

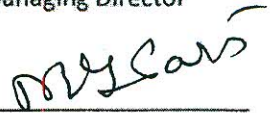




# FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	Apcotex Industries Limited
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	 Ermin K. Irani Partner Membership No. 035646 Statutory Auditor   Place: Mumbai Date: 8/5/2015	 Mr. Abhiraj A Choksey Managing Director   Mr. Manubhai G Patel Audit Committee Chairman   Mr. Anand V Kumashi Company Secretary   Mr. Rohit R Mahakal Chief Financial Officer  Place: Mumbai Date: 8/5/2015



**apcotex industries limited**

**Annual Report | 2014 - 2015**

## APCOTEX INDUSTRIES LIMITED

### **BOARD OF DIRECTORS**

Atul C. Choksey	Chairman
Girish C. Choksey	Director
Amit C. Choksey	Director
Manubhai G. Patel	Director
Bipin V. Jhaveri (upto 10/10/2014)	Director
Dr. S. Sivaram	Director
Shailesh S. Vaidya	Director
Kamlesh S. Vikamsey	Director
Priyamvada Bhumkar (w.e.f. 31/10/2014)	Director
Abhiraj A. Choksey	Managing Director

### **COMPANY SECRETARY**

Anand V. Kumashi

### **AUDITORS**

Kalyaniwalla & Mistry  
Chartered Accountants

### **BANKERS**

State Bank of India  
Standard Chartered Bank

### **REGISTERED OFFICE & FACTORY**

Plot No.3/1, MIDC Industrial Area,  
P.O. Taloja,  
Dist. Raigad 410 208, Maharashtra.  
CIN: L99999MH1986PLC039199  
Telephone: (022) 2740 3500  
Fax: (022) 2741 2052  
E-mail – redressal@apcotex.com  
Website: www.apcotex.com

### **REGISTRARS AND SHARE TRANSFER AGENTS**

LINK INTIME INDIA PVT LTD.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup(w),  
Mumbai- 400 078  
Tel. No.- 2596 3838, 2594 6970 Fax – 2594 6969  
Email: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in

### **AUDIT COMMITTEE**

Manubhai G. Patel	Chairman
Girish C. Choksey	Member
Bipin V. Jhaveri (upto 10/10/2014)	Member
Kamlesh S. Vikamsey	Member
Priyamvada Bhumkar (w.e.f. 31/10/2014)	Member

### **NOMINATION & REMUNERATION COMMITTEE**

Manubhai G. Patel	Chairman
Dr. S. Sivaram	Member
Atul C. Choksey	Member
Bipin V. Jhaveri (upto 10/10/2014)	Member
Kamlesh S. Vikamsey (w.e.f. 20/03/2015)	Member

### **STAKEHOLDER RELATIONSHIP COMMITTEE**

Manubhai G. Patel	Member
Girish C. Choksey	Member
Bipin V. Jhaveri (upto 10/10/2014)	Member

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Atul C. Choksey	Member
Shailesh S. Vaidya	Member
Abhiraj A. Choksey	Member

### **CORPORATE OFFICE**

N. K. Mehta International House,  
178, Backbay Reclamation,  
Babubhai M. Chinai Marg,  
Mumbai- 400 020  
Telephone: (022) 2283 8302 / 04  
Fax: (022) 2283 8291



**apcotex industries limited**

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## NOTICE

**NOTICE** is hereby given that the Twenty Ninth Annual General Meeting of **apcotex industries limited** will be held at the Registered Office of the Company at **Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra** on **Friday, the 31<sup>st</sup> day of July 2015 at 4.00 p.m.** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statement for the year ended 31<sup>st</sup> March 2015 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Amit Champaklal Choksey (DIN 00001470), who retires by rotation and, being eligible, offers himself for reappointment.

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

**“RESOLVED THAT** M/s. Kalyaniwalla & Mistry, Chartered Accountants (Firm Registration No.104607W) having their office at Kalpataru Heritage, 5<sup>th</sup> Floor, 127 M.G. Road, Mumbai 400 023, who were appointed as the Statutory Auditors of the Company to hold the office from the conclusion of 2014 Annual General Meeting till the conclusion of the 2018 Annual General Meeting of the Company, be and is hereby ratified, to hold the office till the conclusion of the next Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

5. To consider appointment of Mrs. Priyamvada A. Bhumkar (DIN00726138) as a Director, as an Independent Director of the Company and for this purpose to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Mrs. Priyamvada A. Bhumkar (DIN 00726138), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 31<sup>st</sup> October 2014 under Section 161(1) of the Companies Act (“the Act”) and The Companies (Appointment and Qualification of Directors) Rules 2014, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act signifying his intention to propose the candidature of Mrs. Priyamvada A. Bhumkar for the office of Director be and is hereby appointed as a Director of the Company.”

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Act, The Companies (Appointment and Qualification of Directors) Rules 2014 (including any

statutory modifications or re-enactment(s) thereof for the time being in force), Clause 49 of the Listing Agreement and in pursuance of General Circular 14/2014 dated 9<sup>th</sup> June 2014, Mrs. Priyamvada A. Bhumkar (DIN 00726138), who has submitted a declaration that she meets the criteria of Independence under Section 149(6) of the Act, and who is eligible for appointment as an Independent Director of the Company to hold the office for a term of five (5) consecutive years for a term upto 31<sup>st</sup> October 2019.

**BY ORDER OF THE BOARD**  
**For apcotex industries limited**

**Date: 8<sup>th</sup> May 2015**

**ANAND V. KUMASHI**  
Company Secretary

### Registered Office:

Plot no. 3/1,  
MIDC Industrial Area,  
Taloja - 410 208,  
Dist. Raigad, Maharashtra

### NOTES:

1. The relevant statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A statement giving the relevant detail of the Directors seeking appointment/ re-appointment, as required by Clause 49 of the Listing Agreement entered into with the stock exchanges are provided in the Corporate Governance Report.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, instead of himself and a proxy need not be a member of the company.

The instrument appointing a proxy should be deposited at the registered office of the Company not less than forty eight (48) hours before the commencement of the meeting.

4. A person can act as a proxy on behalf of the members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

5. Corporate members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen



## apcotex industries limited

signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.

6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID / folio no. and also requested to handover the same for admission to meeting hall where Annual General Meeting is proposed to be held.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote at the Meeting.
8. As a measure of austerity, copies of the Annual Report will not be distributed at AGM. Members are, therefore, requested to bring their copies of the Annual Report to the meeting.
9. Relevant documents referred 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 the business hours upto the date of the Meeting.
10. The Register of Shareholders and Share Transfer Books of the Company will remain closed from **Friday, the 24<sup>th</sup> day of July 2015 to Thursday, the 30<sup>th</sup> day of July 2015** (inclusive of both days).
11. Dividend recommended by Board of Directors, if approved by the shareholders at the Annual General Meeting, will be paid / dispatched on or after **1<sup>st</sup> August 2015** to those shareholders whose names appear on the Register of Shareholders as on **24<sup>th</sup> July 2015**. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of **24<sup>th</sup> July 2015**, as per the details furnished by National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in security market. Shareholders holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Shareholders holding share in physical form can submit their PAN details to the Company.
13. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified) the Company has transferred the unclaimed dividends upto the financial year 2005-06 from time to time on due dates, to the Investors Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investors Education and Protection Fund (Uploading of Information regarding unpaid / unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts

lying with the Company as on 31<sup>st</sup> July 2014 (date of last Annual General Meeting) on the website of the Company viz. [www.apcotex.com](http://www.apcotex.com), and also on the website of the Ministry of Corporate Affairs viz. [www.mca.gov.in](http://www.mca.gov.in).

14. Members holding shares in the single name and physical form are advised to make nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialised form are advised to make a nomination through their Depository Participants. The nomination form can be obtained from Company's Registrars and Share Transfer agent viz. **LINK INTIME INDIA PVT LTD.**
15. Shareholders are requested to notify the changes, if any, in their address, e-mail id., nomination details etc. to the Company's Registrars for physical shareholding and to Depository Participants for holding in electronic form, immediately.
16. The company is using National Electronic Clearing Services (NECS) for dividend remittance. Shareholders holding shares in physical form are requested to notify/ send to the Company's Registrar and Share Transfer Agent at: **LINK INTIME INDIA PVT LTD., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup-(W), Mumbai-400 078**, immediately, details of any change in their address/mandate / bank details; and particulars of their bank account, in case the same have not been sent earlier.
17. Shareholders holding shares in the electronic form are requested to inform any change in address / bank mandate directly to their respective Depository Participants. The address / bank mandate as furnished to the Company by the respective Depositories viz. NSDL and CDSL will be printed on the dividend warrants.

### E-VOTING:

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Clause 35B of the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to provide the facility to members to exercise their right to vote by electronic means.

The e-voting period will commence at **9.00 am** on **27<sup>th</sup> July 2015** and will end at **5.00 pm** on **30<sup>th</sup> July 2015**. The Company has appointed Mr. Mahesh Hurgat, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes casted by remote e-voting and voting at the Annual General Meeting by physical ballot form. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

Members have an option to vote either through e-voting or through physical ballot form. If a member has opted for e-voting then he/she should not vote by physical ballot also and vice-versa. However, in case members cast their vote both via physical ballot and e-voting then e-voting shall prevail and voting done through physical ballot shall be treated as invalid.



For e-voting facility the Company has signed an agreement with NSDL for facilitating e-voting.

The instructions for members for voting electronically are as under:

The E-voting will begin at 9.00 am on 27<sup>th</sup> July 2015 and ends at 5.00 pm on 30<sup>th</sup> July 2015. During this period the members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 24<sup>th</sup> July 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

- a) Launch the internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- b) Click on "Shareholder-Login" to cast your vote.
- c) Enter your credentials (i.e. User Id and password). Members, whose e-mail addresses are registered with the Company / Depository Participant, are being informed their user Id and password details by email. Please use this password as the initial password. Click login. If you are already registered with NSDL for e-voting then you can use your existing user Id and password for login.
- d) If you are logging in for the first time, Password Change Menu appears. Change the password of your choice with minimum 8 digits/ characters or a combination thereof. Please note the new password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- e) Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.
- f) Select "EVEN (E-Voting Event Number)" of APCOTEX INDUSTRIES LIMITED. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
- g) Now you are ready for "e-voting" as "Cast Vote" Page opens.
- h) Members holding multiple folio's/ demat accounts shall choose voting process separately for each of the folio's/ Demat accounts.
- i) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
- j) Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority Letter etc. together with the attested specimen signature(s) of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer Mr. Mahesh Hurgat, Practicing Company Secretary through email at: [mkhurgat@gmail.com](mailto:mkhurgat@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- k) Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently.
- l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- m) The voting rights of the member shall be in proportion to the paid up value of their shares in the equity capital of the company as on the cut off date, being 24<sup>th</sup> July 2015.
- n) 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. 24<sup>th</sup> July 2015, may obtain the User ID and password in the manner as mentioned below:
  - i) If e-mail address of the member is registered against Folio No. / DP ID / Client ID, then on the home page of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) the members may click "Forgot Password" and enter Folio No. or DP ID / Client ID and PAN to generate a password.
  - ii) Member may call NSDL toll free number 1800-222-990If the member is already registered with NSDL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
- o) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
- p) The result declared will be available on the website of the Company i.e. [www.apcotex.com](http://www.apcotex.com) and on NSDL's website: URL: <https://www.evoting.nsdl.com> within 3 days of passing of the resolutions and communications of same to BSE Ltd and NSE India Ltd.
- q) The results on the resolution shall be declared after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date, subject to receipt of requisite number of votes in favor of the resolution.

## ANNEXURE TO NOTICE

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

#### Item No.5

The Board of Directors in their meeting held on 31<sup>st</sup> October 2014 have appointed Mrs. Priyamvada A. Bhumkar as Additional Director of the Company pursuant to provisions of Section 161(1) of the Act and Articles of Association of the



## apcotex industries limited

Company.

In terms of the provisions of Section 161(1) of the Act, Mrs. Priyamvada A. Bhumkar would hold the office upto the conclusion of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along-with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Priyamvada A. Bhumkar for the office of the Director of the Company.

Mrs. Priyamvada A. Bhumkar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence for getting appointed as Independent Director on the Board. As per the said Section 149, an Independent Director can hold the office for a term upto 5 (Five) years on the Board of the Company and not subjected to retirement by rotation.

The Company has received the declarations from the said Director stating that she meet all the criteria of Independence, as prescribed under Section 149(6) of the Act and under Clause 49 of the Listing Agreement.

Mrs. Priyamvada A. Bhumkar possess appropriate skills, experience and knowledge, inter alia in the field of finance, business strategy etc.

In the opinion of the Board, Mrs. Priyamvada A. Bhumkar fulfills the conditions for her appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. Mrs. Priyamvada A. Bhumkar is independent of the management.

Brief resume of Mrs. Priyamvada A. Bhumkar, nature of her expertise in specific function areas and names of companies in which she holds directorship and memberships /

chairmanships of the Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Considering the vast experience and knowledge, it will be in the interest of the Company that Mrs. Priyamvada A. Bhumkar is appointed as an Independent Director. Copy of the draft letter for appointment of Mrs. Priyamvada A. Bhumkar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered office of the Company.

Save and except Mrs. Priyamvada A. Bhumkar and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

BY ORDER OF THE BOARD  
For apcotex industries limited

ANAND V. KUMASHI  
Company Secretary

Date: 8<sup>th</sup> May 2015

**Registered Office:**

Plot no. 3/1,  
MIDC Industrial Area,  
Taloja - 410 208,  
Dist. Raigad, Maharashtra



## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting to you the Twenty-Ninth Annual Report of the Company and the audited Statements of Accounts for the year ended 31<sup>st</sup> March 2015.

### A. COMPANY PERFORMANCE

#### FINANCIAL HIGHLIGHTS

Particulars	2014-15 (₹ In Lacs)	2013-14 (₹ In Lacs)	Growth %
GROSS SALES	39114.46	33035.43	18.40
Gross Profit Before Depreciation, Finance cost and Tax but after prior years' adjustments	4704.83	2756.42	70.69
Less: a) Depreciation	897.71	676.81	
b) Finance Cost	324.25	414.49	
Profit Before Tax	3482.85	1665.12	109.16
Less: a) Provision for Tax	1018.50	371.00	
b) Adjustment for Deferred Tax Liability	(3.71)	(20.21)	
Profit After Tax	2468.06	1314.32	87.78
Add: Balance brought forward from the Previous Year	3136.36	2560.11	
<b>Disposable Profit</b>	<b>5604.42</b>	<b>3874.43</b>	<b>44.65</b>
Recommended Appropriations:			
a) Dividend	725.83	518.45	40.00
b) Tax on Dividend	147.77	88.11	67.70
c) Transfer to General Reserve	800.00	131.50	
Balance carried forward to Balance Sheet	3930.82	3136.37	
	<b>5604.42</b>	<b>3874.43</b>	

#### DIVIDEND

Your Directors have recommended a dividend @ ₹ 7.00 (Rupees Seven) (Previous year ₹ 5/- (Rupees Five)) per Equity Share of ₹ 5.00/- each, for the financial year 2014-15. Dividend, if approved, will absorb a sum of ₹ 873.59 lacs (including Dividend Distribution Tax of ₹ 147.76 lacs) out of the net profits after tax, as above and will be paid to those shareholders whose names appear on the Register of Members on **Friday 24<sup>th</sup> July 2015**.

### TRANSFER TO RESERVE

The appropriations for the year are:

(Rupees in lacs)

Particulars	Year ended 31 <sup>st</sup> March 2015
<b>Net Profit after tax for the year</b>	<b>2468.06</b>
Balance of Reserve at the beginning of the year	1603.72
Transfer to General Reserve	800.00
<b>Balance of Reserve at the end of the year</b>	<b>2403.72</b>

### B. MANAGEMENT DISCUSSION AND ANALYSIS

The company manufactures and markets a range of Emulsion Polymers - Synthetic Latexes and Synthetic Rubber.

#### I. CURRENT SCENARIO.

Your Company is one of the leading producers of polymer products namely, Synthetic Latexes (Vinyl Pyridine Latex, Carboxylated Styrene Butadiene Latex, Styrene Acrylic Latex, Nitrile Latex, etc.) and also Synthetic Rubber (High Styrene Rubber) in India. The Company has one of the broadest ranges of products in the industrial segments and caters to a wide range of industries. Company's Synthetic Latexes products are used, among other applications, for tyre cord dipping, paper and paperboard coating, carpet backing, concrete modification/water proofing, non-wovens, textile finishing, paints, etc.,. Various grades of Synthetic Rubber find application in products such as footwear, automotive components, moulded items, v-belts, conveyor belts, hoses, etc.

The Company's major raw materials are petrochemical products and its business is vulnerable to high volatility in the prices of crude oil and its downstream products. This financial year the lower prices of crude oil and downstream petro-chemicals was advantageous to the company since most input material costs decreased significantly towards the second half of the year. The Company was able to manage inventories well and secure good prices on input materials.

A number of steps have been taken by the management to improve the operational efficiency of the Company in different functions like marketing, human resource development, production process, utilities etc.

Your company is recipient of Total Productive Maintenance (TPM) Excellence in Consistent TPM Commitment Award - Category A by the Japan



## apcotex industries limited

Institute of Plant Maintenance (JIPM). TPM has helped the company significantly in improving efficiencies in plant and in operations and rationalizing costs. During the previous year, your Company has successfully completed re-certification of the integrated ISO 9001, ISO 14001 and OHSAS 18001. During the year under review your company has been allowed by Indian Chemical Council (ICC) to use "Responsible Care" logo for a period of one year till July 2015, which will be renewed thereafter after the audit.

### II. OPERATIONS DURING THE FINANCIAL YEAR 2014-15.

During the year, the Company achieved Gross Value Sales of ₹ 39114.46 lacs, registering a growth of 18.40%, compared to that of the preceding year. The company exported its products worth ₹ 6899.46 lacs compared to exports of ₹ 3470.88 lacs during the previous year, a growth of 98.78%.

The Synthetic Rubber Latex business has registered volume sales growth of 27.32%, and Synthetic Rubber business has registered volume growth of about 23%, as compared to the volume sale during the previous financial year.

