, value at cost)</b>		
	NAHI BONDS 2015	1000	5,714 5,714,000
	IREDA PUBLIC ISSUE II	1000	13,624 13,624,000
			<b>19,338,000</b>
IV	<b>Investment in Mutual Funds</b>		
	BIRLA SUN LIFE SHORT TERM OPPORTUNITIES FUND	10	721,567 15,000,000
	BIRLA SUNLIFE MIP-II-WEALTH 25-GROWTH	10	1,059,565 30,000,000
	BIRLA SUNLIFE DYNANIC BOND FUND	10	1,006,386 25,000,000
	BIRLA SUNLIFE MEDIUM TERM PLAN	10	506,466 10,000,000
	BIRLA SUNLIFE BALANCE FUND	10	3,798 2,500,000
	BNP PARTIES FLEXI DEBT FUND	10	544,624 12,500,000
	DSP BLACK ROCK EMERGING STAR FUND	10	1,000,000 10,000,000
	DSP BLACK ROCK FMP-SERIES-192	10	1,000,000 10,000,000
	DSP BLACK ROCK COR FUND	10	670,000 6,700,000
	DSP BLACK ROCK BALANCE FUND	10	19,410 2,500,000
	EDELWEISS NCD K7C501A (IIFL)	10	1,000,000 10,000,000
	EDELWEISS NCD K7C501B (IIFL)	10	1,000,000 10,000,000
	EDELWEISS-EFIL SERIES-17L504B	100,000	50 5,000,000
	FRANKLIN INDIA HIGH GROWTH COMPANIES FUND	10	183,171 5,000,000
	FRANKLIN INDIA PRIMA PLUS	10	5,439 2,500,000
	FOREFRONT (PMS) RELIGARE	10	1,000,000 10,000,000
	HDFC CORPORATE DEBT OPPORTUNITIES FUND	10	1,334,643 15,000,000
	HDFC MIP LONG TERM	10	581,602 20,000,000
	HDFC PRUDENCE FUND	10	26,019 10,000,000
	HDFC BALANCED FUND	10	89,802 10,000,000
	HDFC FMP SEWRIES-37	10	2,000,000 20,000,000
	ICICI PRUDENTIAL BALANCED FUND	10	101,563 10,000,000
	ICICI PRUDENTIAL SHORT TERM PLAN	10	1,656 49,880
	ICICI PRUDENTIAL VALUE DISCOVERY FUND	10	21,309 2,500,000
	ICICI PRUDENTIAL FMP SERIES 79-1104	10	1,000,000 10,000,000
	IIFL SPECIAL OPPORTUNITIES FUND	10	250,000 2,500,000
	KOTAK INCOME OPPOTUNITIES FUND	10	1,160,369 20,000,000
	MOTI LAL OSWAL FOCUSED GROWTH FUND	10	650,000 6,500,000
	OBC MPL-ALL CAP STRATEGY	10	1,000,000 10,000,000
	RELIANCE DYNAMIC BOND FUND	10	1,595,670 30,000,000
	RELIANCE FIXED HORIZON FUND-SERIES-XXVI	10	1,000,000 10,000,000
	RELIANCE FIXED HORIZON FUND-XXX SERIES	10	1,000,000 10,000,000
	RELIANCE FIXED HORIZON FUND XXXI- SERIES	10	1,000,000 10,000,000
	RELIANCE FIXED HORIZON FUND-XXIX	10	1,000,000 10,000,000
	RELIANCE MONTHLY INCOME PLAN	10	470,890 15,000,000
	RELIANCE MONTHLY INCOME PLAN	10	301,592 10,000,000
	RELIANCE REGULAR SAVING FUND BALANCE	10	121,737 5,000,000
	RELIANCE YIELD MAXIMISER	10	2,000,000 20,000,000
	RELIANCE CORPORATE BOND FUND	10	761,441 10,000,000
	SBI BLUE CHIP FUND -GROWTH	10	180,663 5,000,000
	UTI DYNAMIC BOND FUND	10	303,335 5,000,000
	L & T RESURGENT CORPORATE BOND FUND	10	834,390 10,000,000
	<b>Total</b>		<b>453,249,880</b>
	<b>Grand Total</b>		<b>502,329,165</b>
<b>Note</b>			
Mutual funds are pledged against working capital loan taken from Bank.			
Aggregate amount of quoted Investments			6,035,675
Market Value of Quoted Investments			14,836,920
Aggregate amount of unquoted Investments			496,290,490
Net asset value of units of Mutual Funds			535,978,766
Aggregate Provision for diminution in Value of Investments			-