There was a continuous thrust from the management to develop a strong research and development and technical service team to develop new products for export markets, explore new applications and understand better the changing customer needs.

Profits before tax registered a growth of 109% to ₹ 3482.85 lacs as compared to ₹ 1665.13 lacs during the previous year due to better realizations, lower raw material costs, product/customer mix and exports with good margins. EBITDA increased by about 71% from ₹ 2756.43 lacs in the previous year to ₹ 4704.83 lacs in FY 2014-15.

The profit after tax stood at ₹ 2468.06 lacs as compared to ₹ 1314.33 lacs in the previous year.

The Balance Sheet of the Company is also quite healthy with Debt/Equity ratio of 0.21, reasonable Working Capital cycle and Cash/Liquid Investments valued at ₹ 49.11 crore based on NAV as on March 31, 2015.

Your Directors consider Company's performance as satisfactory.

### III. OUTLOOK.

The Company expects FY 2015-16 to be more challenging since we already have a fairly high market share across all segments in India and overall growth of the economy has been slow. Introduction of new products and exports are short term future growth drivers for the Company. In the medium to long term the Company is exploring adding new capacities for current products, new adjacent businesses as well as opportunities for inorganic growth.

With company's continuous endeavour to enhance efficiencies at all levels and functions, your Directors

view the prospects for the financial year 2015-16 with cautious optimism.

### IV. RISKS AND CONCERNS.

The Company has laid down a well-defined Risk Management Framework covering the risk, risk exposure, potential impact and risk mitigation process. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company has formed Internal Risk Management Committee, which periodically reviews all the risks in the organisation and identifies risk areas, monitors and reports the compliance and effectiveness of the policy and procedure to the Audit Committee and Board.

The Audit Committee and Board review the risks and suggest steps to be taken to control and mitigate the same through a properly defined framework.

The Company's Board of Directors perceives the following risks as high risks areas:-

1. Currency / Foreign Exchange Risks
2. Procurement Risks
3. Business Risks

Major risks arise from two main raw materials viz. Styrene and Butadiene. There is an availability risk associated with both, since Styrene is not manufactured in the country and is 100% imported. Butadiene is currently consistently available from only one manufacturer in the country even though there are two other manufacturers. No hedging instruments are available to hedge their availability and price volatility risk and therefore, the company manages the availability risks partly by monitoring overseas supplies and partly by varying inventory levels.

Hedging is available for Currency / Foreign Exchange risks and is resorted to selectively.

Some of the major raw materials are hazardous and inflammable. The Company has ensured that required Safety equipments and infrastructure are in place as per statutes and global safety standards. Your company is also certified for ISO 14001 and OHSAS 18001, which address all Environmental and Safety Systems and processes. In addition, all the safety measures like safety committee's constant supervision, periodical drills, risks awareness programmes, appropriate treatment of effluents generated, are regularly taken with constant attention from senior level of the management.

The Company has also insured its assets, loss of profits and standing charges for insurable risks.

## V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

Internal checks and controls covering operations of the Company are in place and are constantly being improved upon. Adequate system exists to safeguard company's assets through insurance on reinstatement basis and maintenance of proper records. The company has well defined procedures to execute financial transactions.

Internal audit is being conducted by an Independent firm of Chartered Accountants. The internal auditor monitors and evaluates the efficiency and adequacy of internal control system in the organisation, its compliance with operating system, accounting procedures and policies of the Company. Based on the observations of the internal auditor, the process owners undertake the corrective action in their respective areas. Significant audit observations and corrective actions thereupon are presented to the Audit Committee.

The Partners of both, Statutory and Internal Auditor attend all the Audit Committee meetings.

## VI. DEVELOPMENT OF HUMAN RESOURCE / INDUSTRIAL RELATIONS.

The company continuously monitors its Human Resource requirement to ensure that it has adequate human skills commensurate with its needs.

Cordial relations exist between the employees at various levels and the management.

To upgrade human skills and improve their efficiencies, the company continuously organizes workshops on different management areas and also deputed employees to external workshops and seminars.

### CAUTIONARY STATEMENT.

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include raw material availability and prices, cyclical demand, movements in company's principal markets, changes in Government regulations, tax regimes, economic developments within and outside India and other incidental factors.

## C. WIND POWER

The Wind Turbine Generator installed at Sadawaghapur, Taluka – Patan, District Satara, Maharashtra, has generated gross revenue of about ₹ 102.13 lacs during the financial year (previous year ₹ 119.45 lacs), and same is netted-off against the power cost.

## D. DISCLOSURES UNDER COMPANIES ACT, 2013

### I. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information sought under the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure I, forming part of this report.

### II. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the annual return is enclosed in Annexure II.

### III. CHANGES IN THE SHARE CAPITAL

The paid-up Equity Share Capital as on 31<sup>st</sup> March 2015 was ₹ 518.45 lacs, comprising of 1,03,68,992 equity shares of ₹ 5/- each. During the year under review, the Company has not issued any shares or convertible instruments.

### IV. NUMBER OF BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on the Company business policy and strategy apart from other Board business. During the financial year under review, the Board of Directors met 5 (five) times. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report.

### V. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of Mr. M. G. Patel, Mr. Kamlesh Vikamsey, Mr. Girish Choksey, Mr. Bipin Jhaveri (upto 10/10/2014) and Mrs. Priyamvada Bhumkar (w.e.f. 31/10/2014). Mr. M. G. Patel is the Chairman of the Committee. Mr. M. G. Patel, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar are the Non-Executive Independent Directors. More details on the committee are given in the Corporate Governance Report.

All the recommendations of the audit committee are accepted by the Board.

### VI. BOARD INDEPENDENCE

The definition of Independence of Directors is derived from Clause 49 of the Listing Agreement entered into with the Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013;

1. Mr. M. G. Patel
2. Dr. S. Sivaram
3. Mr. Shailesh Vaidya
4. Mr. Kamlesh Vikamsey
5. Mrs. Priyamvada Bhumkar



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In compliance with Schedule IV of the Companies Act, 2013 and Rules thereunder, the Independent Directors met on 20<sup>th</sup> March 2015 and discussed issues as prescribed under the schedule IV of the Companies Act, 2013 and also discussed various other issues.

### VII. ANNUAL EVALUATION BY THE BOARD

In compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Nomination & Remuneration Committee members, covering various aspects of the Board's functioning such as adequacy of composition of Board and Committees, Board communication, timeliness and unbiased information of right length and quality of information, Board culture, execution and performance of specific duties, obligations and governance.

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 attendance, participation in the discussion, deliberation at the meeting, understanding role and responsibilities as board member, demonstration of knowledge, skill and experience that make him/her a valuable resource for the board.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Executive Directors was carried out by the Independent Directors, who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

### VIII. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration policy of the Company for Directors, KMP's and Senior Personnel of the Company is enclosed as Annexure III to this Report.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure IV (A) to this Report.

### IX. COMMENTS ON AUDITORS REPORT

There are no qualifications, reservations or adverse remarks on disclaimers made by M/s. Kalyaniwalla & Mistry, Statutory Auditors, in their report and by Mr. Mahesh Hurgat, Company Secretary in Practice, in his secretarial audit report.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

### X. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement. There are no materially significant related party transactions entered into by the Company with Promoters, Directors or Key Managerial Personnel etc., which may have potential conflict with the interest of the company at large.

All new related party transactions are first approved by the Audit Committee and thereafter placed before the Board for their consideration and approval. A statement of all related party transactions is presented before the Audit Committee meeting on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of Contracts or arrangements with related parties referred to in Section 188(1), read with Rule 15 of The Companies (Meetings of Board and Its Powers) Rules 2014 is appended to this report in prescribed Form AOC 2 as Annexure V.

The Related Party Transaction Policy as approved by the Board is uploaded on the company's website at the following web link.

[http://apcotex.com/policies/Related\\_Party\\_Transaction\\_Policy.pdf](http://apcotex.com/policies/Related_Party_Transaction_Policy.pdf)

### XI. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### XII. VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

### XIII. CORPORATE GOVERNANCE

The Company has always strived to adopt appropriate standards for good Corporate Governance.

Detailed report on the Corporate Governance and Management Discussion Analysis, form part of this report. A certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the said Report.

### E. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee in compliance with Section 135 of the Companies Act, 2013. The CSR



committee was constituted by the Board of Directors of the Company at its meeting held on 26<sup>th</sup> April 2014. On the recommendation of the CSR committee, the Board has approved the CSR policy of the Company which is published on the Company's website.

The Company has under taken projects in the areas of Healthcare, Education, and Vocational Training for village women and social projects around the area surrounding the factory.

CSR committee planned health check-up camp, distance education kits for remotely located schools in Adivasi settlements etc., around the plant area, which could not be completed as planned during the financial year 2014-15 resulting into shortfall in CSR spent to the extent of ₹ 3.37 lacs.

The details of CSR activities as required under Section 135 of the Companies Act, 2013, are provided in CSR Report which is annexed herewith as Annexure VI.

#### **F. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

The company has conducted the Familiarisation program for Independent Directors appointed during the year. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarize them with the process, business and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Program has been disclosed on the website of the Company at [http://apcotex.com/policies/Familiarisation\\_Programme\\_Independent.pdf](http://apcotex.com/policies/Familiarisation_Programme_Independent.pdf)

#### **G. DIRECTORS RESPONSIBILITY STATEMENT**

The Directors confirm:

- I. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- II. That they have 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 at the end of the financial year and of the profit and loss of the company for that period;
- III. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- IV. That they have prepared the annual accounts on a going concern basis;
- V. That they, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- VI. That they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **H. DISCLOSURE IN TERMS OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company takes all necessary measures to ensure a harassment free workplace and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment. No complaints relating to sexual harassment were received during the year.

#### **I. FIXED DEPOSITS MATURED BUT NOT CLAIMED**

Company has no Fixed Deposits at the end of the financial year. The Central Bureau of Investigation (CBI) has instructed the Company, not to repay the proceeds of four fixed deposits amounting to ₹ 48,000/- and accrued interest of ₹ 22,491/- thereon. These deposits matured during the first week of December 2002 and continue to remain with the Company.

#### **J. INSURANCE**

All insurable assets of the Company including inventories, buildings, plant and machinery etc., as also liability under legislative enactments, are insured on reinstatement basis after due valuation of assets by an external agency. The Company also holds a Loss of Profit Policy for the financial year 2014-15.

#### **K. ECOLOGY AND SAFETY**

Company ensures safe, healthy and eco-friendly environment at its plant and surrounding area. Company continually works towards identification and reduction of risks and prevention of pollution at its plant and its surroundings.

Members of the Safety Committee of the Company's Talaja Plant, have been regularly reviewing the safety measures and their implementation to ensure adequate safety in material handling and processing, control of pollution caused by liquid effluents, dust and emissions from chimney etc. Samples are periodically drawn and the reports submitted to the Pollution Control Board indicating compliance with the standards.

Necessary application for renewal of consent to operate the plant at Talaja has been made to Maharashtra Pollution Control Board, consent of which is awaited.



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### L. PERSONNEL

The information required under Section 197 of the Companies Act, 2013 and read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are given in Annexure IV (B).

### M. DIRECTORS & KEY MANAGERIAL PERSONNEL

#### I. Appointment:

Mrs. Priyamvada Bhumkar was appointed as additional director of the Company by Board of Directors at their meeting held on 31<sup>st</sup> October 2014. She would therefore hold office upto the conclusion of the ensuing Annual General Meeting.

Mrs. Priyamvada Bhumkar qualifies to be an Independent Director and her appointment has been recommended by the Nomination and Remuneration Committee. Accordingly, it is proposed to appoint Mrs. Priyamvada Bhumkar as an Independent Director for a term of 5 (Five) consecutive years upto 31<sup>st</sup> October 2019.

Pursuant to declaration made under Section 149 of the Companies Act, 2013, Mrs. Priyamvada Bhumkar meets all the criteria of Independence, as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement. She possess the appropriate skills, experience and knowledge inter alia in the field of finance, business strategy etc.

The background of the Director(s) proposed for appointment / reappointment is given under the Corporate Governance section of the Annual Report.

In compliance with provisions of Section 203 of the Companies Act, 2013, Mr. Rohit R. Mahakal, was re-designated as Chief Financial Officer of the Company with effect from 1<sup>st</sup> April 2015 in the Board meeting held on 20<sup>th</sup> March 2015 on the recommendation of the Audit Committee.

#### II. Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company Mr. Amit Choksey (DIN 00001470) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for reappointment. The Board recommends his reappointment.

#### III. Cessation:

Mr. Bipin Jhaveri, Director of the Company expired on 10<sup>th</sup> October 2014. Mr. Bipin Jhaveri served on the Board of the Company for more than two decades. Your Directors wish to place on record their appreciation for his service and valuable contribution made during the tenure of Mr. Bipin Jhaveri as Director of the Company.

The background of the Director(s) proposed for

appointment / re-appointment is given under the Corporate Governance section of the Annual Report.

### N. AUDITORS

- I. Pursuant to provisions of Section 139(1) of the Companies Act, 2013, M/s. Kalyaniwalla & Mistry, Chartered Accountants (Firm Registration no. 104607W), were appointed as Statutory Auditors of the Company to hold the office till the conclusion of the Annual General Meeting during the year 2018, subject to ratification at every Annual General Meeting.

The Company has received letter from the Statutory Auditors to the effect that ratification of their appointment, if made, would be within the prescribed limit under Section 141 (3) (g) of the Companies Act, 2013 and that they are not disqualified from the appointment.

Your Board recommends the ratification of appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants (Firm Registration no. 104607W), Mumbai, as Statutory Auditors of the Company for the financial year 2015-16 and to hold the office till the conclusion of the next Annual General Meeting during the year 2016.

- II. Pursuant to provisions of Section 204 of the Companies Act, 2013 the Board of Directors have appointed Mr. Mahesh Hurgat, Practicing Company Secretary to conduct the Secretarial Audit and his Report on the Company's Secretarial Audit is appended to this Report as Annexure VII.

### O. CEO & CFO CERTIFICATION

Certificate from Managing Director and Chief Financial Officer of the Company, pursuant to the provisions of Clause 49(IX) of the Listing Agreement, for the financial year under review was placed before the Board of Directors of the Company at its meeting held on 8<sup>th</sup> May 2015.

### P. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep sense of gratitude to State Bank of India, Standard Chartered Bank, various departments of State / Central Government and local authorities for their continued guidance and support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Apcotex family. To all shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

The accompanying Annexure I to VII are an integral part of this Directors' Report.

**FOR AND ON BEHALF OF THE BOARD**

**ATUL C CHOKSEY**  
CHAIRMAN

Mumbai: 8<sup>th</sup> May 2015



## ANNEXURE I TO DIRECTORS' REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy :	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in batch cycle time and improved operations.	
(B) Technology absorption	No new technology has been acquired during the year. Upgradation of present technology is a continuous process, implemented and adapted by the Company through innovation. Efforts are made to reduce batch cycle time and improve operational efficiency.  No technology import has been made in the recent past.	
Expenditure incurred on R&D during the Financial Year are as follows:		
(₹ in lacs)		
Particulars	2014-15	2013-14
Capital	4.23	10.94
Recurring	148.60	175.10
Total	152.83	186.04
Total R & D expenditure as a percentage of Total Revenue	0.43%	0.64%
(C) Foreign Exchange Earnings and Outgo	The Company is currently assessing export potential for its products in various markets. Details of foreign exchange earnings and outgo are given in Note 35 and 36 of the Financial Statements.	



**apcotex industries limited**

## ANNEXURE II TO DIRECTORS' REPORT

### FORM NO. MGT.9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2015

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

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L99999MH1986PLC039199
ii)	Registration Date	12/03/1986
iii)	Name of The Company	apcotex industries limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government company
v)	Address of the Registered Office and contact details	Plot no 3/1, MIDC Industrial area, Taloja, Raigad, Maharashtra Tel. No.: -022-27403500, Fax No.: -022-27412052
vi)	Whether listed Company	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any.	Link Intime India Pvt Ltd, C-13, Pannalal Silk Mills compound, LB.S. Marg, Bhandup (W), Mumbai-400078 Tel. No.: 2596 3838, 2594 6970, Fax No.: 2594 6969

#### 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:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of synthetic rubber	20132	14
2	Manufacture of other products or preparations of kind used in the textile, paper, leather and like industries	20297	86

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Not Applicable				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,511,642	-	1,511,642	14.58	1,511,642	-	1,511,642	14.58	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4,457,134	-	4,457,134	42.99	4,461,391	-	4,461,391	43.03	0.04
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>5,968,776</b>	<b>-</b>	<b>5,968,776</b>	<b>57.56</b>	<b>5,973,033</b>	<b>-</b>	<b>5,973,033</b>	<b>57.60</b>	<b>0.04</b>
(2) Foreign									-
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>5,968,776</b>	<b>-</b>	<b>5,968,776</b>	<b>57.56</b>	<b>5,973,033</b>	<b>-</b>	<b>5,973,033</b>	<b>57.60</b>	<b>0.04</b>
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	630	718	1,348	0.01	730	718	1,448	0.01	-
b) Banks/FI	100	544	644	0.01	621	444	1,065	0.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) – Foreign banks	-	446	446	0.00	-	446	446	-	-
<b>Sub-total (B)(1):-</b>	<b>730</b>	<b>1,708</b>	<b>2,438</b>	<b>0.02</b>	<b>1,351</b>	<b>1,608</b>	<b>2,959</b>	<b>0.03</b>	<b>0.01</b>



## apcotex industries limited

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	191,392	4,002	195,394	1.89	437,969	4,002	441,971	4.26	2.37
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,935,288	635,046	3,570,334	34.43	2,752,688	592,204	3,344,892	32.26	(2.17)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	370,252	71,000	441,252	4.26	389,192	42,400	431,592	4.16	(0.09)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians (Repat)	98,416	19,184	117,600	1.13	85,986	18,366	104,352	1.01	(0.13)
Non Resident Indians (Non Repat)	43,823	3,198	47,021	0.45	39,420	3,198	42,618	0.41	(0.04)
Clearing Member	21,767	-	21,767	0.21	23,827	-	23,827	0.23	0.02
Directors/Relatives of Director	274	-	274	-	274	-	274	-	-
Trusts	2,670	1,466	4,136	0.04	2,008	1,466	3,474	0.03	(0.01)
<b>Sub-total (B)(2):-</b>	<b>3,663,882</b>	<b>733,896</b>	<b>4,397,778</b>	<b>42.41</b>	<b>3,731,364</b>	<b>661,636</b>	<b>4,393,000</b>	<b>42.37</b>	<b>(0.05)</b>
<b>Total Public Shareholding (B) = (B) (1) + (B)(2)</b>	<b>3,664,612</b>	<b>735,604</b>	<b>4,400,216</b>	<b>42.44</b>	<b>3,732,715</b>	<b>663,244</b>	<b>4,395,959</b>	<b>42.40</b>	<b>(0.04)</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>9,633,388</b>	<b>735,604</b>	<b>10,368,992</b>	<b>100.00</b>	<b>9,705,748</b>	<b>663,244</b>	<b>10,368,992</b>	<b>100.00</b>	<b>-</b>

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Abhiraj Atul Choksey	259,808	2.51	-	259,808	2.51	-	0.00
2	Abhiraj Trading and Investment Pvt Ltd	58,234	0.56	-	58,234	0.56	-	0.00
3	Amit Champaklal Choksey	55,025	0.53	-	55,025	0.53	-	0.00
4	Ankita Amit Choksey	27,044	0.26	-	27,044	0.26	-	0.00
5	Ankur Girish Choksey	6,800	0.07	-	6,800	0.07	-	0.00
6	Apco Enterprises Limited	56,176	0.54	-	56,176	0.54	-	0.00
7	Aquamaraine Trading & Investments Pvt Ltd	49,400	0.48	-	49,400	0.48	-	0.00
8	Atul Champaklal Choksey	667,700	6.44	-	667,700	6.44	-	0.00
9	Bhuvantray Investments & Trading Co Pvt Ltd	49,892	0.48	-	49,892	0.48	-	0.00
10	Biyash Abhiraj Choksey	18,000	0.17	-	18,000	0.17	-	0.00
11	Choksey Chemicals Pvt Ltd	138	-	-	138	0.00	-	0.00
12	Devaki Ashok Parekh	3,200	0.03	-	3,200	0.03	-	0.00
13	Devanshi Anant Veer Jalan	73,000	0.70	-	73,000	0.70	-	0.00
14	Dhumraketu Investments and Trading Co Pvt Ltd	1,658,952	15.99	-	1,659,557	16.00	-	0.02
15	Forest Hills Trading and Investments Pvt Limited	4,300	0.04	-	4,300	0.04	-	0.00
16	Gauriputra Investments & Trading Co. Pvt Ltd	26,200	0.25	-	26,200	0.25	-	0.00
17	Girish Champaklal Choksey	8,900	0.09	-	8,900	0.09	-	0.00
18	Haridwar Trading and Investments Pvt Ltd	4,300	0.04	-	4,300	0.04	-	0.00
19	Janaki Ashok Parekh	2,400	0.02	-	2,400	0.02	-	0.00
20	Namrata Amit Choksey	28,538	0.28	-	28,538	0.28	-	0.00
21	Parul Atul Choksey	270,770	2.61	-	270,770	2.61	-	0.00
22	Prashant Girish Choksey	6,600	0.06	-	6,600	0.06	-	0.00
23	Priti Amit Choksey	23,567	0.23	-	23,567	0.23	-	0.00
24	Rita Ashok Parekh	53,190	0.51	-	53,190	0.51	-	0.00
25	Saldhar Investments & Trading Co Pvt Ltd	566,544	5.46	-	566,544	5.46	-	0.00
26	Sunita Girish Choksey	4,600	0.04	-	4,600	0.04	-	0.00
27	The Hindustan Mineral Products Limited	9,662	0.09	-	9,662	0.09	-	0.00
28	Trivikram Investments and Trading Co Ltd	1,973,336	19.03	-	1,976,988	19.07	-	0.04
		5,966,276	57.54	-	5,973,033	57.60	-	0.06



## apcotex industries limited

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

Sr no.	Name of the promoter with change in share holdings	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Trivikram Investments And Trading Company Limited	1,973,336	19.03	1,976,988	19.06
2	Dhumraketu Investments And Trading Company Private Limited	1,658,952	15.99	1,659,557	16.00
3	Amit Champaklal Choksey	55,025	0.53	55,025	0.53

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

Sr. no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mita Dipak Shah	121,100	1.16	120,000	1.15
2	Vijay Kishanlal Kedia	-	-	115,907	1.11
3	Abhay Arvind Vakil	79,612	0.76	79,612	0.76
4	Kotak Mahindra Investments Ltd	-	-	51,200	0.49
5	Amar Arvind Vakil	42,400	0.40	71,000	0.68
6	Naga Dhunseri Group Limited	-	-	39,558	0.38
7	Dhunseri Investments Limited	-	-	37,008	0.35
8	Mint Investments Limited	-	-	30,536	0.29
9	Mussoorie Trading Co Private Limited	-	-	30,000	0.28
10	Hafeez Sorab Contractor	30,000	0.28	30,000	0.28

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Atul C. Choksey	667,700	6.44	667,700	6.44	-
2	Abhiraj Choksey	259,808	2.51	259,808	2.51	-
3	Girish C. Choksey	8,900	0.09	8,900	0.09	-
4	Amit C. Choksey	55,025	0.53	55,025	0.53	-
5	Manubhai G. Patel	274	-	274	-	-
6	Bipin V. Jhaveri (upto 10/10/2014)	-	-	-	-	-
7	Dr. S. Sivaram	-	-	-	-	-
8	Shailesh S. Vaidya	-	-	-	-	-
9	Kamlesh Vikamsey	-	-	-	-	-
10	Priyamvada Bhumkar (w.e.f 31/10/2014)	-	-	-	-	-
11	Anand V. Kumashi	500	-	2,300	0.02	Bought off Market
12	Rohit R. Mahakal	-	-	-	-	-



## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits (₹ In Lacs)	Unsecured Loans (₹ In Lacs)	Deposits (₹ In Lacs)	Total Indebtedness (₹ In Lacs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,699.36	-	102.10	4801.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.65	-	-	28.65
<b>Total (i+ii+iii)</b>	4,728.01	-	-	4,728.01
Change in Indebtedness during the financial year				
• Addition	-	-	30.50	30.50
• Reduction	1,600.57	-	-	1,600.57
<b>Net Change</b>				
Indebtedness at the end of the financial year				
i) Principal Amount	3,113.78	-	132.60	3246.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13.66	-	-	13.66
<b>Total (i+ii+iii)</b>	3,127.44	-	132.60	3260.04

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of Managing Director	Total Amount (₹ In Lacs)
		Mr. Abhiraj Choksey	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (₹ In Lacs)	60.20	60.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (₹ In Lacs)	5.99	5.99
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 (₹ In Lacs)	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit		
	- others, specify...		
5.	Others, please specify	-	-
	Total (A) (₹ In Lacs)	66.19	66.19
	Ceiling as per the Act	5% of net profits of the Company	



## apcotex industries limited

### B. Remuneration to other directors:

Sr. no.	Name of Director	Particulars of Remuneration			Total
		Fees for attending Board/ committee Meetings	Commission	Others Please Specify	
<b>A.</b>	<b>Independent Director</b>				
1	M. G. Patel	240,000	120,000	-	360,000
2	Bipin Jhaveri (upto 10/10/2014)	80,000	60,000	-	140,000
3	Dr. S. Sivaram	130,000	120,000	-	250,000
4	Shailesh Vaidya	40,000	120,000	-	160,000
5	Kamlesh Vikamsey	160,000	120,000	-	280,000
6	Priyamvada Bhumkar (wef 31/10/2014)	80,000	60,000	-	140,000
	<b>Total of (A)</b>	<b>730,000</b>	<b>600,000</b>	<b>-</b>	<b>1,330,000</b>
<b>B.</b>	<b>Other Non-Executive Director</b>				
7	Atul Choksey	70,000	2,553,000	-	2,623,000
8	Girish Choksey	50,000	-	-	50,000
9	Amit Choksey	50,000	-	-	50,000
	<b>Total of (B)</b>	<b>170,000</b>	<b>2,553,000</b>	<b>-</b>	<b>2,723,000</b>
	<b>Total of (A)+(B)</b>	<b>900,000</b>	<b>3,153,000</b>	<b>-</b>	<b>4,053,000</b>
	<b>Total Managerial Remuneration</b>				<b>4,053,000</b>
	<b>Overall Ceiling as per the Act</b>	1% of net profits of the Company (Excluding of Seating fees)			

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/MTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Anand V. Kumashi	Rohit R. Mahakal	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (₹ In Lacs)	21.20	12.48	33.68
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (₹ In Lacs)	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 (₹ In Lacs)	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>21.20</b>	<b>12.48</b>	<b>33.68</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		





## **ANNEXURE III TO DIRECTORS' REPORT**

### **NOMINATION AND REMUNERATION POLICY OF THE ORGANISATION**

#### **Terms of Reference:**

The terms of reference of the Nomination & Remuneration Committee (NRC), inter alia, consists of reviewing overall compensation policy, service agreements, performance incentive and other employment conditions of Managing Director / Whole-Time Director, Key Managerial Personnel (KMP's) and Senior Management personnel. The recommendations of the NRC are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary.

#### **Guiding principles:**

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent executives.

The remuneration policy reflects the overriding remuneration philosophy and principles of the **apcotex industries limited**. When determining the remuneration policy and arrangements for Whole-time / Managing Director(s) / Key Managerial Persons (KMP), Senior Management Personnel (SMP), the NRC considers, pay and employment conditions with peers/elsewhere in the competitive market to ensure that pay structures are appropriately aligned and those levels of remuneration remain appropriate in this context.

The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

#### **1. OBJECTIVE:**

The Key Objectives of the Committee would be:

- a) ensure compliance of the applicable provisions with Section 178 of the Companies Act, 2013 and Clause 49 under the Listing Agreement entered into with the Stock Exchanges (as amended or re-enacted from time to time) relating to Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)
- b) to recommend the Board in relation to appointment and removal of Directors, Key Managerial Personnel

(KMP) and Senior Management Personnel (SMP).

- c) to evaluate performance and recommend remuneration of the Directors, KMP and SMP.

#### **2. DEFINITIONS:**

- (a) (a) Managing Director (MD) / Whole-Time Director means a director, appointed by the Board of Director by virtue of the Articles of the Company under an agreement which has been approved by the members in the general meeting and is entrusted with substantial power of management of the affairs of the Company. Chief Executive Officer (CEO) means a person appointed by the Board of Directors to head a particular division or entire company.
- (b) Non-Executive Directors (NED) in relation to the Company means a member of the Board of Directors who is not in the employment of the Company.
- (c) Independent Director (ID) in relation to the Company shall have the same meaning as defined under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- (d) **Key Managerial Personnel (KMP) (Section 203):** Key Managerial Personnel means:
  - (i) Chief Executive Officer or the Managing Director or Whole-time Director;
  - (ii) Company Secretary,
  - (iii) Chief Financial Officer; and
  - (iv) such other officer as may be prescribed.
- (e) **Senior Management Personnel (SMP):** Senior Management Personnel means personnel of the company who are members of its core management team excluding the Board of Directors. The core management team consists of:
  - (i) Vice President(s)

#### **3. ROLE OF COMMITTEE (Section 178 & Clause 49 IV B of Listing Agreement):**

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

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board the appointment and removal of KMP and SMP.
- c) to carry out evaluation of Director's performance and recommend to the Board appointment/removal based on his/her performance.
- d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Managing Directors remuneration and incentive.
- e) to ensure Board Diversity through Board members who come from various different fields e.g. Accounts, Finance, Technical, Legal, Business, etc.

**4. MEMBERSHIP (Section 178 and Clause 49 IV A of Listing Agreement):**

The Committee shall:

- a) Consist of a minimum 3 Non-Executive directors, majority of them shall be Independent Directors.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Chairman of the Company can be the member of the NRC.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

**5. CHAIRMAN (Section 178 and Clause 49 IV A of Listing Agreement):**

- a) Chairman of the Committee shall be an Independent Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- c) Chairman of the NRC meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**6. FREQUENCY OF MEETINGS:**

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

**7. COMMITTEE MEMBERS' INTERESTS:**

- a) 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.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**8. SECRETARY:**

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

**9. VOTING:**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**10. MINUTES OF COMMITTEE MEETING:**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**11. Disclosure of Information:**

The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.



**apcotex industries limited**

## ANNEXURE IV TO DIRECTORS' REPORT

### A. Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. no.	Disclosure Requirement	Disclosure details			
		Directors / KMP	Title	Ratio	% increase in remuneration
1	The percentage increase in remuneration of each Director, Company Secretary and Chief Financial Officer during the financial year 2014-15, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-15	Atul C. Choksey	Non Executive -Chairman	8.29	122.29
		Abhiraj A. Choksey	Managing Director	21.17	7.19
		Girish C. Choksey	Non-Executive Director	0.16	25.00
		Amit C. Choksey	Non-Executive Director	0.16	25.00
		Manubhai G. Patel	Non-Executive Director	1.14	89.47
		Bipin V. Jhaveri (upto 10/10/2014)	Non-Executive Director	0.44	-26.32
		Dr. S. Sivaram	Non-Executive Director	0.79	78.57
		Shailesh S. Vaidya	Non-Executive Director	0.51	33.33
		Kamlesh S. Vikamsey	Non-Executive Director	0.88	75.00
		Priyamvada Bhumkar (wef 31/10/2014)	Non-Executive Director	0.44	-
		Anand V. Kumashi	Company Secretary	N.A.	7.50
		Rohit R. Mahakal	Chief Financial Officer	N.A.	18.18
2	Percentage increase in the median remuneration of employees in the financial year	13.20%; considering employees who were in employment for the whole of FY 13-14 and FY 14-15.			
3	Number of permanent employees on the rolls of Company at the end of the year	209			
4	Explanation on the relationship between average increase in remuneration and Company performance	Recommendation for increase in remuneration is based on the following factors: <ul style="list-style-type: none"> <li>• Compensation trends based on industry benchmarking</li> <li>• Compensation positioning vis-à-vis market trend</li> <li>• Alignment between risks and remuneration</li> <li>• For employees who were in employment for the whole of FY 13-14 and FY 14-15, average increase in remuneration for FY 14-15 is 9.87%</li> </ul>			
5	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	The total remuneration of the Key Managerial Personnel increased by 8.51% during 2014-15 whereas the Profit before Tax increased by 109.16% during 2014-15.			
6	Variation on the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and % increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer	a) The market capitalization as on 31 <sup>st</sup> March 2015 was ₹ 515.34 crore (₹ 124.58 crore as on 31 <sup>st</sup> March 2014). b) Price Earning Ratio of the Company was 20.88 as at 31 <sup>st</sup> March 2015 and was 9.48 as at 31 <sup>st</sup> March 2014. c) Company's stock price as at 31 <sup>st</sup> March 2015 has increased by 764.35% to ₹ 497.00 over the last public offering i.e. IPO during August 1996 at the price of ₹ 115.00 per share (post subdivision adjusted price ₹ 57.50)			



Sr. no.	Disclosure Requirement	Disclosure details		
7	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	For employees other than managerial personnel who were in employment for the whole of FY 13-14 and FY 14-15 the average increase is 10.06%. Average increase for managerial personnel is 7.19%.		
8	Comparison of remuneration of each Key Managerial Personnel against the performance of the Company.	<b>Directors/ KMP</b>	<b>Title</b>	<b>Remuneration FY 14-15 % of PBT</b>
		Mr. Abhiraj Choksey	Managing Director	1.92
		Mr. Anand Kumashi	Company Secretary	0.72
		Mr. Rohit Mahakal	Chief Financial Officer	0.37
9	Key parameters for any variable component of remuneration availed by the Director	Managing Director is eligible to get Variable remuneration @ 12% of CTC, based on financial performance of the Company.		
10	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.	Not Applicable		
11	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company is in Compliance with its Remuneration policy.		

**B. Details pertaining to remuneration as required under section 197(2) of the Companies Act 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name	Abhiraj Choksey
Age	37 years
Qualification	Bachelor of Science in Economics from Wharton Business School and Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A
Designation	Managing Director
Date of Commencement of Employment	01/05/2005
Experience	14 years
Gross Remuneration	66.19 Lakh (Excluding perquisite under Income Tax Act )
Previous Employment	Apcosoft Pvt., Ltd
Designation	Whole-Time Director
Shares held	2.51%



**apcotex industries limited**

## 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 arm's length transactions under third proviso thereto

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

Sr. no.	A Name(s) of the related party and nature of relationship	B Nature of contracts / arrangements / transactions	C Duration of the contracts / arrangements / transactions	D Salient terms of the contracts or arrangements or transactions including the value, if any	E Justification for entering into such contracts or arrangements or transactions	F date(s) of approval by the Board	G Amount paid as advances, if any:	H Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable								

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

Sr. No.	A Name(s) of the related party and nature of relationship	B Nature of contracts / arrangements / transactions	C Duration of the Contracts / arrangements / transactions	D Salient terms of the contracts or arrangements or transactions including the value, if any:	E Date(s) of approval by the Board, if any:	F Amount paid as advances, if any
1	Apco Entereprise Ltd	Leasing of premises	5 years 01/10/2014 to 30/09/2019	Lease Rent @ ₹ 55,000/- p.m + all direct expenses	31/10/2014	702,000
2	Trivikram Investment & Trading Co., Ltd	Leasing of premises	on going	Lease Rent @ ₹ 15,000/- p.m + all direct expenses	25/05/2009	N.A.
3	Choksey Chemicals Pvt Ltd	Sale of Goods at prevailing market price	3 years 01/11/2013 to 31/10/2016	Sale of Goods at prevailing market price	31/10/2013	N.A.