# APM INDUSTRIES LIMITED

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Note No.		As At March 31, 2017	Rs.
<b>11 LONG TERM LOANS AND ADVANCES</b>			
<b>Loans and Advances</b>			
(Un-secured & Considered Good, Unless otherwise stated)			
Capital Advances {Refer Note 28 (b)}			2,682,998
Security Deposits			10,359,016
Advance Income Tax (net)			4,568,247
<b>Total</b>			<b>17,610,261</b>
<b>12 CURRENT INVESTMENTS</b>			
	<b>Face Value</b>	<b>No. of Units</b>	<b>As At March 31, 2017 Rs.</b>
Current maturity of long term investments valued at cost or NRV (whichever is lower)			
<b>Unquoted - Units of Mutual Funds</b>			
RELiance FIXED HORIZON FUND-XXIX	10	1000000	10,000,000
<b>Non trade investment (valued at cost unless stated otherwise)</b>			
<b>Quoted - Units of Mutual Funds</b>			
HDFC Liquid Fund - Regular Plan - Growth			20,000,000
Less: Consideration as cash and cash equivalents (Refer note 15)			(20,000,000)
<b>Total</b>			<b>10,000,000</b>
Aggregate amount of quoted Investments			20,000,000
Aggregate amount of unquoted Investments			10,000,000
Market & NAV Value of quoted Investments			20,041,802
Market & NAV Value of unquoted Investments			10,000,000
Aggregate Provision for diminution in Value of Investments			-
<b>13 INVENTORIES [Refer Note 26(i)]</b>			
(As taken, valued and certified by the management)			
Raw Materials			124,907,873
Work-in-Progress			51,857,012
Finished Goods			277,889,853
Stores and Spares			10,253,781
<b>Total</b>			<b>464,908,519</b>
<b>14 TRADE RECEIVABLES</b>			
<b>Outstanding for a period exceeding six months from the due date</b>			
Unsecured, Considered Good			44,045,398
Unsecured, Considered Doubtful			987,538
			45,032,936
Less: Provision for Doubtful debts			987,538
			44,045,398
<b>Others</b>			
Unsecured, Considered Good			231,360,686
<b>Total</b>			<b>275,406,084</b>
<b>15 CASH AND BANK BALANCES</b>			
<b>Cash and Cash Equivalents</b>			
Cash in Hand			224,893
Balances With Banks:-			
- In Current / Cash Credit Accounts			3,598,977
Mutual Fund - Highly Liquid Investments (Refer Note 12)			20,000,000
			23,823,870
Other Bank Balance			
- In Unpaid dividend accounts			11,950,069
			11,950,069
<b>Total</b>			<b>35,773,939</b>
<b>16 SHORT TERM LOANS AND ADVANCES</b>			
(Un-secured & Considered Good, Unless otherwise stated)			
<b>Unsecured Loans</b>			
Unsecured, Considered Good			47,500,000
<b>Other loans and advances</b>			
- Prepaid Expenses			3,400,505
- CENVAT/VAT Credit Receivable			34,810,616
- Others advance for supply of goods and rendering of services			10,199,592
<b>Total</b>			<b>95,910,713</b>
16.1 The Company has given advances to 3 parties ranging from Rs. 75,00,000 to Rs. 3,00,00,000 for 90 days to 182 days at interest rate of 13.75% to 16% p.a.			
<b>17 OTHER CURRENT ASSETS</b>			
(Un-secured & Considered Good, Unless otherwise stated)			
Interest Accrued			1,589,679
Claim and other receivable			1,228,097
<b>Total</b>			<b>2,817,776</b>

# APM INDUSTRIES LIMITED

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NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017	
Note No.	For the year ended March 31, 2017 Rs.
<b>18 REVENUE FROM OPERATIONS</b>	
<b>Sale of products</b>	
Sale of products (Gross)	2,456,601,082
Other Operating Revenues :	
-Sales of Scrap	18,044,487
-Interest from customers on account of overdue receivables	22,989,184
-Job Work and other incentives	1,477,786
Sub total	2,499,112,539
Less : Excise Duty	1,148,805
	2,497,963,734
<b>Interest income on Fixed Deposits</b>	974,238
<b>Revenue from Operations (Net)</b>	2,498,937,972
<b>19 OTHER INCOME</b>	
Interest received from Banks	25,275
Interest received from Others	7,541,946
Interest received from Tax Free Bond	5,107,486
Dividend received on investments	487,482
Liabilities/Provisions no longer required, written back	7,657,552
Profit on Sale of Fixed Assets	1,535,494
Miscellaneous Income	291,186
Profit on Sale of Units of Mutual Fund/Shares	21,180,395
<b>Total</b>	43,826,816
<b>20 COST OF MATERIALS CONSUMED</b>	
Raw Materials Consumed	
Inventory at the beginning of the year	153,646,768
Add: Purchases (net)	1,436,911,092
Less: inventory at the end of the year	124,907,873
<b>Cost of Raw Materials consumed during the year</b>	1,465,649,987
<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
Work-in-Progress	47,535,218
<b>Total A</b>	260,519,652
Stock at the beginning of the year	
Finished Good	277,889,853
Work-in-Progress	51,857,012
<b>Total B</b>	329,746,865
Add: Adjustment of excise duty on opening stock of finished goods (C)	12,972,128
<b>Change in inventories (A-B-C)</b>	(82,199,341)
<b>Note:</b> Adjustment of excise duty in opening finished goods is done as the company has opted exemption on excise duty on finished goods.	
<b>22 EMPLOYEE BENEFITS EXPENSES</b>	
Salaries, Wages and other benefits	307,000,758
Contribution to Provident and other Funds	22,823,503
Staff Welfare Expenses	15,727,858
<b>Total</b>	345,552,119
<b>23 FINANCE COSTS</b>	
Interest Expense	21,961,990
Other Borrowing costs	1001,779
<b>Total</b>	22,963,769

Note No.	For the year ended March 31, 2017 Rs.
<b>24 DEPRECIATION AND AMORTIZATION EXPENSES</b>	
Depreciation and Amortization ( <i>Refer Note - 9</i> )	42,041,104
	<u>42,041,104</u>
<b>25 OTHER EXPENSES</b>	
<b>Manufacturing Expenses</b>	
Consumption of Stores and Spare Parts	44,393,912
Packing Material	33,201,735
Power and Fuel	345,300,805
Repairs to Machinery	39,971,245
Repairs to Building	995,851
	<u>463,863,548</u>
<b>Selling and Distribution Expenses</b>	
Freight and Forwarding Expenses	29,537,653
Brokerage and Commission	11,597,755
	<u>41,135,408</u>
<b>Establishment Expenses</b>	
Legal and Professional Fees	3,949,076
Rent	2,959,416
Rates and Taxes	1,899,394
Repairs to Others	1,429,334
Insurance	1,949,421
Travelling Expenses	1,975,274
Payment to Auditors ( <i>Refer note 31</i> )	720,003
Printing & Stationary	1,876,341
Vehicle Running Expenses	1,781,523
Computer Maintenance	601,456
Charity and Donation	195,000
Communication Expenses	2,056,269
Electricity & Water Charges	531,090
Membership Fee & Subscription	311,468
General Expenses	2,726,573
Director Remuneration & Sitting Fees	18,271,456
CSR Expenses ( <i>Refer note 25A</i> )	7,438,325
Pollution Control Expenses	2,598,307
	<u>53,269,726</u>
<b>Total</b>	<u>558,268,682</u>
<b>25A DISCLOSURE RELATED TO CSR EXPENDITURE DURING THE YEAR</b>	
A Gross amount required to be spent by the company during the year	
(i) Required to be spent for the year	6,155,343
(ii) Unspent balance of carried over of earlier year	2,189,098
	<u>8,344,441</u>
B Expenditure incurred during the year	
(i) Construction/acquistion of any Assets	5,730,827
(ii) On purpose other than (i) above	1,707,498
<b>Total</b>	<u>7,438,325</u>
Unspent balance carry forward	906,116