## ANNEXURE VI TO DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	A brief outline of the Company's CSR Policy, including overview of the Projects or Programs Proposed to be undertaken and a reference to the web-link to the CSR Policy and the Projects or Programs.	<p>The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 read with the Companies (Social Responsibilities) Rules 2014 and same is placed on the Company's website and web-link of same is <a href="http://apcotex.com/CSRP.pdf">http://apcotex.com/CSRP.pdf</a></p> <p>The company has undertaken activities in the area of Healthcare, Education &amp; Vocational Training and Social Projects in the Plant area through:</p> <ol style="list-style-type: none"> <li>Rotary Club of New Panvel</li> <li>Jan Shikshan Sansthan, Raigad</li> <li>St. Jude – Mumbai</li> <li>The Indian Council for mental health – Navi Mumbai</li> <li>Sanskar Tirth – Ajol, Dist. Gandhinagar, Gujarat.</li> <li>Magic Bus Foundation – Mumbai</li> </ol> <p>The company has carried certain activities on its own.</p>
2	The composition of CSR Committee	<p>Mr. Atul Choksey – Chairman (Chairman of the Company)</p> <p>Mr. Shailesh Vaidya – Member (Independent Director)</p> <p>Mr. Abhiraj Choksey – Member (Managing Director)</p>
3	Average net profit of the Company for last three financial years	₹ 1700.15 lacs.
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 34.00 lacs
5	Details of CSR spend for the financial year:	
	a. Total amount to be spent for the for the financial year	₹ 30.63 lacs
	b. Amount unspent, if any.	₹ 03.37 lacs
	c. Manner in which the amount spent during the financial year is detailed below:	



## apcotex industries limited

(₹ in lacs)							
Sr. No.	Projects / Activities	Sector	Locations (District & State)	Amount Outlay (Budget) Project or Programwise	Amount Spent on the Project or Program	Cumulative Expenditure upto Report period	Amount Spent : Director or through implementing Agency.
1	Providing Distance Education at remote Schools	Literacy / Education	Chindran - Tal. Panvel and Chindran Tal. Uran, Dist. Raigad, Maharashtra	1.10	1.16	1.16	1.16
2	Eye and Health Checkup Camps around Plant area	Healthcare	Padge Village, Tal. Panvel, Dist. Raigad, Maharashtra	3.85	0.42	0.42	0.42
3	Vocational Training to village women around the Plant area	Education / Vocational Skill	Newali and Tembhode Village, Tal. Panvel, Dist. Raigad, Maharashtra	2.85	2.85	2.85	2.85
4	Providing shelter, food and medicines to cancer affected childrens and their parents from poor family - Total committed amount over a period of 5 year is ₹ 108.00 lacs	Healthcare	Mumbai, Maharashtra.	108.00	15.00	15.00	15.00
5	Help mentally affected childrens with formal education	Education	Nerul, Navi Mumbai, Dist. Thane, Maharashtra	5.00	5.00	5.00	5.00
6	Educational & Residential support for girls from backward class, Scheduled class and schedule tribes	Education	Ajol, Tal. Mansa, Dist. Gandhinagar, Gujarat	5.00	5.00	5.00	5.00
7	Education and sustainable livelihood to street children	Education / Vocational Skill	Mumbai, Maharashtra	1.20	1.20	1.20	1.20
				127.00	30.63	30.63	30.63

## ANNEXURE VII TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2015

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

To  
**The Members**  
**APCOTEX INDUSTRIES LIMITED**  
 Plot No. 3/1, PB No.13,  
 MIDC Industrial Area,  
 Taloja : 410 208,  
 Dist. Raigad, Maharashtra.

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

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015; complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 1956 and The Companies Act, 2013 (the Act) as applicable, and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not Applicable for the financial year ended March 31, 2015)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable for the financial year ended March 31, 2015)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable for the financial year ended March 31, 2015)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable for the financial year ended March 31, 2015) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable for the financial year ended March 31, 2015)

- (vi) Following Laws applicable specifically to the Company.
  - a) The Petroleum Act, 1934 and rules made thereunder.
  - b) The Indian Explosives Act, 1884 read with The Static and Mobile Pressure Vessels (Unfired) Rules, 1981.
  - c) The Factories Act, 1948 read with The Maharashtra Factories (Control of Industrial Major Accident Hazards) Rules, 2003.
  - d) The Environment (Protection) Act, 1986 read with The Manufacture, storage and Import of Hazardous Chemicals Rules, 1989.
- (vii) I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other generally applicable Acts, Laws and Regulations to the Company.



## apcotex industries limited

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

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

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

### I further report that

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Mumbai  
Date: 08/05/2015

**MAHESH HURGAT**  
PRACTISING COMPANY SECRETARY  
ACS No.: 7139 C. P. NO.: - 2498





## CORPORATE GOVERNANCE

### I. Company's Philosophy on Code of Corporate Governance:

The Company is committed to good Corporate Governance practices with the object of increasing benefits for all stakeholders of the Company viz. Shareholders, Customers, Suppliers, Employees and Society in general.

### II. Board of Directors:

The composition of the Board of Directors of the Company is presently governed by the provisions of Companies Act, 2013, the Articles of Association of the Company and the Listing Agreement with the Stock Exchanges. The Board is comprised of Nine Directors, both executive and non-executive. Mr. Atul Champaklal Choksey is the non-executive Chairman. The day-to-day operations of the Company are managed by Mr. Abhiraj A. Choksey the Managing Director, under the active guidance of the chairman.

Mr. Manubhai G. Patel, Dr. S. Sivaram, Mr. Shailesh Vaidya, Mr. Kamlesh Vikamsey, Mr. Bipin V. Jhaveri (upto 10/10/2014) and Mrs. Priyamvada Bhumkar are non-executive, independent directors, who constitute about sixty percent (60%) of the total strength of the Board.

The Board of Directors of the Company consists of persons of eminence, having good experience in business management, polymers technology, finance, accountancy and laws. The Board of Directors meets as often as required but not less than four times a year i.e. once in a calendar quarter. The Directors receive minutes of all the meetings of the Board Directors and of the respective Committee meetings wherever they are members namely, Audit Committee, Nomination & Remuneration Committee, Social Responsibility Committee, Stakeholders Relationship Committee. During the financial year 2014-15, five meetings of the Board of Directors were held on a) **26<sup>th</sup> April 2014**, b) **31<sup>st</sup> July 2014**, c) **31<sup>st</sup> October 2014**, d) **5<sup>th</sup> February 2015** and e) **20<sup>th</sup> March 2015**.

Independent Directors are expected not to serve on the Board of competing companies. No Director of the company is a member of more than ten Committees or can act as Chairman of more than five committees across all public limited companies in which he / she is a Director. For the purpose of these only membership and chairmanship of Audit Committee and Stakeholders' Relationship Committee are considered.

Further, every Director informs the Company about the Committee position he / she occupies in other companies and notifies the changes as and when they take place. The details of directorships held by the Company's Directors in public limited companies as on 31<sup>st</sup> March 2015 and attendance at the Board Meetings of the Company are given below:

Name of Director(s)	Designation/Category of Directorship	Board Meetings attended	Attendance at last AGM	No. of other Directorships held	No. of Committees of which Member / Chairman*
Atul C. Choksey	Non- Executive Chairman Promoter	5	Yes	9	1
Abhiraj A. Choksey	Managing Director	5	Yes	3	--
Girish C. Choksey	Non-Executive	3	No	5	1/-
Amit C. Choksey	Non-Executive	5	No	4	-/1
Manubhai G. Patel	Non-Executive, Independent	5	Yes	--	--
Bipin V. Jhaveri*	Non-Executive, Independent	2	Yes	--	--
Dr. S. Sivaram	Non-Executive, Independent	4	Yes	3	2/-
Shailesh S. Vaidya	Non-Executive, Independent	1	No	4	-/-
Kamlesh S. Vikamsey	Non-Executive, Independent	4	Yes	5	3/1
Priyamvada Bhumkar**	Non-Executive, Independent	2	NA	1	--

\* Mr. Bipin Jhaveri expired on 10<sup>th</sup> October 2014.

\*\* Mrs. Priyamvada Bhumkar was appointed as Director in the Board meeting held on 31<sup>st</sup> October 2014.

Mr. Atul C. Choksey, Mr. Abhiraj A. Choksey, Mr. Girish C. Choksey and Mr. Amit C. Choksey are related to each other.



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### Details of shareholding of Directors as on 31<sup>st</sup> March 2015

The number of equity shares of face value of ₹ 5/- each of the Company held by the Directors on 31<sup>st</sup> March 2015 is as under:

Name of Directors	Executive or Non-Executive Director	No. of Shares	% to paid up capital
Atul C. Choksey	Non-Executive Director	6,67,700	5.464
Abhiraj Choksey	Executive Director	2,59,808	2.506
Girish C. Choksey	Non-Executive Director	8,900	0.086
Amit C. Choksey	Non-Executive Director	55,025	0.531
Manubhai G. Patel	Non-Executive Director Independent	274	0.003
Bipin V. Jhaveri (upto 10/10/2014)	Non-Executive Director Independent	--	--
Dr. S. Sivaram	Non-Executive Director Independent	--	--
Shailesh S. Vaidya	Non-Executive Director Independent	--	--
Kamlesh Vikamsey	Non-Executive Director Independent	--	--
Priyamvada Bhumkar (w.e.f 31/10/2014)	Non-Executive Director Independent	--	--

### Responsibilities:

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the intervening gap between the meeting was within the period prescribed under the Companies Act 2013. During the year under review the Board met five times. The agenda of the Board meetings is circulated to all the Directors well in advance and contains all the relevant information. The Managing Director is responsible for corporate strategy, planning, external contacts and Board Matters. The senior management personnel heading respective divisions are responsible for all day-to-day operations related issues, productivity, recruitment, and employees retention for their divisions.

### Remuneration Policy;

Non-executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them and are also eligible for commission. The shareholders of the Company at the meeting held on 5<sup>th</sup> July 2012 had authorised the payment of commission to the Non-Executive Directors @ 1% of net profit of the Company, calculated in accordance with provisions of Section 197 and 198 of the Companies Act, 2013. The allocation of commission to Non-Executive Directors is determined by the Board based on the individual contribution.

The Remuneration paid to the Non-Executive Directors of the Company during the financial year, 2014-15 are as under:

Name of Director	Sitting Fees	Commission	Total
Mr. Atul Choksey	70,000	25,53,000	26,23,000
Mr. Girish Choksey	50,000	-	50,000
Mr. Amit Choksey	50,000	-	50,000
Mr. M. G. Patel	2,40,000	1,20,000	3,60,000
Mr. Bipin Jhaveri (upto 10/10/2014)	80,000	60,000	1,40,000
Dr. S. Sivaram	1,30,000	1,20,000	2,50,000
Mr. Shailesh Vaidya	40,000	1,20,000	1,60,000
Mr. Kamlesh Vikamsey	1,60,000	1,20,000	2,80,000
Mrs. Priyamvada Bhumkar (wef 10/10/2014)	80,000	60,000	1,40,000

## Remuneration paid to Managing Director for the financial year 2014-15 is as under:

Name	Abhiraj Choksey
Salary	₹ 58.36 Lakh
Variable Pay	₹ 1.84 Lakh
Provident Fund	₹ 2.54 Lakh
Perquisites	₹ 22.44 Lakh
Service Contract and Period	Agreement Dt. 01/05/2013 Period: 01/05/2013 to 30/04/2016
Notice Period	6 months
Severance Fees	Nil

Excluding contribution to Gratuity and Superannuation fund amounting to ₹ 5.65 Lakh

## III. Board Committees:

Company has either constituted new committee(s) or reconstituted / renamed existing committee(s) in compliance with the provision of the Companies Act, 2013.

The Company Secretary acts as the Secretary to all the Committees. Each of these Committees have the authority to engage outsider experts, advisors, and counsels to the extent it considers appropriate to assist in its functions. Minutes of the Committee meetings are circulated to the Directors and placed before the Board meeting for noting thereat.

### A) Audit Committee

The Audit Committee was constituted in April 2000. During the year under review, five meetings of the Committee were held on a) **26<sup>th</sup> April 2014**, b) **31<sup>st</sup> July 2014**, c) **31<sup>st</sup> October 2014**, d) **5<sup>th</sup> February 2015** and e) **20<sup>th</sup> March 2015**.

The Audit Committee comprises of four directors viz. Mr. M. G. Patel as the Chairman, and Mr. Bipin Jhaveri\*, Mr. Girish Choksey, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar\*\* as members. Mr. M.G. Patel, Mr. Bipin Jhaveri\*, Mr. Kamlesh Vikamsey and Mrs. Priyamvada Bhumkar\*\* are Non- Executive Independent Directors.

Attendance at the Audit Committee meetings during the year under review are given below:

Name	Non-Executive / Independent	Numbers of Meetings held - <b>Five</b>
		Attended
M. G. Patel	Non-Executive, Independent	5
Bipin Jhaveri*	Non-Executive, Independent	2
Girish C. Choksey	Non-Executive	2
Kamlesh Vikamsey	Non-Executive, Independent	4
Priyamvada Bhumkar**	Non-Executive, Independent	2

\* Mr. Bipin Jhaveri expired on 10<sup>th</sup> October 2014.

\*\* Mrs. Priyamvada Bhumkar was appointed as member in the Board meeting held on 31<sup>st</sup> October 2014. Two meetings were held during her tenure.

The Audit Committee invites the executives of the Company, as it considers appropriate, representatives of Statutory Auditors and representatives of the Internal Auditors at its meetings.

The role of the Audit Committee includes the followings pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges read with Section 177 of the Companies Act, 2013.:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for terms of appointment and remuneration of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:



## apcotex industries limited

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to quarterly and yearly financial statements
  - f. Disclosure of any related party transactions
  - g. Reviewing and reporting on qualifications in the draft audit report to the Board of Director
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report to be submitted by monitoring agency with regard to utilisation of proceeds of a public or rights issue, and making appropriate recommendations to Company's Board;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertaking or assets of the company, whenever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of Statutory and Internal Auditors, reviewing Internal Control Systems in the organisation;
  13. Reviewing adequacy of internal audit function, if any, including structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors over significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of CFO;
  20. Approval or any subsequent modification/ changes of Related Party Transactions;
  21. To investigate into any matter specified under Section 177(4) or any matter referred by the Board.
  22. The Committee has power to obtain external professional help/ advice and has right to ask for any information/ explanation.

### **B) Nomination and Remuneration Committee:**

Pursuant to provisions of Section 178 of the Companies Act, 2013 and other applicable provisions, the Remuneration Committee was reconstituted as "Nomination and Remuneration Committee" by the Board of Directors in their meeting held on 26<sup>th</sup> April 2014 comprising of Mr. M G Patel, Dr. S. Sivaram and Mr. Bipin Jhaveri\*.

The Nomination and Remuneration committee met three times during the financial year viz. 31<sup>st</sup> July, 2014, 13<sup>th</sup> October 2014 and 20<sup>th</sup> March 2015. The necessary quorum was present for all the meetings. The Chairman of the Nomination & Remuneration Committee meeting was present at the last Annual General Meeting. The composition of the Committee during the financial year and the details of the meetings held and attended by the members are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - <b>Three</b>
		Attended
Mr. M. G. Patel	Non-Executive Independent	3
Dr. S. Sivaram	Non-Executive Independent	3
Mr. Bipin Jhaveri*	Non-Executive Independent	1
Mr. Atul Choksey**	Non-Executive	1
Mr. Kamlesh Vikamsey***	Non-Executive Independent	1****

\* Mr. Bipin Jhaveri expired on 10<sup>th</sup> October 2014.

\*\* Mr. Atul Choksey was appointed as member in the Board meeting held on 31<sup>st</sup> October 2014. One meeting was held during his tenure.

\*\*\* Mr. Kamlesh Vikamsey was appointed as member in the Board Meeting held on 20<sup>th</sup> March 2015. \*\*\*\* Attended the committee meeting held on 20<sup>th</sup> March 2015 as an invitee.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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 their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 has been published elsewhere in this report as Annexure to the Directors Report. Further, the details of remuneration paid to all the Directors and other disclosures as required to be made under revised Clause 49 of the listing Agreement have been provided in the previous section of this Report.

## C) Corporate Social Responsibility Committee:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a “Corporate Social Responsibility Committee” in their meeting held on 26<sup>th</sup> April 2014, comprising of three Directors including an Independent Director viz. Mr. Shailesh Vaidya, Non-Executive Director viz. Mr. Atul Choksey and Executive Director viz. Mr. Abhiraj Choksey.

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are as under:

- a) Formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c) To monitor the CSR policy of the Company from time to time;
- d) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The Committee met once during the financial year 2014-15. The necessary quorum was present for the meeting. The composition of the Committee during the financial year 2014-15 and details of meeting held and attended by the Directors are as under:

Name	Non-Executive / Independent	Numbers of Meetings held - <b>One</b>
		Attended
Mr. Shailesh Vaidya	Non-Executive Independent	1
Mr. Atul Choksey	Non-Executive	1
Mr. Abhiraj Choksey	Managing Director	1



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The CSR policy devised in accordance with Section 135 of the Companies Act, 2013 and the details about the development of CSR Policy and initiatives under taken by the Company on CSR during the financial year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have also been appended as an Annexure to the Directors Report.

CSR committee planned health check-up camp, distance education kits for remotely located schools in Adivasi settlements etc., around the plant area, which could not be completed as planned during the financial year 2014-15 resulting into shortfall in CSR spent to the extent of ₹ 3.37 lacs.

### D) Shareholders / Investors Grievances Committee:

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 and other applicable provisions, 'Shareholders / Investors Grievances Committee' was reconstituted as '**Stakeholders Relationship Committee**' in the Board meeting held on 26<sup>th</sup> April 2014.

The committee comprises of three directors viz. a) Mr. M. G. Patel, a non-executive independent Director, Chairman of the reconstituted Committee and b) Mr. Girish Choksey and c) Mr. Bipin Jhaveri (upto 10/10/2014) as members.