# APM INDUSTRIES LIMITED

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## 26 SIGNIFICANT ACCOUNTING POLICIES

- a) **Corporate Information**  
APM INDUSTRIES LIMITED (The Company) and its subsidiary (collectively referred as "the group") is engaged in the production and selling of Man Made Fibre's Spun Yarn and Non-Banking Finance Business. The Company has manufacturing facilities at BHIWADI (DISTT. ALWAR) Rajasthan.
- b) **Basis of Accounting**  
These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial reporting Authority, the existing accounting standard notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with accounting standards notified under Companies (Accounting Standards) Rules, 2006, [as amended] and the other relevant provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India to the extent applicable.
- c) **Use of Estimates**  
The preparation of Consolidated Financial Statements requires estimates and assumptions to be made that affect the reported amount of the assets and liabilities on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.
- d) **Operating Cycle and Current versus non-current classification**  
The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.  
An asset is treated as current when it (a) Expected to be realised or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or (c) Expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.  
A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.  
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its normal operating cycle.
- e) **PRINCIPLES OF CONSOLIDATION**  
The Consolidated Financial Statements relate to APM Industries Limited ("the Company") and its subsidiary company, APM FINVEST LIMITED. The Consolidated Financial Statements have been prepared on the following basis:  
i. The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements".  
ii. The difference between the cost of investment in the subsidiary and the Company's share of net assets at the time of acquisition of shares in the subsidiary is recognised in the consolidated financial statement as Goodwill or Capital Reserve as the case may be.  
iii. Minority Interest in the net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:  
a. The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and  
b. The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.  
iv. Minority interest's share of net profit for the year of consolidated subsidiary is identified and adjusted against the profit after tax of the group.  
v. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared in the same manner as the Company's separate financial statements.  
vi. The list of Subsidiary which is included in the consolidation and the Company's holdings therein are as under:
- | S. No. | Name of the Company                     | 2016-17 |
|--------|---|---------|
|        | Wholly Owned Subsidiary                 |         |
| 1.     | APM FINVEST LIMITED w.e.f. May 13, 2016 | 100 %   |
- vii. Investments by holding company other than in subsidiary have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments" and investment by the subsidiary company has been accounted as per the RBI directions, 2016.
- f) **Fixed Assets**  
Fixed assets are stated at their cost of acquisition or construction except lease hold land at revalued amount less accumulated depreciation/amortization. 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 fixed assets not ready for their intended use at the reporting date of the financial statements:
- g) **Depreciation**  
i. Depreciation on Tangible assets is provided on straight line method at the rates and in the manner specified in the schedule II of the companies Act, 2013 in accordance with the provisions of section 123(2) of the Companies Act, 2013. The useful lives of assets are 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 leasehold land, amortization is calculated on revalued carrying amount over its remaining lease period and recognized in the statement of profit and loss.
- h) **Investments**  
Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are valued at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non-current investments.
- i) **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  
Work in Process At estimated cost  
Finished Goods At actual cost  
Waste Materials At net realizable value

Cost of raw material is inclusive of Excise Duty wherever applicable, cost of stores and spares is net of CENVAT credit, wherever applicable. Cost of finished goods includes direct cost & factory overheads. The Company has made provision for cost of obsolescence or depletion in value, wherever applicable. Material purchased on ex-plant basis but not received till the date of Balance Sheet is considered as goods in transit.

j) Revenue Recognition

- i) Revenue from sales is recognized on dispatch of goods from the factory/depot. Sales are inclusive of excise duty but exclusive of sales tax, cash discount, quantity discount, trade discount & rebate & claims.
- 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 units of mutual funds/bonds/shares are accounted on transfer of ownership.
- v) In case of Non Banking Financial Company business, interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable. In terms of the RBI directions 2016, interest income on Non Performing Assets (NPAs) Shall be recognized only when it is actually realized.

k) 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 statement of profit and loss, 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.

l) Employee Benefits

- i) The contribution towards Provident Fund is made to the Statutory Authorities and is charged to the statement of profit and loss.
- 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 administered 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').

m) 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.

n) Segment Reporting

The business of the group, at present, consists of single product viz. yarn and therefore, there are no reportable Segments as per accounting standard (AS-17) "Segment Reporting".

o) Leases

Finance leases or similar arrangement, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased items to the Group are capitalized and disclosed as leased assets. Lease rent are charged directly to Statement of Profit and Loss.

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 Statement of Profit and Loss on a basis, which reflect the time pattern of such payment appropriately.

p) 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.

q) 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 Statement of Profit & Loss in the year of change.

r) 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 Group and is reasonably certain that the collection may be made. Grants/Subsidies related to revenue are credited to the Statement of Profit & Loss or are deducted in reporting the related expenses.

s) 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.

t) 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.

u) Contingent Liabilities

Contingent liabilities are determined on the basis of available information and are disclosed by way of Notes to Accounts. Contingent assets are not recognized in the consolidated financial statements.



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27. During the Financial year ended March 31, 2017, the company had prepared consolidated financial statement for the first time as the subsidiary was incorporated on May 13, 2016. Hence, the previous year consolidated financial statements are not required to be prepared.

28. **Contingent liabilities and commitments** (to the extent not provided for) :

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

Particulars	Year ended
	March 31, 2017 (Rs.)
Sales Tax	294,483

b. Other Commitments:

Estimated amount of contracts remaining to be executed on capital account [Net of advances Rs. 2,682,578/-] not provided for Rs.174,360/-.

## 29. Due to Micro and Small Enterprises

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

		As at March 31, 2017 (Rs.)
(a)	Dues remaining unpaid as at Balance Sheet date	
	-Principal amount	1,013,804
	-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 year) but without adding the interest specified under the MSME Act	-
(d)	Interest accrued and remaining unpaid at the end of the accounting year.	-
(e)	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, for the purpose of disallowance of a deductible expenditure under section 23 of MSME Act, 2006.	

## 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/ Body Corporate under common control

Sr. No.	Name of the Company
1.	Perfectpac Limited
2.	Rajgarhia Leasing & Financial Services Private Limited
3.	Arvind Syntex Private Limited
4.	Faridabad Paper Mills Private Limited
5.	Essvee Fiiscal LLP
6.	Rovo Marketing Private Limited
7.	R K R Foundation
8.	Ram Lal Rajgarhia Memorial Trust

B. Key Management Personnel & their relatives:

Sr. No.	Name of the Person	Relationship
1.	R. K. Rajgarhia	Chairman
2.	H. R. Sharma	Managing Director & Director in Arvind Syntex Private Limited
3.	S. G. Rajgarhia	Director & Brother of Chairman
4.	Ajay Rajgarhia	Son of Chairman & Vice President
5.	Aditi Rajgarhia	Grand Daughter of Chairman
6.	Prabha Rajgarhia	Wife of Chairman

C. Related Party Transactions

(Amount in Rs.)