Terms of Reference of Stakeholders Relationship Committee as set out in the Listing Agreement with the Stock Exchanges read with Section 178 of the Companies Act, 2013 will include the following:

- Considering and resolving the grievances of security holders of the Company
- Overseeing redressal of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

The details of correspondences / grievances received and redressed during the financial year 2014-15 by the Company through the Registrars, LINK INTIME INDIA PVT LTD, are as under;

Source		Correspondences	
		Received	Redressed / Attended
<b>A</b>	<b>Complaints</b>		
	Directly from Shareholders	130	130
	SEBI	2	2
	Stock Exchanges	2	2
	<b>Total (A)</b>	<b>134</b>	<b>134</b>
<b>B</b>	<b>Type of Requests from Shareholders</b>		
	Request for change of address	98	98
	Request for procedure of transfer/transmission of shares /deletion of name	88	88
	Request for change/correction of Bank details/mandate /Ecs details	89	89
	Request for revalidation/issue of fresh demand drafts	119	119
	Issue of Duplicate share certificates	17	17
	Change of Signature	5	5
	Request for stop transfer removal	11	11
	Request for stop transfer / procedure for duplicate	50	50
	Confirmation of details	31	31
	Exchange of Shares	77	77
	Dematerialisation of Shares	7	7
	Miscellaneous	6	6
	<b>Total (B)</b>	<b>598</b>	<b>598</b>
	<b>Grand Total (A+B)</b>	<b>732</b>	<b>732</b>



Mr. Anand V. Kumashi, Company Secretary, has been appointed as the Compliance Officer, as required by Clause 47(a) of the Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. He has been entrusted the task of meeting fully the requirements of the said clause and overseeing the share transfer work done by the Registrars and Share Transfer Agents; attending to grievances of the shareholders and investors; compliance with the statutory and regulatory requirements etc. of SEBI, and stock exchanges.

With reference to clause 47(f) of the Listing Agreement the Company has designated exclusive e-mail ID as redressal@apcotex.com for investors to register their grievances, if any. This has been initiated by the company to resolve investors' grievances, immediately. The Company has displayed the said e-mail ID on its Website for the knowledge of Investors.

## E) Meeting of Independent Directors:

The company's Independent Directors met on 20<sup>th</sup> March 2015 without the presence of the Managing Director, Non-Executive Non-Independent Directors and the Management representatives. The meeting was attended by all the Independent Directors (except Mr. Shailesh Vaidya who couldn't attend on medical ground and advised bedrest) and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

### Code of Conduct:

The Company has a Code of Conduct for Directors and members of Senior Management. The Code is available on the Company's Website at [http://apcotex.com/apadmin/Images/-CODE\\_OF\\_CONDUCT\\_new.pdf](http://apcotex.com/apadmin/Images/-CODE_OF_CONDUCT_new.pdf). All Board members and senior management personnel have affirmed compliance with the code. A declaration to that effect signed by Mr. Abhiraj A. Choksey, Managing Director is appearing in the Annual Report.

### Prohibition of Insider Trading:

In compliance with the provisions of SEBI (Prohibition of Insider Trading Regulations) 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted Code of Conduct for Insider Trading for prohibition of Insider trading for all Directors and specified employees of the Company. This policy also provides for periodical disclosures from the designated employees as well as pre-clearances of transactions by such persons.

### Vigil Mechanism or Whistle-Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and the revised clause 49 of the Listing Agreement, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at [http://apcotex.com/policies/Whistle\\_Blower\\_Policy.pdf](http://apcotex.com/policies/Whistle_Blower_Policy.pdf).

### Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Amit C. Choksey	Mrs. Priyamvada A. Bhumkar
Director Identification Number (DIN)	00001470	00726138
Date of Birth	14/10/1954	02/07/1962
Nationality	Indian	Indian
Date of Appointment on Board	21/11/1997	31/10/2014
Qualification	Bachelor of Commerce	Graduation in Chemicals, MBA from Mumbai University,
Shareholding in AIL	55,025	NIL



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Name of the Director	Mr. Amit C. Choksey	Mrs. Priyamvada A. Bhumkar
List of Directorship held in other Companies (excluding foreign, private and Section 8 Companies)	<b>1. Aeonian Investments Company Ltd</b> <b>2. Cons Holdings Ltd</b> <b>3. Mazda Colours Ltd.</b> <b>4. Sammelan Investment and Trading Ltd</b>	<b>1. EMCO Ltd</b>
Membership / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	<b>Chairman – Stakeholder Relationship Committee</b>	<b>N.A.</b>
Relationship with other Board Members.	<b>Related to Mr. Atul Choksey, Mr. Girish Choksey and Mr. Abhiraj Choksey</b>	<b>N.A.</b>

### General Body Meetings

During the preceding three years, the Company's Annual General Meeting were held at Plot no. 3/1, MIDC Industrial Area, Taloja-410208, Dist. Raigad, Maharashtra.

### Details of last three Annual General Meetings Held:

Year	Date	Time	Special resolution/s passed
2013-14	31 <sup>st</sup> July 2014	10.30 a.m.	Yes(One)*
2012-13	28 <sup>th</sup> June 2013	11.30 a.m.	Yes( Two)*
2011-12	5 <sup>th</sup> July 2012	11.30 a.m.	Yes(One)*

### \*Special Resolution/s passed:

#### 2013-14:

Authorised the Board of Directors to borrow funds upto ₹ 120 crores.

#### 2012-13:

- 1) Appointment of Mr. Abhiraj Choksey as Managing Director for a period of 3 years
- 2) Split of equity share of ₹ 10/- each into two equity share of ₹ 5/- each.

#### 2011-12:

- 1) For payment of Commission to Directors of the Company other than Managing Director.

### Special Resolution passed through postal ballot

No special resolution was passed through postal ballot during the financial year 2014-15. None of the business proposed to be transacted in the ensuing Annual General meeting require passing a special resolution through postal ballot.

### Disclosures:

#### Related Party Transactions:

During the year, there were no material related party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large. The details of Related Party Transactions are given in Annexure IV to the Directors Report.

### Risk Management:

The Company has since 2004-05, undertaken the exercise of identifying risks being faced by the company and ways of managing such risks. Risk minimisation is being built up in the operating systems. Risks are periodically reviewed at both Audit committee level and Board of Directors of the company.

### MD and CFO Certification:

Certificate from Mr. Abhiraj Choksey, Managing Director and Mr. Rohit Mahakal, CFO, in terms of clause 49(IX) of the Listing Agreement entered into with Stock Exchanges, was placed before the Board of Directors of the Company in its meeting held on 8<sup>th</sup> May 2015.

### Compliances:

The Company believes that it has complied with all the regulations of Stock Exchanges, Securities and Exchange Board of India (SEBI) or other statutory authority/ties on matters related to capital markets. No penalty has been imposed or strictures passed during the year against the Company by SEBI, Stock Exchange(s), or any other statutory authority.

### Means of Communication:

1. The quarterly, half yearly and annual results of the Company's financial performances were published in two newspapers viz. 'Business Standard' and 'Mumbai Lakshadeep', and displayed on Company's website, [www.apcotex.com](http://www.apcotex.com).
2. The Annual Report is circulated to all members, and is also available on the Company's website.
3. The Annual Report of the Company for the financial year 2014-15 has been emailed to the members whose email addresses are available with the depositories or are obtained directly from the members, as per section 136 of the Companies Act, 2013 and Rule 11 of the Company (Accounts) Rules, 2014. For other members, who have not registered their email addresses, the Annual Report has been sent at their registered address.
4. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.

Management Discussion and Analysis forms part of the Directors Report.

### Certification of Corporate Governance Report:

Certificate from Mr. Mahesh Hurgat, Practicing Company Secretary, (Membership no.-7139) on Corporate Governance, as required by Clause 49 of the Listing Agreement, is incorporated in this Annual Report.

### General Shareholders Information:

- a) 29<sup>th</sup> Annual General Meeting will be held on **Friday, 31<sup>st</sup> day of July 2015** at **4.00 p.m.** at Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra.
- b) The Company's financial Year is 1<sup>st</sup> April to 31<sup>st</sup> March
- c) Dates of book closure: **Friday, 24<sup>th</sup> day of July 2015** to **Thursday, 30<sup>th</sup> day of July 2015** (both days inclusive) for the Purpose of Annual General meeting and payment of dividend.
- d) Proposed Dividend: ₹ 7/- (Rupees Seven Only) for Equity Shares of ₹ 5/- each.
- e) Dividend payment date: on or after **1<sup>st</sup> August 2015**
- f) Electronic Clearing Service (ECS): The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants.
- g) Bank Details for electronic shareholding: Members are requested to notify their depository participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.
- h) Furnish copies of Permanent Account Number (PAN): The members are requested to furnish their PAN which will help us to strengthen the compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002.  
For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.
- i) Listing on Stock Exchanges: The Company's equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Ltd, Mumbai. The Annual Listing fees have been paid and there is no outstanding payment towards the stock exchanges, as on date
- j) Stock Code : Bombay Stock Exchange Limited - 523694  
Symbol : National Stock Exchange of India Ltd. – APCOTEXIND
- g) ISIN allotted to Equity Shares is INE116A01024



## apcotex industries limited

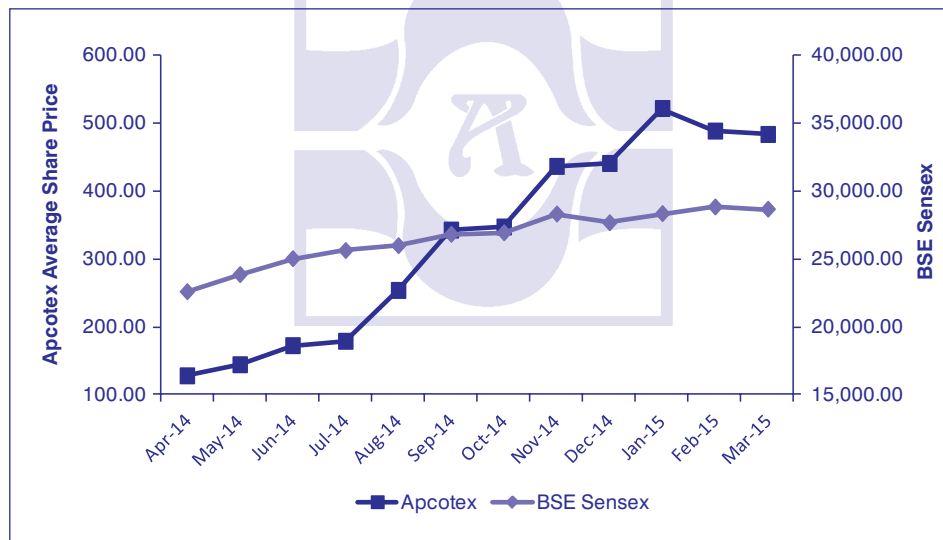
### Market Price Data:

Monthly high and low prices of equity shares of the company quoted at Bombay Stock Exchange and National Stock Exchange during the year **2014-15**

(Amount in ₹)

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April	136.70	118.55	140.00	118.20
May	162.00	125.85	161.00	125.00
June	190.00	154.00	191.00	154.05
July	194.95	162.00	195.90	163.20
August	309.50	197.00	309.40	198.00
September	395.00	289.00	395.40	283.00
October	378.00	315.05	377.95	319.10
November	478.40	393.00	478.40	392.00
December	514.90	365.00	515.00	419.00
January	573.05	468.60	575.00	461.70
February	557.25	418.00	559.50	417.10
March	545.60	419.70	546.15	415.00

### Stock Performance Index :



### Registrars and Share Transfer Agents:

The Company has appointed Link Intime India Pvt Limited as its Registrars and Share Transfer Agents w.e.f 1<sup>st</sup> August 2006. Share Transfers, dematerialisation of shares, and all other investors related activities are attended and processed at the office of the Registrars and Share Transfer Agents at the following address :

#### LINK INTIME INDIA PVT LTD

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai-400 078  
Tel. No : (022) 25963838  
Fax : (022) 25946969  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## Share Transfer System:

Company's shares are compulsorily traded in the demat segment on the stock exchange(s), and most transfers of shares take place in electronic form.

For expediting Physical transfer of shares, the Board has delegated the share transfer formalities to the officials of Registrar and Share Transfer Agent, to approve the transfer of shares on every Monday. Physical transfers are effected well within the stipulated period of 30 days.

**Distribution of Share:** Distribution of shareholding as on 31<sup>st</sup> March 2015.

Category	No. of Shareholders	% to total No. of Shareholders	No. of shares	% to total Shares
1 - 500	18,816	94.20	16,41,234	15.83
501 - 1000	607	3.04	4,70,658	4.54
1001 - 2000	254	1.27	3,87,918	3.74
2001 - 3000	91	0.46	2,30,045	2.22
3001 - 4000	39	0.19	1,39,764	1.35
4001 - 5000	39	0.19	1,80,212	1.74
5001 - 10000	67	0.34	4,65,822	4.49
Above 10001	61	0.31	68,53,339	66.09
<b>Total</b>	<b>19974</b>	<b>100.00</b>	<b>1,03,68,992</b>	<b>100.00</b>

## Categories of Shareholding as on 31<sup>st</sup> March 2015:

Sr. No.	Category	No. of Shares	% of shareholding
1.	<b>Promoters' Holding</b> Indian Promoters	59,73,033	<b>57.60</b>
2.	<b>Non promoters' Holding</b> Mutual Funds/Trusts/clearing members	28,749	0.28
	Insurance companies/Banks/Financial Institution	1,511	0.01
	Indian Public	37,71,378	36.37
	Directors/Relatives	274	-
	Hindu Undivided Family	5,106	0.05
	Non Resident Indians	1,46,970	1.42
	Other Corporate Bodies	4,41,971	4.26
	<b>Total</b>	<b>1,03,68,992</b>	<b>100.00</b>

## Dematerialisation of Shares:

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Equity Shares of the company are to be compulsorily traded in the dematerialised form. As on 31<sup>st</sup> March 2015, **97,05,748** Equity Shares comprising of 93.60% of paid up capital of the company, have been dematerialised by the investors and bulk of transfers take place in the demat segment.

Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion data and impact on equity: NIL

## Other Information:

### Corporate Identification Number (CIN No.):

L99999MH1986PLC039199

### Plant Location:

Plot No.3/1, MIDC Industrial Area  
Taloja – 410 208, Dist. Raigad, Maharashtra  
Telephone : (022) 2740 3500  
Fax : (022) 2741 2052



## apcotex industries limited

### Investors Correspondence:

Investor correspondence may be addressed to any of the following:

Registered Office and Plant	Registrar & Share Transfer Agents
Plot No.3/1, MIDC Industrial Area, Taloja – 410 208, Dist. Raigad, Maharashtra Telephone: (022) 2740 3500 Fax: (022) 2741 2052	<b>LINK INTIME INDIA PVT LTD</b> <b>(formerly Intime Spectrum Registry Ltd)</b> C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup(w), Mumbai-400 078 Tel. No. - (022) 2596 3838 Fax - (022) 2594 6969
Website: www.apcotex.com E-mail: redressal@apcotex.com	Website: www.linkintime.co.in E-mail: : rnt.helpdesk@linkintime.co.in

### **Unclaimed Dividend**

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are to be transferred to the Investors Education and Protection Fund, administered by the Central Government. The table given below gives the dates of dividend declaration or payment and the corresponding date when unclaimed dividends will be due to be transferred to the Central Government.

Year	Dividend Account No.	Bank name	Date of declaration	Date due for transfer to Central Government
2007-08	036010200012546	AXIS Bank	12/07/2008	11/07/2015
2008-09	00602230012006	HDFC Bank Ltd	27/07/2009	26/07/2016
2009-10	31260068904	State Bank of India	27/07/2010	26/07/2017
2010-11	31847607342	State Bank of India	30/07/2011	29/07/2018
2011-12	32385456081	State Bank of India	05/07/2012	04/07/2019
2012-13	33052231411	State Bank of India	28/06/2013	27/06/2020
2013-14	33955651985	State Bank of India	31/07/2014	29/07/2021

The concerned shareholders are requested to get their uncashed dividend warrants revalidated and encashed thereafter.

## **Declaration – Code of Conduct**

The Board has laid down the code of conduct for the all the Board Members and Senior Management of the company, which is posted on the Company's Website. All the Board Members and Senior Management personnel of the company, for the financial year ended 31<sup>st</sup> March 2015, have affirmed compliance with code of conduct.

For Apcotex Industries Limited

Place : Mumbai  
Dated : 8<sup>th</sup> May 2015.

**Abhiraj Choksey**  
Managing Director



## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the **Members of Apcotex Industries Limited**

Taloja, Dist. Raigad, Maharashtra.

I have examined the compliance of conditions of **Corporate Governance** by **Apcotex Industries Limited** for the financial year 2014-15, as stipulated in Clause 49 of the Listing Agreement entered into by the said Company with the stock exchange(s).

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

In my opinion and to the best of our information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company or the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Mumbai: 8<sup>th</sup> May 2015



**MAHESH HURGAT**

PRACTICING COMPANY SECRETARY

ACS NO.: 7139 C.P. No. 2498



**apcotex industries limited**

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF  
APCOTEX INDUSTRIES LIMITED**

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

We have audited the accompanying financial statements of **Apcotex Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether

due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and cash flows for the year ended on that date.

### **Emphasis of Matters**

We draw attention to Note 3a and Note 11(a) (i) to the financial statements, consequent to Schedule II to the Companies Act, 2013 becoming applicable with effect from April 01, 2014, depreciation for the year ended March 31, 2015 has been provided on the basis of the useful lives as prescribed in Schedule II. Depreciation of ₹ 146.71 Lacs (net of deferred tax of Rs 75.54 Lacs) on account of assets whose useful life is already exhausted as on April 01, 2014, has been adjusted to General Reserve.

Our opinion is not modified in respect of this matter.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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:
  - ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements to the financial statements.

**For KALYANIWALLA & MISTRY**  
CHARTERED ACCOUNTANTS  
Firm Registration No. 104607W

**ERMIN K. IRANI**  
PARTNER  
Membership No. 35646

Place: Mumbai  
Dated: May 08, 2015





**apcotex industries limited**

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements of the Company for the year ended March 31, 2015:**

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification were not material and have been properly dealt with in the books of account.
- 2) (a) The management has conducted physical verification of inventory at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been dealt with in the books of account.
- 3) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3(iii) of the Order are not applicable to the Company for the current year.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. There is no sale of service. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, with regard to deposits accepted from the public are not applicable to the Company.
- 6) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India for maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have generally been made and maintained. We have not, however, made a detailed examination of the records with a view to examine whether they are accurate and complete.
- 7) (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at March 31, 2015 for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanations given to us, and the records of the Company, the details of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs and Duty of Excise as at March 31, 2015 which have not been deposited with the appropriate authorities on account of any dispute, are given below:

<b>Sr No</b>	<b>Name of the Statute</b>	<b>Amount in Lacs</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
1	Income Tax Act, 1961.	3.75	2002-03	Commissioner of Income Tax (Appeals).
2	Income Tax Act, 1961.	36.53	2005-06	Commissioner of Income Tax (Appeals).
3	Income Tax Act, 1961.	2.19	2006-07	Commissioner of Income Tax (Appeals).
4	Income Tax Act, 1961.	208.33	2007-08	Commissioner of Income Tax (Appeals).
5	Income Tax Act, 1961.	141.29	2011-12	Commissioner of Income Tax (Appeals).
6	Income Tax Act, 1961.	136.13	2012-13	Commissioner of Income Tax (Appeals).