Particulars	Year	Companies/ Body Corporate under common control	KMP and their Relatives	Total
<b>Income/Expense</b>				
Sales (Net of Sales Return)	2016-17	4,083,252	-	4,083,252
Interest paid	2016-17	3,154,643	-	3,154,643
Corporate Social Responsibility Expenses	2016-17	500,000	-	500,000
<b>Rent</b>	2016-17	-	2,949,066	2,949,066
<b>Finance</b>				
Loans Repayment	2016-17	522,710,913	-	522,710,913
Loans/ Advances Taken	2016-17	525,700,000	-	525,700,000
Remuneration to key Management personnel	2016-17	-	17,459,256	17,459,256
Remuneration to Others	2016-17	-	1,736,973	1,736,973
<b>Balances with related parties</b>				
Loan Taken	2016-17	39,473,584	-	39,473,584

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

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

F. Disclosure of Transactions with Related parties

Particulars	Year ended March 31, 2017 (Rs.)
<b>Purchases</b>	
<b>Sales</b>	
Arvind Syntex Pvt Limited	4,083,252
<b>Interest Paid</b>	
Rajgarhia Leasing & Financial Services (P) Ltd.	3,154,643
<b>Rent Paid</b>	
Smt. Prabha Rajgarhia	1,065,596
Ms. Aditi Rajgarhia	159,720
Shri Ajay Rajgarhia	1,723,750

**31. Auditors Remuneration:**

	Year ended March 31, 2017 (Rs.)
<b>Payment to Statutory Auditors</b>	
Audit Fee	373,750
Tax audit Fee	86,250
Limited Review Fee	69,000
In other capacity	
For Certification	5,725
Reimbursement of expenses	140,658
<b>Total (A)</b>	<b>675,383</b>
<b>Payment to Cost Auditors</b>	
(a) Audit Fee	40,000
(b) Reimbursement of expenses	4,620
<b>Total (B)</b>	<b>44,620</b>
<b>Grand Total (A+B)</b>	<b>720,003</b>

**32. Employee Benefit:**

Disclosure under revised accounting standard 15 "Employee Benefits" (AS – 15).

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, 2017	
	Gratuity (Rs.)	Compensated Absences (Rs.)
Obligations at year beginning	56,889,128	3,869,039
Service Cost - Current	4,729,277	774,853
Interest Cost	4,551,130	309,523
Actuarial (gain) / loss	606,750	(973,491)
Benefit Paid	(5,183,087)	-
Obligations at year end	<b>61,593,198</b>	<b>3,979,924</b>
<b>Change in plan assets</b>		
Plan assets at year beginning, at fair value	45,175,913	3,908,278
Expected return on plan assets	3,839,953	326,341
Actuarial gain / (loss)	(269,241)	(3,908)
Contributions	3,991,904	-
Benefits paid	(5,183,087)	-
<b>Plan assets at year end, at fair value</b>	<b>47,555,442</b>	<b>4,230,711</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	61,593,198	3,979,924
Fair value of the plan assets at the end of the year	47,555,442	4,230,711
<b>Liability/(Assets) recognised in the Balance Sheet</b>	<b>14,037,756</b>	<b>(250,787)</b>
<b>Defined benefit obligations cost for the year</b>		
Service Cost - Current	4,729,277	774,853
Interest Cost	4,551,130	309,523
Expected return on plan assets	(3,839,953)	(326,341)
Actuarial (gain) / loss	875,991	(969,583)
<b>Net defined benefit obligations cost</b>	<b>6,316,445</b>	<b>(211,548)</b>

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

Particulars	Gratuity	Leave Encashment
	2017 (in %)	2017 (in %)
Discount Rate	7.50	7.50
Future salary increases	5.00	5.00
Expected return on plan assets	8.25 & 8.05	8.25

**APM INDUSTRIES LIMITED**

CIN No. L21015RJ1973PLC015819

**33. Earning Per Shares**

Particulars	Year ended March 31, 2017 (Rs.)
(a) Profit After Tax for calculation of Basic and Diluted EPS	125,143,384
(b) Weighted average number of equity shares for calculation of EPS	21,611,360
(c) Basic and Diluted EPS	5.79

**34.** Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 by the holding company as provided in the Table below :-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	670,000	102,078	772,078
(+) Permitted receipts	-	3,247,739	3,247,739
(-) Permitted payments #	2,000	2,821,909	2,823,909
(-) Amount deposited in Banks	668,000	-	668,000
Closing cash in hand as on 30.12.2016	-	527,908	527,908

# Mutulated notes Rs. 2,000/- written off.

There no such holding or dealings in the subsidiary company.

**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. Other Notes of Subsidiary**

i Statement of Net Assets and Profit or Loss attributable to Owners and Minority Interest.

Name of the Entity	As % of consolidated net assets		Share in Profit or Loss	
	As % of consolidated net assets	Amount in Rs.	As % of consolidated profit or loss	Amount in Rs.
<b>Holding company</b>				
APM Industries Limited	98.99	1,973,916,040	99.92	125,042,857
<b>Subsidiary company</b>				
APM Finvest Limited	1.01	20,100,527	0.08	100,527
<b>Total</b>	<b>100.00</b>	<b>1,994,016,567</b>	<b>100.00</b>	<b>125,143,384</b>
a) Adjustments arising out of consolidation.		20,000,000		-
b) Minority Interest		-		-
Consolidated Net Assets/ Profit after tax		<b>1,974,016,567</b>		<b>125,143,384</b>

ii APM Finvest Limited was incorporated as wholly owned subsidiary (WOS) to carry on finance and investment business. The said WOS has obtained license on February 16, 2017 from Reserve Bank of India to act as Non-Banking Finance Company. The Company has complied with the Prudential Norms relating Income Recognition, Accounting Standards, Assets classification and Provision for Bad and Doubtful Debts required by the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms and Reserve Bank of India ("RBI") Directions - Non-Banking Financial Company - Non Systematically Important Non-Deposit taking company (Reserve Bank) Directions, 2016 as amended from time to time.

**37.** Note 1 to 36 form an integral part of the Consolidated Financial Statement 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

**(PANKAJ CHATURVEDI)**

Partner  
Membership No. 091239

Place : New Delhi  
Date : May 12, 2017

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

**C S VIJAY**  
Chief Financial Officer

**K R GUPTA**  
Director  
DIN - 00027295

**R K RAJGARHIA**  
Chairman  
DIN - 00141766

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

# APM INDUSTRIES LIMITED

CIN: L21015RJ1973PLC015819

Regd. Office: SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Raj.) - 301019

Tel: 01493 – 522400 Fax: 01493 – 522413, Email: bhiwadi@apmindustries.co.in

Website: www.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 **43<sup>rd</sup> Annual General Meeting** of the Company being held on **Monday**, the **25<sup>th</sup>** day of **September**, **2017** at **11.30 A.M** at **SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) – 301019**. 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 consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March 2017, together with the Reports of the Directors and Auditors thereon.		
2	Declaration of Final dividend.		
3	To appoint a Director in place of Shri R K Rajgarhia (DIN No. 00141766), who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E), as Statutory Auditors of the Company in place of retiring Statutory Auditors.		
Special Business			
5	Ratification of Remuneration to Cost Auditor		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

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.) - 301019

Tel: 01493 – 522400 Fax: 01493 – 522413, Email: bhiwadi@apmindustries.co.in

Website: www.apmindustries.co.in

## ATTENDANCE SLIP (43<sup>rd</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 **43<sup>rd</sup> Annual General Meeting** of the Company being held on **Monday, 25<sup>th</sup> day of September, 2017** at **11.30 A.M** at **SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) – 301019**.