<b>Sr No</b>	<b>Name of the Statute</b>	<b>Amount in Lacs</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
7	MVAT	1.70	2006 -07	Bombay High Court
8	MVAT	63.22	2007 to 2011	Joint Commissioner of Sales Tax
9	Customs Act	142.09	August 2000 to July 2004	Supreme Court
10	Central Excise Act & Service Tax	0.13	2007-08	Tribunal
11	Central Excise Act & Service Tax	1.59	2009-10 to 2011-12	Dy. Comm
12	Central Excise Act & Service Tax	16.12	2005-06 to 2009-10	Assistant Commissioner- Service Tax

(c) According to the information and explanations given to us, there are no amounts required to be transferred to investor education and protection fund.

- 8) The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.
- 9) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. The Company does not have dues to financial institutions or debenture holders.
- 10) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and other financial institutions.
- 11) According to the information and explanations given to us and based on the documents and records examined by us, on an overall basis, the term loan has been applied for the purpose for which the loans were obtained.
- 12) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For KALYANIWALLA & MISTRY**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration No. 104607W

**ERMIN K. IRANI**  
**PARTNER**  
 Membership No. 35646

Place: Mumbai  
 Dated: May 08, 2015



**apcotex industries limited**

## BALANCE SHEET AS ON 31ST MARCH 2015

	Notes	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>₹ In Lacs</b>			
<b>EQUITY AND LIABILITIES</b>			<b>₹ In Lacs</b>
<b>Shareholder's Funds</b>			
Share Capital	2	522.35	522.35
Reserves and Surplus	3	9,452.95	8,005.19
		<b>9,975.30</b>	<b>8,527.54</b>
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings	4	836.28	1,669.99
Deferred Tax Liability (Net)	5	558.50	637.75
Other Long Term Liabilities	6	132.60	102.10
Long Term Provisions	7	177.95	164.13
		<b>1,705.33</b>	<b>2,573.97</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	8	1,439.24	2,294.17
Trade Payables	9	2,026.20	2,501.25
Other Current Liabilities	10	1,986.17	1,717.57
Short Term Provisions	7	933.82	723.22
		<b>6,385.44</b>	<b>7,236.22</b>
<b>TOTAL</b>		<b>18,066.07</b>	<b>18,337.73</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	11 A	6,298.74	6,768.54
Intangible Assets	11 B	26.52	10.62
Capital work-in-progress		187.60	112.75
		<b>6,512.86</b>	<b>6,891.91</b>
Non-current Investments	12	3,076.15	2,444.95
Long Term Loans and Advances	13	629.82	690.53
Other Non Current Assets	14	27.35	75.73
<b>CURRENT ASSETS</b>			
Inventories	15	1,522.20	1,710.04
Trade Receivables	16	4,870.38	5,170.54
Cash and Bank balances	17	442.83	612.15
Short Term Loans and Advances	13	547.00	371.96
Other Current Assets	18	437.48	369.91
		<b>7,819.88</b>	<b>8,234.60</b>
<b>TOTAL</b>		<b>18,066.07</b>	<b>18,337.73</b>
Significant Accounting Policies	1		
The accompanying Notes 1 to 44 are an integral part of the Financial Statements			

As per our Report of even date  
For **KALYANIWALLA & MISTRY**  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 104607W

**ERMIN K. IRANI**  
PARTNER  
Membership Number: 35646  
Mumbai, Date : 8<sup>th</sup> May 2015

For and on behalf of Board of Directors  
**ATUL C. CHOKSEY** Director  
**ABHIRAJ A. CHOKSEY** Managing Director  
**MANUBHAI G. PATEL** Chairman-Audit Committee

**ANAND V. KUMASHI** Company Secretary  
**ROHIT R. MAHAKAL** Chief Financial Officer

Mumbai, Date : 8<sup>th</sup> May 2015



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

₹ In Lacs

	Note No.	For the year ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
<b>INCOME</b>			
Revenue from Operations	19A	39,114.46	33,035.43
Less: Excise duty		3,777.60	3,497.62
<b>Revenue from Operations (Net of excise duty)</b>		<b>35,336.86</b>	<b>29,537.81</b>
Other Operating Revenue	19B	171.23	165.47
Other Income	20	557.53	243.41
<b>TOTAL REVENUE</b>		<b>36,065.63</b>	<b>29,946.69</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21A	24,880.94	23,019.21
Changes in Inventories of Finished Goods and Work in Progress	21B	139.45	(355.54)
Employee Benefit Expenses	22	1,410.26	1,158.82
Other Expenses	23	4,930.16	3,367.77
<b>TOTAL EXPENSES</b>		<b>31,360.81</b>	<b>27,190.26</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>		<b>4,704.83</b>	<b>2,756.43</b>
Depreciation and Amortization Expense	24	897.71	676.81
Finance Cost	25	324.26	414.49
<b>PROFIT BEFORE TAX</b>		<b>3,482.85</b>	<b>1,665.13</b>
Less : Tax Expenses			
Current Tax		1,018.50	371.00
Deferred Tax	5	(3.71)	(20.20)
Total Tax Expenses		1,014.79	350.80
<b>PROFIT AFTER TAX</b>		<b>2,468.06</b>	<b>1,314.33</b>
Basic and Diluted Earnings per Equity Share of ₹ 5/- each	41	23.80	12.68
Significant Accounting Policies	1		
The accompanying Notes 1 to 44 are an integral part of the Financial Statements			

As per our Report of even date  
For **KALYANIWALLA & MISTRY.**  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 104607W

**ERMIN K. IRANI**  
PARTNER  
Membership Number: 35646  
Mumbai, Date : 8<sup>th</sup> May 2015

For and on behalf of Board of Directors  
**ATUL C. CHOKSEY** Director  
**ABHIRAJ A. CHOKSEY** Managing Director  
**MANUBHAI G. PATEL** Chairman-Audit Committee

**ANAND V. KUMASHI** Company Secretary  
**ROHIT R. MAHAKAL** Chief Financial Officer

Mumbai, Date : 8<sup>th</sup> May 2015



**apcotex industries limited**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	(₹ in lacs)	
	For the Year ended 31 <sup>st</sup> March 2015	For the Year ended 31 <sup>st</sup> March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Profit Before Tax</b>	<b>3,482.85</b>	<b>1,665.12</b>
Adjustments for :		
Depreciation and Amortization Expense	897.71	676.81
Finance Cost	324.26	414.49
Foreign Exchange Fluctuation Difference	67.45	(29.87)
Fixed Assets Written off	29.78	14.98
Loss on Sale of Assets	0.96	3.44
Bad Debts Written Off	9.33	0.77
Provision for Bad and Doubtful Debts	12.23	9.33
(Loss) / Surplus on Sale of Investment	(465.98)	(117.37)
Dividend Income	(24.27)	(30.02)
Interest received	(17.22)	(21.32)
Income from Investment Property	(37.66)	(22.52)
Excess Provision Written back	(43.67)	(70.34)
<b>Operating Profit Before Working Capital Changes</b>	<b>4,235.79</b>	<b>2,493.50</b>
Adjustments for :		
Increase / (Decrease) in Non Current Liabilities	40.99	4.35
Increase / (Decrease) in Current Liabilities	(187.13)	410.22
(Increase) / Decrease in Non Current Assets	(167.45)	(92.47)
(Increase) / Decrease in Current Assets	245.39	(1,519.35)
<b>Cash Flow Generated from Operations</b>	<b>4,167.58</b>	<b>1,296.24</b>
Direct taxes paid	(978.15)	(306.08)
<b>Net Cash Flow from Operating Activities (a)</b>	<b>3,189.43</b>	<b>990.16</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(757.19)	(578.23)
Sale of Fixed Assets	2.55	2.89
Purchase of Investments	(2,395.56)	(2,538.16)
Sale of Investments	2,314.85	2,473.06
Dividend Income	24.27	30.02
Interest received	17.22	21.32
Income from Investment Property	37.66	22.52
Net Cash Used in Investing Activities (b)	(756.20)	(566.58)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) of Short Term Borrowings (Net)	(854.93)	229.90
Repayment of Long Term Borrowings	(817.08)	(616.83)
Finance Cost paid	(334.20)	(431.21)
Dividends paid	(508.23)	(453.55)
Dividend Distribution Tax paid	(88.11)	(79.30)
<b>Net Cash Used in Financing Activities (c)</b>	<b>(2,602.55)</b>	<b>(1,350.99)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (a+b+c)</b>	<b>(169.32)</b>	<b>(927.41)</b>
Cash and cash equivalents as at 1 <sup>st</sup> April 2014	612.15	1,539.56
Cash and cash equivalents as at 31 <sup>st</sup> March 2015	442.83	612.15
	<b>169.32</b>	<b>927.41</b>
1 The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on Cash Flow Statement and presents cash flows by operating , investing and financing activities		
2 Figures in the Bracket are outflows / deductions		
3 Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation.		

As per our Report of even date  
For **KALYANIWALLA & MISTRY.**  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 104607W

**ERMIN K. IRANI**  
PARTNER  
Membership Number: 35646  
Mumbai, Date : 8<sup>th</sup> May 2015

For and on behalf of Board of Directors  
**ATUL C. CHOKSEY** Director  
**ABHIRAJ A. CHOKSEY** Managing Director  
**MANUBHAI G. PATEL** Chairman-Audit Committee

**ANAND V. KUMASHI** Company Secretary  
**ROHIT R. MAHAKAL** Chief Financial Officer

Mumbai, Date : 8<sup>th</sup> May 2015

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

### Corporate Information note on business activity

Apcotex Industries Ltd. is one of the leading producers of Synthetic Lattices (VP Latex, Acrylic Latex, Nitrile Latex) and Synthetic Rubber (HSR, SBR) in India. The Company has one of the broadest ranges of products based on STYRENE – BUTADIENE CHEMISTRY available in the market today. Company's product range is used, among other applications, for TYRE CORD DIPPING, PAPER/PAPER BOARD COATING, CONCRETE MODIFICATION/WATER PROOFING, PAINT EMULSIONS, TEXTILE FINISHING etc. The various grades of Synthetic Rubber find application in products such as Footwear, Automotive components, V-belts, Conveyor belts and hoses.

### NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

#### (i) Basis of Accounting:

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and ongoing concern basis in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of The Companies Act, 2013 ('the Act') / The Companies Act, 1956, as applicable.

The classification of assets and liabilities of the Company into current or non-current is based on the criterion specified in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### (ii) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the disclosures of contingent liabilities. Difference between actual results and the estimates are recognized in the period in which the results materialize / are known.

#### (iii) Fixed Assets and Depreciation / Amortization

##### a. Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment, if any. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant asset heads.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Capital work-in-progress comprises of the cost of fixed assets that are not ready for their intended use at the reporting date. Profit or Loss on disposal of tangible assets is recognized in the Statement of Profit and Loss.

##### b. Depreciation & Amortization

###### On Tangible Assets:

The Company has provided depreciation on basis of useful lives as prescribed in Schedule II of the Companies Act, 2013 consequent to Schedule II becoming applicable w.e.f 01<sup>st</sup> April 2014. The excess depreciation on tangible assets whose useful life is already exhausted as on 01<sup>st</sup> April 2014 is transferred to General Reserves (net of deferred taxes).

###### On Intangible Assets:

Intangible assets are amortized on SLM method over the useful life, based on the economic benefits that would be derived, as per the estimates made by the management.

- i. Computer Software – Written off over a period of three years

##### c. Impairment

The carrying amounts of the Company's tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable



## apcotex industries limited

amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods

### (iv) **Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

### (v) **Investments**

Non-current investments are valued at cost less provision for diminution in value, if the diminution is other than temporary.

Current Investments are stated at lower of cost and fair value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. Profit or loss on sale of investments is determined on average cost basis.

### (vi) **Inventory**

Inventories are valued at lower of Cost and Net Realizable Value.

The cost is determined as follows:

- (a) Raw and Packing Materials are valued at cost or market value, whichever is lower, computed on FIFO basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes, which are subsequently recoverable from the taxing authorities.
- (b) The finished goods inventory is valued at cost, or net realizable value whichever is lower. Cost includes material cost, conversion, appropriate factory overheads, any tax or duties and other costs incurred in bringing the inventories to their present location and condition.
- (c) Work-in-Process is valued at material cost and cost of conversion appropriate to their location in the manufacturing cycle.
- (d) Stores, Spares and consumables are valued at cost, computed on FIFO basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable from the taxing authorities, if any.

Slow-moving and damaged, unserviceable stocks are adequately provided wherever considered necessary.

### (vii) **Excise Duty :**

Excise Duty paid on goods manufactured by the Company is accounted for at the time of dispatch of goods from the factories.

Excise Duty payable on goods manufactured is accrued for stocks held in factories at the year-end. Excise Duty paid/ payable on goods manufactured by the Company and remaining in stock, is included in the value of Finished Goods. Excise duty related to the difference between the closing stock and opening stock of Finished Goods is recognized in the Statement of Profit and Loss.

### (viii) **Transactions in foreign exchange**

#### (a) **Initial recognition:**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

**(b) Measurement of foreign currency items at the Balance Sheet date:**

Foreign currency denominated monetary assets & liabilities of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss. However exchange differences relating to fixed assets have been included in the carrying amount of fixed assets.

The Exchange Rate Difference and the forward premium on the loan taken for capital assets are being capitalized along with Interest till the date of commissioning of the said capital assets.

In case of other forward exchange contracts, the difference between the transaction rate and the rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract. However forward exchange contract relating to fixed assets have been included in the carrying amount of fixed assets.

**(ix) Forward Exchange Contracts – Hedging**

The company uses forward exchange contracts to hedge its foreign exchange exposures relating to the underlying transactions and firm commitments. The use of these foreign exchange forward and options contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes. The premium on forward contracts taken for purchase of fixed assets are capitalized as the cost of the asset and the premium on other contracts is recognized over the life of the contract in the Statement of Profit or Loss.

**(x) Employees' Benefits**

**(a) Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**(b) Post-employment benefits:**

**Defined contribution plans :**

Contribution towards plans like Employee State Insurance Scheme, Government administered Provident Fund and Pension Fund Scheme and Superannuation Scheme for eligible employees are made to the regulatory authorities and are classified as Defined Contribution Plans. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the financial year to which they relate.

**Defined benefit plans**

The cost of providing benefit i.e. gratuity is determined using the Projected Unit Credit Method with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss. The fair value of the planned assets is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

**Other long-term employee benefits**

Entitlements to annual privilege leave are recognized when they accrue to employees. Privilege leave can be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

**(xi) Research and Development**

- (a) Capital expenditure is shown separately under respective heads of fixed assets. These assets are depreciated over their useful life.
- (b) Revenue expenses are included under the respective heads of expenses.

**(xii) Taxes on Income**

Tax expense comprises current and deferred tax. Current tax is measured at the amount expected to be paid in accordance with the Income-tax Act, 1961.



## **apcotex industries limited**

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets/liabilities are reviewed at each balance sheet date. The tax effect is calculated on the accumulated timing difference at the year-end, based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period in which such credit can be carried forward for set-off.

### **(xiii) Cash & Cash Equivalent:**

Cash and cash equivalents includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less.

### **(xiv) Leases - Assets taken on operating lease**

Lease rentals on assets taken on operating lease are recognized as expense in the Statement of Profit and Loss on an accrual basis over the lease term of the asset.

### **(xv) Revenue Recognition:**

- (a) Domestic sales are recognized at the point of dispatch of goods to customers, which is when risks and rewards of ownership are passed to the customers. Sales are inclusive of excise duty but net of trade discount and VAT /sales tax.
- (b) Export sales are recognized based on the bill of lading except sales to Nepal which are recognized when the goods cross the Indian Territory, which is when risks and rewards of ownership are passed to the customers.
- (c) Dividend income is recognized when the right to receive the same is established.
- (d) Interest and other income are recognized on accrual basis.
- (e) Export incentives receivable under Duty Drawback Scheme are accounted on accrual basis.
- (f) Insurance claims are recognized post filing of the claim with the insurer.

### **(xvi) Provisions and Contingencies:**

A provision is recognized when the 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 their present values and are determined based on management 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 management estimates.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

### **(xvii) Earnings per Share**

Basic and diluted earnings per share are computed by dividing the net profit after taxes attributable to equity shareholders for the year, with the weighted number of equity shares outstanding during the year.

### **(xviii) Measurement of EBITDA**

The Company has elected to present earnings before interest (finance cost), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures EBITDA on the basis of profit / (loss) from continuing operations.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 2 : SHARE CAPITAL</b>		
<b>Authorised</b>		
2,99,40,000 Equity Shares of ₹ 5/- each (2,99,40,000 Equity Shares of ₹ 5/- each)	1,497.00	1,497.00
500 Preference Shares of ₹ 100/- each (500 Preference Shares of ₹ 100/- each)	0.50	0.50
50,000 Unclassified Shares of ₹ 5/- each (50,000 Unclassified Shares of ₹ 5/- each)	2.50	2.50
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and Paid up capital</b>		
1,03,68,992 Equity Shares of ₹ 5/- (1,03,68,992 Equity Shares of ₹ 5/-) each fully paid. ( Including ₹ 3.90 lacs towards 78,051 shares forfeited at ₹ 5/- each)	522.35	522.35
<b>Total</b>	<b>522.35</b>	<b>522.35</b>

Note:

- a) The Company had wide resolution passed at AGM of the Company on 28<sup>th</sup> June 2013, approved the subdivision of each equity share of the company having face value of ₹ 10/- each fully paid into 2 equity shares of Face Value of ₹ 5 only on 17<sup>th</sup> August 2013 (Record Date). The authorised equity share capital was also subdivided in 2,99,40,000/- equity shares of ₹ 5 each.

**b) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year**

Equity Shares	As at 31 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March 2014	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
<b>At the beginning of the year</b>	1,03,68,992	522.35	51,84,496	522.35
Add : Increase in the number of Shares on subdivision of each share of ₹ 10 each into 2 Equity shares of ₹ 5 each during the year	-	-	51,84,496	-
<b>Outstanding at the end of the year</b>	1,03,68,992	522.35	1,03,68,992	522.35

**c) Details of Shareholders holding more than 5% equity shares in the company**

Equity Shares	As at 31 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March 2014	
	No of Shares Face Value of ₹ 5 Each	% Holding	No of Shares Face Value of ₹ 10 Each	% Holding
Trivikram Investment & Trading Company Ltd.	19,73,336	19.07	19,73,336	19.03
Dhumraketu Investment & Trading Company Pvt. Ltd	16,59,557	16.00	16,58,952	16.00
Atul Champaklal Choksey	6,67,700	6.44	6,67,700	6.44
Saldhar Investment & Trading Company Pvt. Ltd	5,66,544	5.46	5,66,544	5.46

**d) Rights, Preferences & Restrictions attached to Equity Shares:**

The Company has one class of share having a par value of ₹ 5 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.





## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

e) Aggregate number of shares & class of shares bought back during the last 5 years:

(₹ In Lacs)

Financial Year 2009-10	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
No of Equity Shares	3,42,856	3,42,856
Face Value per Share	10	10
Total Face Value (₹ in Lacs) A	34.29	34.29
Premium per Share	78.89	78.89
Total Premium (₹ in Lacs) B	270.49	270.49
Grand Total (₹ in Lacs) (A+B)	304.78	304.78

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 3 : RESERVES AND SURPLUS</b>		
(a) Capital Redemption Reserve	34.30	34.30
(b) Share Premium	3,084.11	3,084.11
(c) General Reserve		
As per last Balance Sheet	1750.43	1,618.93
Add : Transfer from Statement of Profit and Loss	800.00	131.50
*Less: Adjustment on account of excess depreciation as on 1 <sup>st</sup> April 2014 (Refer Note 3a below)	(146.71)	
	2403.72	1,750.43
(d) Surplus in Statement of Profit and Loss		
As per last Balance Sheet	3,136.36	2,560.10
Add : Net profit after tax transferred from Statement of Profit and Loss	2,468.06	1,314.33
Amount available for appropriation	5,604.42	3,874.42
Less: Appropriations		
Dividend on Equity shares:		
- Proposed Dividend ₹ 7 per share of ₹ 5 each, (Previous year ₹ 5 per share of ₹ 5 each)]	725.83	518.46
Dividend Distribution Tax	147.76	88.11
Transfer to General Reserve	800.00	131.50
	3930.82	3,136.36
<b>Total</b>	<b>9452.95</b>	<b>8,005.19</b>

\*Note :

3a. Consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 01, 2014, depreciation for the year ended March 31, 2015 has been provided on the basis of the useful lives as prescribed in Schedule II. Depreciation of ₹ 146.71 lacs (net of deferred tax of ₹ 75.54 lacs) on account of assets whose useful life is already exhausted as on 1<sup>st</sup> April 2014, has been adjusted to General Reserve.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 4 : LONG TERM BORROWINGS</b>		
<b>Term Loan</b>		
<b>Secured</b>		
From Bank	<b>836.28</b>	1,669.99
	<b>836.28</b>	1,669.99

**Notes:**

- 1a. Borrowing are in the form of Term Loan (ECB) carrying an Interest rate of LIBOR + 2.5% to LIBOR + 3.5% and secured by hypothecation of the Company's entire Plant & Machinery by way of first charge;
- 1b. Repayment - During November 2013, Company has taken forward cover through 'Call Option' for repayment of remaining principal instalments of ECB

2. Repayment schedule of Term Loan: (₹ In Lacs)

Financial Year	Amount	Amount
2015-16	-	833.43
2016-17	836.28	836.56

3. Default in terms of repayment of principal and interest – NIL;
4. Foreign currency loan due for Repayment during the next twelve months considered in Other Current Liabilities is ₹ 833.71 lacs ( Previous Year ₹ 833.43 lacs)

**Note 5: DEFERRED TAX LIABILITY (NET)**

The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS 22) – Accounting for Taxes on income.

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31<sup>st</sup> March, 2015 are as follows:

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>Deferred tax liabilities</b>		
Depreciation on Fixed Assets ( other than Scientific Research Assets)	<b>565.28</b>	621.32
Depreciation on Scientific Research Assets	<b>41.29</b>	61.75
Others	-	-
<b>Total deferred tax liabilities</b>	<b>606.57</b>	683.07
<b>Deferred tax assets</b>		
Provision for leave encashment	<b>34.26</b>	35.49
Provision for doubtful debts	<b>7.33</b>	3.17
Provision for bonus	<b>6.48</b>	6.66
<b>Total deferred tax assets</b>	<b>48.07</b>	45.32
<b>Net Deferred tax liability/(assets) (Refer Note 3a)</b>	<b>558.50</b>	637.75



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>Note 6: OTHER LONG TERM LIABILITIES</b>		
<b>Unsecured</b>		
Security Deposits	132.60	102.10
	<u>132.60</u>	<u>102.10</u>

**Note:**

1. Sundry deposits includes refundable Security Deposits accepted from Dealers carrying interest rate of 9% p.a.

(₹ In Lacs)

	Long -Term		Short -Term	
	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 7. PROVISIONS</b>				
Employee liabilities				
Leave Encashment	80.31	69.82	20.48	16.22
Proposed Dividend	-	-	725.83	518.45
Provision for Dividend Distribution Tax	-	-	147.76	88.11
Income Tax	97.64	94.31	39.75	100.44
	<u>177.95</u>	<u>164.13</u>	<u>933.82</u>	<u>723.22</u>

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 8 : SHORT TERM BORROWINGS</b>		
<b>(a) Loan repayable on demand from banks</b>		
<b>Secured</b>		
Packing Credit Foreign Currency Loan	585.79	-
Cash Credit/Working Capital Demand Loan	853.46	2,294.17
	<u>1,439.24</u>	<u>2,294.17</u>

**Note :-**

1. Loan from a bank secured by hypothecation of stock, book debts on parri passu basis and exclusive charge on land and building and second parri passu charge on plant & machinery. The CC / WCDL carry an interest rate in the range of 10.25% p.a. to 13.65% p.a. and Packing credit facility carry and interest rate in the range of 2.0 to 2.50% p.a.
2. Default in terms of repayment of principal and interest – NIL.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 9. TRADE PAYABLES</b>		
<b>Unsecured</b>		
Trade Payables	2,026.20	2,501.25
(Refer note 43 for Details of due to Micro and Small Enterprises)		
	<u>2,026.20</u>	<u>2,501.25</u>
<b>Note:- Amount due to Related Parties:</b>		
Apco Enterprises Limited	4.23	12.12
Trivikram Investment & Trading Co. Ltd	3.42	-

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 10. OTHER CURRENT LIABILITIES</b>		
(a) Other Payables		
Current Maturities of Long-term debt	833.71	833.43
Interest accrued but not due on borrowings	13.66	28.09
Statutory Payables -		
Central Sales Tax and VAT	5.13	0.20
Service Tax	3.05	0.00
Excise duty on Closing Stock	84.72	54.54
TDS under Income tax	32.17	23.22
Provident Fund, Profession Tax and ESIC	9.44	8.93
Payable to Employees		
Salaries & Wages	92.13	77.90
Bonus	20.57	21.09
Incentives	55.22	18.00
Gratuity	27.85	18.38
Unpaid/ Unclaimed dividend	44.81	34.59
Unclaimed Fixed Deposits and Interest thereon	0.70	0.70
Other Liabilities		
Payable for Expenses	522.87	121.83
Payable for Capital Goods	75.13	78.16
Commission to Non Exe. Directors	31.53	16.00
Advances received from Customers	25.87	110.09
Outstanding Expenses	107.61	272.42
	<u>1,986.17</u>	<u>1,717.57</u>

**Note:** There are no amounts due and outstanding to be credited to Investor Education & Protection Fund



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

#### NOTE 11A & 11B : FIXED ASSETS

(₹ in lacs)

	Gross Block				Depreciation					Net Block Value	
	As at 01.04.2014	Additions	Deletions/ Adjustments	As at 31.3.2015	Upto 01.04.2014	Trf to Gen Res*	For the Year**	Deletions/ Adjustments	Upto 31.3.2015	As at 31.3.2015	As at 31.03.2014
<b>A. Tangible Assets :</b>											
Leasehold Land	7.64	-	-	7.64	2.67	-	0.07	-	2.73	4.91	4.98
Buildings	2,512.12	1.81	(0.22)	2,513.71	750.95	0.14	70.14	(0.12)	821.11	1,692.60	1,761.17
Plant and Equipment	6,481.65	457.18	(483.06)	6,455.77	3,433.50	142.41	498.71	(459.58)	3,615.04	2,840.73	3,048.15
Scientific Research Equipments	305.44	4.23	-	309.67	123.72	14.21	50.26	-	188.19	121.48	181.72
Furnitures & office equipments	199.11	65.49	(3.63)	260.97	108.33	20.56	28.15	(3.54)	153.50	107.47	90.79
Vehicles	196.80	3.39	(9.30)	190.89	73.04	0.13	30.40	(5.83)	97.74	93.15	123.76
Electric & Pipe Fittings	1,650.25	142.75	(53.84)	1,739.16	575.65	42.98	186.91	(47.91)	757.63	981.53	1,074.60
Wind Turbine Generator	612.79	-	-	612.79	129.42	-	26.51	-	155.93	456.87	483.37
<b>Total tangible assets</b>	<b>11,965.82</b>	<b>674.86</b>	<b>(550.05)</b>	<b>12,090.61</b>	<b>5,197.28</b>	<b>220.42</b>	<b>891.14</b>	<b>(516.97)</b>	<b>5,791.87</b>	<b>6,298.74</b>	<b>6,768.54</b>
<b>B. Intangible Assets :</b>											
Computer Softwares	62.22	24.00	(6.54)	79.68	51.60	1.83	6.26	(6.53)	53.16	26.52	10.62
<b>Total intangible assets</b>	<b>62.22</b>	<b>24.00</b>	<b>(6.54)</b>	<b>79.68</b>	<b>51.60</b>	<b>1.83</b>	<b>6.26</b>	<b>(6.53)</b>	<b>53.16</b>	<b>26.52</b>	<b>10.62</b>
<b>Total (A+B)</b>	<b>12,028.04</b>	<b>698.86</b>	<b>(556.59)</b>	<b>12,170.30</b>	<b>5,248.87</b>	<b>222.25</b>	<b>897.40</b>	<b>(523.50)</b>	<b>5,845.02</b>	<b>6,325.26</b>	
Previous year	11,371.52	1,050.77	(394.25)	12,028.04	4,872.61	-	676.73	(300.47)	5,248.87		6,779.16
<b>Capital Work-in-progress</b>										<b>187.60</b>	<b>112.75</b>
										<b>6,512.86</b>	<b>6,891.91</b>

\*Note : 11 A - i) Refer Note 3A.

\*\* 11 A - ii) Consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 01, 2014, depreciation for the year ended March 31, 2015 has been provided on the basis of the useful lives as prescribed in Schedule II. This has resulted in the depreciation expense for the year ended March 31, 2015 being higher by ₹ 171.94 lacs..

(₹ in lacs)

		As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>SCHEDULE 12: NON CURRENT INVESTMENTS</b>			
<b>(A) INVESTMENT PROPERTY ( at cost less accumulated depreciation)</b>			
<b>Buildings given on Operating Lease:</b>			
Opening Gross Block	30.86	-	
Add: Additions during the year	1.83	-	
Add: Transfer from Fixed Assets during the year	-	30.86	
Closing Gross Block	32.69	30.86	
<b>Less:</b>			
Opening Accumulated Depreciation	19.93	-	
Add: Transfer from Accumulated depreciation during the year	0.00	19.86	
Add: Depreciation for the year	0.31	0.08	
Closing Accumulated Depreciation	20.24	19.93	
<b>Net Block (a)</b>	<b>12.45</b>	<b>10.93</b>	

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ in Lacs)

		As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
(B)	LONG TERM INVESTMENTS		
1)	UNQUOTED		
i)	TRADE INVESTMENTS		
1	Nil (P.Y. 333) Ordinary Shares of Bombay Mercantile Co-op. Bank Ltd., Mumbai of the face value of ₹ 30/- fully paid	-	0.10
		-	0.10
ii)	NON-TRADE INVESTMENTS		
1	120000 (P.Y. 120000) Equity Shares of Cybele Paradise Pvt Ltd. of the face value of ₹ 10/- fully paid	16.00	16.00
		16.00	16.00
iii)	INVESTMENTS IN MUTUAL FUNDS		
1	203.746 Units (P. Y. Nil Units) Reliance Liquid Fund - Treasury Plan-Weekly Div	3.08	-
2	94134.364 Units (P. Y. 197101.984 Units) Birla Sun Life Frontline Equity Fund - Growth	59.88	125.38
3	400000 Units (P. Y. 400000 Units) Birla Sun Life Fixed Term Plan - Corp Bond Series A (1170 days)	40.00	40.00
4	515685.914 Units (P. Y. 1020385.797 Units) ICICI Prudential Focused Bluechip Eq Fund - Retail (G)	90.97	180.00
5	1294054.87 Units (P. Y. 1294054.87 Units) ICICI Prudential Income Opportunities Fund - Reg Plan (G)	194.00	194.00
6	137541.367 Units (P. Y. Nil Units) ICICI Prudential Value Discovery Fund - Reg Plan (G)	117.40	-
7	2748674.592 Units (P. Y. 2748674.592 units) of DWS Gilt Fund - Regular Growth	350.00	350.00
8	370000 Units (P. Y. 370000 units) of UTI Fixed Term Income Fund Series XVI-VII (366 Days) (GR)	37.00	37.00
9	51399.854 Units (P. Y. Nil units) of UTI Equity Fund - (Gr)	37.30	-
10	Nil Units (P. Y. 450.0288 units) of Kotak Floater Short Term - Daily Div	-	4.55
11	575721.811 Units (P. Y. 575721.811 units) of JPMorgan US Value Equity Offshore Fund (G)	60.00	60.00
12	16928.446 Units (P. Y. 16928.446 units) of Franklin India Prima Fund (G)	60.00	60.00
13	161051.012 Units (P. Y. Nil units) of Franklin India Smaller Companies Fund - (Gr)	47.00	-
14	333172.3 Units (P. Y. 333172.3 units) of SBI Bluechip Fund - Regular Plan (GR)	60.00	60.00
15	141333.434 Units (P. Y. 141333.434 units) of IDFC Sterling Equity Fund (GR)	30.00	30.00
16	21597.766 Units (P. Y. Nil units) of HDFC Equity Fund (GR)	73.70	-



## apcotex industries limited

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ in Lacs)

		As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
	17 430356.66 Units (P. Y. Nil units) of HDFC Mid-Cap Opportunities Fund - (GR)	117.40	-
	18 95305.688 Units (P. Y. Nil units) of Sundaram S.M.I.L.E. Fund - Reg Plan (Gr)	47.00	-
	19 1.22 Units (P. Y. Nil units) of Pramerica Liquid Fund - Direct Plan - Wkly Divd	0.01	-
		<b>1424.74</b>	<b>1140.93</b>
<b>2) QUOTED</b>			
<b>i) NON-TRADE INVESTMENTS</b>			
1	40800 (P. Y. 40800) Equity Shares of Asian Paints Ltd of the face value of ₹ 1/- fully paid	4.99	4.99
2	"5000 (P. Y. 1000) Equity Shares of Axis Bank of the face value of ₹ 2/- fully paid (Includes Stock Split 1:5)"	-	-
3	"300 (P. Y. 300) Equity Shares of Kesoram Industries Ltd of the face value of ₹ 10/- fully paid"	-	-
4	"100 (P. Y. 100) Equity Shares of Computech International Ltd of the face value of ₹ 5/- fully paid"	-	-
5	"1000 (P. Y. 1000) Equity Shares of Consortex Karl Doelitz (India) Ltd of the face value of ₹ 10/- fully paid"	-	-
6	"1000 (P. Y. 1000) Equity Shares of Skylid Telecom Equipments Ltd of the face value of ₹ 10/- fully paid"	-	-
7	4975 (P. Y. 6350) Equity Shares of Lupin Ltd of the face value of ₹ 2/- fully paid	37.40	47.74
8	Nil (P. Y. 3200) Equity Shares of Jammu & Kashmir Bank Ltd of the face value of ₹ 10/- fully paid	-	28.15
9	Nil (P. Y. 18550) Equity Shares of Sun TV Network Ltd of the face value of ₹ 5/- fully paid	-	66.67
10	18050 (P. Y. 4950) Equity Shares of Axis Bank Ltd. of the face value of ₹ 2/- fully paid (Includes Stock Split 1:5)	35.76	49.03
11	23625 (P. Y. 28650) Equity Shares of United Phosphorous Ltd. of the face value of ₹ 2/- fully paid	37.87	43.78
12	12020 (P. Y. 7400) Equity Shares of ING Vysya Bank Ltd. of the face value of ₹ 10/- fully paid	75.84	46.26
13	15450 (P. Y. 17200) Equity Shares of Kajaria Ceramics Ltd. of the face value of ₹ 2/- fully paid	40.27	44.83
14	Nil (P. Y. 10350) Equity Shares of IPCA Laboratories Ltd. of the face value of ₹ 2/- fully paid	-	33.90
15	Nil (P. Y. 22800) Equity Shares of Mahindra & Mahindra Financial Services Ltd. of the face value of ₹ 2/- fully paid	-	58.08
16	Nil (P. Y. 24500) Equity Shares of KPIT Cummins Infosystems Ltd. of the face value of ₹ 2/- fully paid	-	25.39



NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ in Lacs)