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

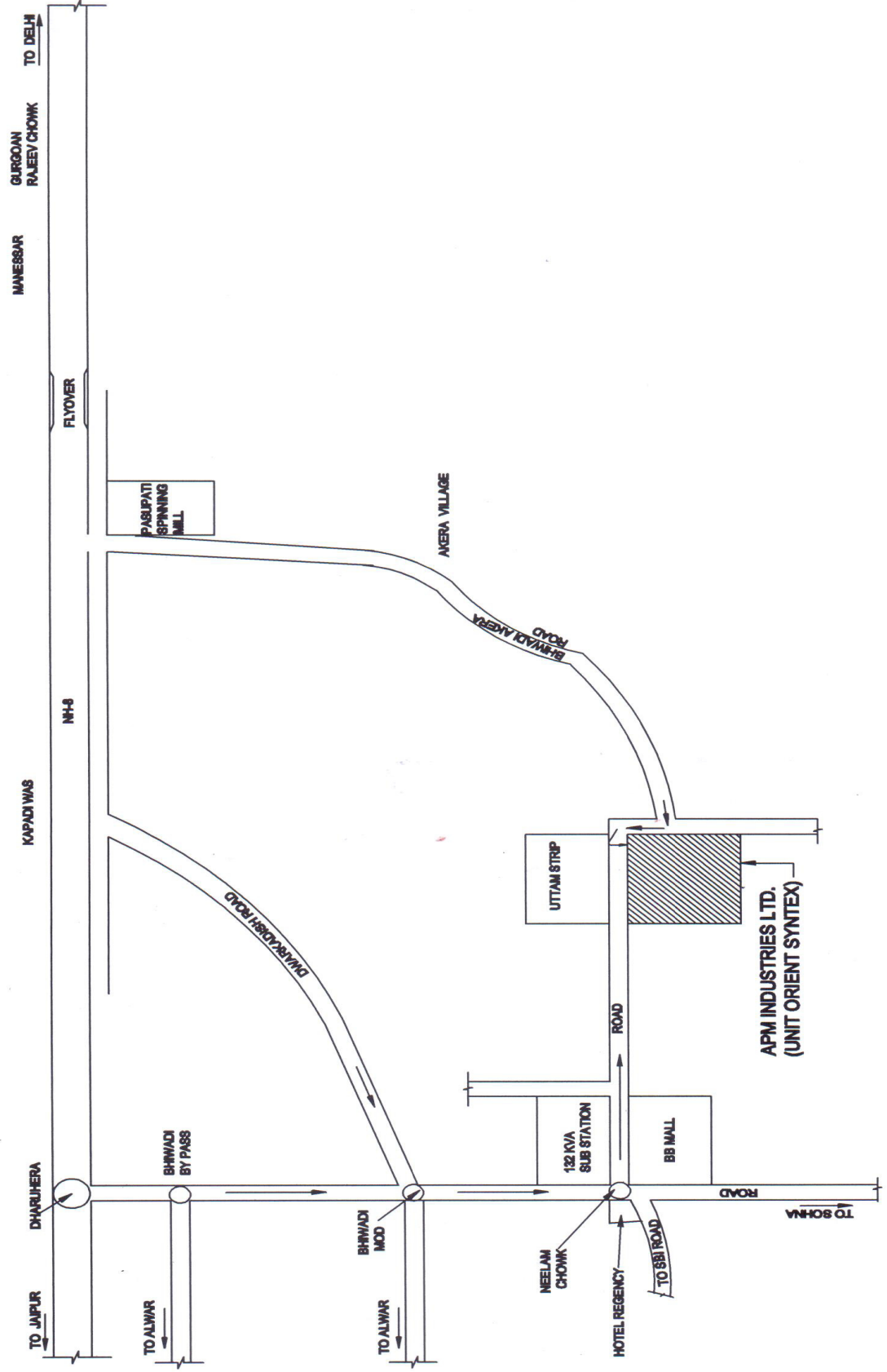
## E-VOTING PARTICULARS

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

### 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 43<sup>RD</sup> AGM APM INDUSTRIES LIMITED - (UNIT : ORIENT SYNTEX) SP-147, RIICO INDUSTRIAL AREA, BHIWADI, DIST. ALWAR (RAJASTHAN)







*If undelivered please return to:*

**APM INDUSTRIES LIMITED**

CIN : L21015RJ1973PLC015819

910, Chiranjiv Tower, 43, Nehru Place

New Delhi - 110019

Tel : 011 – 26441015 – 17 Fax : 011 – 26441018

Email : [delhi@apmindustries.co.in](mailto:delhi@apmindustries.co.in)