		As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
17	Nil (P. Y. 2000) Equity Shares of Mindtree Ltd. of the face value of ₹ 10/- fully paid	-	13.77
18	4975 (P. Y. 8025) Equity Shares of Cadila Healthcare Ltd. of the face value of ₹ 5/- fully paid	42.12	67.95
19	19208 (P. Y. 9382) Equity Shares of Tech Mahindra of the face value of ₹ 5/- fully paid (Includes Bonus 1:1 and Stock Split 1:2)	70.99	97.67
20	42900 (P. Y. 6175) Equity Shares of Havells India Ltd. of the face value of ₹ 5/- fully paid	71.19	39.86
21	Nil (P. Y. 5100) Equity Shares of Reliance Industries Ltd. of the face value of ₹ 10/- fully paid	-	45.25
22	Nil (P. Y. 12500) Equity Shares of Bajaj Electricals of the face value of ₹ 2/- fully paid	-	27.97
23	3575 (P. Y. 2725) Equity Shares of Larsen & Toubro Ltd. of the face value of ₹ 10/- fully paid	44.61	33.41
24	5675 (P. Y. Nil) Equity Shares of Kotak Mahindra Bank of the face value of ₹ 5/- fully paid	45.49	-
25	180 (P. Y. Nil) Equity Shares of MRF Ltd. of the face value of ₹ 10/- fully paid	37.43	-
26	9000 (P. Y. Nil) Equity Shares of Dalmia Bharat Ltd. of the face value of ₹ 2/- fully paid	40.19	-
27	7350 (P. Y. Nil) Equity Shares of Indusind Bank of the face value of ₹ 10/- fully paid	41.67	-
28	12625 (P. Y. Nil) Equity Shares of Raymond Ltd. of the face value of ₹ 10/- fully paid	55.05	-
29	3500 (P. Y. Nil) Equity Shares of Credit Analysis And Research of the face value of ₹ 10/- fully paid	45.59	-
30	16050 (P. Y. Nil) Equity Shares of PC Jeweller of the face value of ₹ 10/- fully paid	34.09	-
31	28725 (P. Y. Nil) Equity Shares of ICICI Bank Ltd of the face value of ₹ 2/- fully paid (Includes Stock Split 1:5)	90.10	-
32	4300 (P. Y. Nil) Equity Shares of MCX India of the face value of ₹ 10/- fully paid	37.69	-
33	47550 (P. Y. Nil) Equity Shares of Ashok Leyland of the face value of ₹ 1/- fully paid	32.05	-
34	Nil (P. Y. 8165) Equity Shares of Sudarshan Chemical Industries Ltd. of the face value of ₹ 10/- fully paid	-	37.29
35	84654 (P. Y. 49930) Equity Shares of KEC International Ltd. of the face value of ₹ 2/- fully paid	61.51	23.61
36	Nil (P. Y. 40519) Equity Shares of JMC Projects of the face value of ₹ 10/- fully paid	-	37.90
37	6894 (P. Y. 11219) Equity Shares of Zensar Tech of the face value of ₹ 10/- fully paid	19.57	29.26



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ in Lacs)

		As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
38	Nil (P. Y. 9677) Equity Shares of Deepak Nitrite of the face value of ₹ 10/- fully paid	-	21.02
39	21735 (P. Y. 41445) Equity Shares of Kalpataru Power Transmission Ltd of the face value of ₹ 2/- fully paid	24.49	34.56
40	Nil (P. Y. 7313) Equity Shares of Merck Ltd of the face value of ₹ 10/- fully paid	-	45.39
41	Nil (P. Y. 23370) Equity Shares of Tata Global Beverages of the face value of Amount	-	35.65
42	22040 (P. Y. 11235) Equity Shares of Godrej Properties of the face value of ₹ 5/- fully paid	53.19	18.93
43	40545 (P. Y. Nil) Equity Shares of IDFC Ltd of the face value of ₹ 10/- fully paid	62.86	-
44	9750 (P. Y. 13235) Equity Shares of Coromandel International Ltd of the face value of ₹ 1/- fully paid	23.68	29.89
45	1950 (P. Y. Nil) Equity Shares of Bajaj Finserv Ltd of the face value of ₹ 5/- fully paid	20.59	-
46	Nil (P. Y. 1580) Equity Shares of Tata Coffee Ltd of the face value of ₹ 10/- fully paid	-	14.87
47	171650 (P. Y. 120360) Equity Shares of TV18 Broadcast Ltd. of the face value of ₹ 2/- fully paid	52.01	28.17
48	1225 (P. Y. Nil) Equity Shares of Bajaj Finance Ltd of the face value of ₹ 5/- fully paid	25.08	-
49	23750 (P. Y. Nil) Equity Shares of Cox and Kings Ltd of the face value of ₹ 5/- fully paid	49.45	-
50	1125 (P. Y. Nil) Equity Shares of Dr Reddy Laboratories Ltd of the face value of ₹ 5/- fully paid	30.09	-
51	5400 (P. Y. Nil) Equity Shares of Glenmark Pharmaceuticals Ltd of the face value of ₹ 1/- fully paid	32.00	-
52	15725 (P. Y. Nil) Equity Shares of ITC Ltd of the face value of ₹ 1/- fully paid	50.02	-
53	118450 (P. Y. Nil) Equity Shares of PTC India Financial Services Ltd of the face value of ₹ 10/- fully paid	53.62	-
54	1425 (P. Y. Nil) Equity Shares of Shriram Transport Finance Company Ltd of the face value of ₹ 10/- fully paid	12.58	-
55	11650 (P. Y. Nil) Equity Shares of Sun Pharmaceuticals Industries Ltd of the face value of ₹ 1/- fully paid	75.14	-
56	18400 (P. Y. Nil) Equity Shares of Tata Motors Ltd DVR Shares of the face value of ₹ 2/- fully paid	56.68	-
57	Nil (P. Y. 24500) Equity Shares of Kotak Nifty ETF of the face value of ₹ 10/- fully paid	-	145.75
		1622.96	1276.99
	<b>Total of Long Term Investments (b)</b>	<b>3063.69</b>	<b>2434.02</b>
	<b>Total (a+b)</b>	<b>3076.15</b>	<b>2444.95</b>

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ in Lacs)

	AGGREGATE MARKET VALUE OF INVESTMENTS	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
	QUOTED INVESTMENTS	2791.59	1848.22

(₹ In Lacs)

	Long Term		Short Term	
	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 13 : LOANS AND ADVANCES</b>				
<b>A. Unsecured and Considered good:</b>				
Capital Advances	34.85	96.86	-	-
Sundry deposits	282.33	272.22	-	1.50
	317.18	369.07	-	1.50
<b>B. Loans and advances to Trust</b>				
Advance contribution to Gratuity Fund trust	-	2.67	-	-
<b>C. Other loans and advances</b>				
Advances to Vendors	-	-	143.79	136.53
Balance with Excise and service tax	-	-	401.44	228.84
Provident Fund under protest	-	10.94	-	-
Excise Duty under protest	2.04	0.40	-	-
Income Tax paid against disputed liability	208.33	208.33	-	-
Advance payments of Income Tax	102.28	99.13	-	-
Advances to employees	-	-	1.77	5.10
	312.64	318.79	547.00	370.46
	629.82	690.53	547.00	371.96

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 14: OTHER NON CURRENT ASSETS</b>		
<b>TRADE RECEIVABLES</b>		
( Unsecured and considered doubtful )		
Overdue for more than six months	21.56	9.33
Less:- Provision for Doubtful Debt	(21.56)	(9.33)
'Net	-	-
Fixed Deposits with Banks	5.09	11.72
Sales Tax Refund Receivable	22.26	64.01
	27.35	75.73



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 15: INVENTORIES ( At Lower of cost and market value)</b>		
(a) Raw materials	721.77	759.00
(b) Packing materials	30.46	27.43
(c) Finished goods	509.17	587.28
(d) Work-in-progress	36.89	98.24
(e) Stores, spares and consumables	223.90	238.10
	<b>1,522.20</b>	<b>1,710.04</b>

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 16: TRADE RECEIVABLES (Unsecured and considered good)</b>		
Overdue for more than six months	0.18	3.86
Others	4,870.20	5,166.68
	<b>4,870.38</b>	<b>5,170.54</b>
Note:- Amount due from private company in which any director is a director of that company		
(l) Choksey Chemical Pvt. Ltd	<b>35.95</b>	<b>65.98</b>

(₹ In Lacs)

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 17: CASH AND BANK BALANCES</b>		
<b>A. Cash &amp; cash equivalents</b>		
(a) Cash on hand	5.40	7.20
(b) Balances with Banks :		
(i) Balances with Bank Accounts	233.80	394.83
(ii) EEFC A/c	128.24	123.77
(c) Investment in Liquid Mutual Funds ( See note 17 A below)	5.00	5.00
<b>B. Other bank balances-earmarked</b>		
(i) Unpaid dividend	44.81	34.59
(ii) Deposit with bank - Margin	25.58	46.76
	<b>442.83</b>	<b>612.15</b>

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

Note 17 A		(₹ In Lacs)
Details of Investment in Liquid Mutual Funds	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>Unquoted</b>		
<b>Investments in Mutual Funds:</b>		
50000 units (P. Y. 50000 units) of SBI Magnum Multicap Fund	5.00	5.00
	<u>5.00</u>	<u>5.00</u>

	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE 18: OTHER CURRENT ASSETS</b> <b>(Unsecured and Considered Good )</b>		
Interest Receivable	5.86	0.56
Discount Receivable	95.96	5.72
Advances to Vendors - Raw Materials	10.82	71.89
Octroi Receivable	0.62	0.37
Excise Duty Refund ( Exports )	246.34	240.83
Export Incentive Receivable	58.88	42.53
Other Receivables	19.00	8.02
	<u>437.48</u>	<u>369.91</u>

	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
<b>NOTE 19: REVENUE FROM OPERATIONS</b>		
<b>(A) Sale of products:</b>		
(a) Domestic	32,215.00	29,576.69
(b) Exports	6,899.46	3,458.75
<b>Turnover</b>	<u>39,114.46</u>	<u>33,035.43</u>
Less: Excise duty	3,777.60	3,497.62
<b>Sale of products</b>	<u>35,336.86</u>	<u>29,537.81</u>
<b>(B) Other operating revenues:</b>		
(a) Scrap sales	7.61	15.96
(b) Export Incentives	152.20	101.10
(c) Insurance Claim	3.31	28.36
(d) Other Income	8.13	20.05
	<u>171.23</u>	<u>165.47</u>
	<u>35,508.10</u>	<u>29,703.28</u>

**Note:-**

Excise duty deducted from turnover represents amount of excise duty collected by the company on sale of goods manufactured by the company.



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ In Lacs)

	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
<b>NOTE 20: OTHER INCOME</b>		
(a) Interest Income	17.22	21.32
(b) Dividend Received		
From Non Current Investments	24.27	30.02
(c) (Loss)/Surplus on sale of Non- Current Investments	444.17	107.11
(d) Income from rent	37.66	22.52
(e) Other Income	3.43	17.32
(f) Foreign Exchange Fluctuation Difference (Refer Note 20 A below)	30.78	45.12
	<u>557.53</u>	<u>243.41</u>

Note 20 A exchange difference on reinstatement of foreign currency transactions has been accounted under respective head.

(₹ In Lacs)

	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
<b>NOTE 21 (A) COST OF MATERIALS CONSUMED</b>		
<b>Raw Materials Consumed</b>		
Opening Stock	759.00	549.11
Add : Purchases	23,751.36	22,449.37
	<u>24,510.36</u>	<u>22,998.48</u>
Less: Sale of Raw Materials	-	29.77
	<u>24,510.36</u>	<u>22,968.71</u>
Less: Closing Stock	(721.77)	(759.00)
	<u>23,788.59</u>	<u>22,209.71</u>
<b>Packing Materials Consumed</b>		
Opening Stock	27.43	17.36
Add : Purchases	1,095.38	791.21
	<u>1,122.81</u>	<u>808.57</u>
Less : Closing Stock	(30.46)	(27.43)
	<u>1,092.35</u>	<u>781.14</u>
Loss of Material	-	28.36
	<u>24,880.94</u>	<u>23,019.21</u>

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

	(₹ In Lacs)	
	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
<b>NOTE 21 (B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
<b>Stock at the beginning of the year</b>		
Finished Goods	587.28	297.30
Work-in-Progress	98.24	32.67
<b>Total (A)</b>	<b>685.52</b>	<b>329.97</b>
<b>Stock at the end of the year</b>		
Finished Goods	509.17	587.28
Work-in-Progress	36.89	98.24
<b>Total (B)</b>	<b>546.06</b>	<b>685.52</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE (B-A)</b>	<b>139.45</b>	<b>(355.54)</b>

	(₹ In Lacs)	
	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
<b>NOTE 22 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries ,wages and allowances	1,070.82	919.40
Wages and allowances to Contract Labour	126.70	68.34
Contribution to Provident and other Funds	88.73	73.05
Staff welfare expenses	124.00	98.03
	<b>1,410.26</b>	<b>1,158.82</b>

	(₹ In Lacs)	
	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
<b>Note 23 : OTHER EXPENSES</b>		
Stores and spares consumed	153.89	133.34
Power and fuel ( Net of Income from Windmill operations of ₹ 68.86 Lacs (Previous Year ₹ 72.41 Lacs))	642.94	607.72
Repairs and Maintenance		
Buildings	567.86	50.59
Machinery	63.89	156.71
Other assets	177.10	52.93
Rent	38.35	5.43
Rates and taxes	138.08	78.42
Insurance	33.95	34.88
Sales Discount & Rebates	354.30	404.80
Freight and transport charges	1,100.75	865.49
Advertisement	16.11	28.28
Printing, Stationary, & Communication charges	51.58	52.99





## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

Travelling Expenses		
Directors	81.35	64.82
Others	127.78	133.58
Commission on sales	171.23	142.00
Loss on sale of Fixed Assets	0.96	3.44
Fixed Assets Written off	29.78	14.98
Bad Debts Written off	9.33	0.77
Provision for Bad & Doubtful Debts	12.23	9.33
Donation	26.91	2.60
Bank Charges	76.27	56.92
Miscellaneous expenses	554.11	433.33
Commission to Non Executive Directors	31.53	16.00
Directors meeting fees	9.00	4.70
Auditors Remuneration (Ref. Note No. 28)	7.95	7.17
Professional Fees	491.43	74.29
Excess Provision written back	(43.67)	(70.34)
Prior year Expenses (Net) (Refer Note No 29)	5.15	2.61
	<b>4,930.16</b>	<b>3,367.77</b>

#### Note:

23a. Miscellaneous expenses include Excise duty of ₹ 30.18 lacs (Previous year ₹ 24.48 lacs) being the difference of excise duty between the opening & closing stock of finished goods.

23b. The Company was required to spend an amount of ₹ 34.00 Lacs being 2% of the average net profits of the three immediately preceding financial years on CSR as per the provisions of section 135 of the Companies Act, 2013. The Company has during the year spent ₹ 30.63 Lacs only.

The Concerned Expenditure has been debited to the following Heads as below :

(₹ In Lacs)

Head where the concerned Expenditure is debited	(i) Construction / acquisition of any asset	(ii) On purposes other than (i) above	Total
Donations	-	26.16	26.16
Miscellaneous Expenses	-	4.47	4.47
<b>Total Expenditure</b>	-	<b>30.63</b>	<b>30.63</b>
Yet to be Spent	-	-	3.37
<b>Total Eligible Amount</b>	-	<b>30.63</b>	<b>34.00</b>

(₹ In Lacs)

	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
<b>Note 24 : DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Tangible Assets (Refer Note 11 A)	891.14	674.86
Depreciation on Intangible Assets (Refer Note 11 B)	6.26	1.87
Depreciation on Investment Property (Refer Note 12 A)	0.31	0.08
	<b>897.71</b>	<b>676.81</b>

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ In Lacs)

	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
<b>Note 25 : FINANCE COST</b>		
Interest on Borrowings	315.14	406.74
Other Finance costs	9.12	7.75
	<b>324.26</b>	<b>414.49</b>

26. Estimated amount of contracts to be executed on capital account and not provided for ₹ 242.06 Lacs (Net of advances of ₹ 34.85 Lacs) [P.Y. ₹ 74.70 Lacs (Net of Advances of ₹ 96.86 Lacs)].

**27. Contingent Liabilities:**

Claims against the Company not acknowledged as debts [Gross] ₹ 536.15 Lacs (P.Y. ₹ 760.54 Lacs).

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
Income tax liability on account of disputed liability	528.22	393.67
Disputed demand from RCFPF for PF	-	36.45
Excise duty, Service Tax and Customs	159.93	183.44
Show Cause notices / Demands under MVAT disputed by the company	-	29.61
Open Letters of Credit	-	117.37
Bank Guarantee with Sales Tax Department	55.86	-

27.1 Income Tax liability of ₹ 208.33 Lacs (Previous Year ₹ 208.33 Lacs) is in respect of capital gains.

27.2 Customs authorities have raised vide notice dated 22-07-2005 a demand and penalty of ₹ 142.09 Lacs each for a dispute regarding high sea sales. The Company has paid the demand of ₹ 142.09 Lacs in the year 2011-12 and has claimed the same as deduction in the year financial year 2011-12. Balance penalty amount of ₹ 142.09 Lacs has been disclosed as contingent.

**28. Auditors Remuneration**

(₹ In Lacs)

Particulars	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
Statutory Audit	5.50	5.50
Tax Audit	1.50	1.50
Certification fees and other services	0.70	0.05
Reimbursement of Expenses	0.25	0.12
<b>Total</b>	<b>7.95</b>	<b>7.17</b>

\*(Net of Service Tax)

**29. Research & Development Expenditure**

(₹ In Lacs)

Particulars	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
Capital Expenditure	4.23	10.94
Revenue Expenditure	148.60	175.09
<b>Total</b>	<b>152.83</b>	<b>186.03</b>



## apcotex industries limited

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

### 30. Prior Period Items

(₹ In Lacs)

Particulars	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
<b><u>Prior Period Expenses:</u></b>		
Salary, Wages & Allowances	1.54	0.07
Freight and Transport Charges	5.21	0.19
Bank Charges	-	0.43
Other Finance Cost	-	3.79
Travelling Expenses – Others	-	0.15
Miscellaneous Expenses	2.92	2.60
<b>Sub Total ( A )</b>	<b>9.67</b>	<b>7.23</b>
<b><u>Prior Period Income:</u></b>		
Dividend	-	4.07
Donation Written Back	-	0.15
Other Income	0.02	0.40
Miscellaneous Income	0.66	-
Purchase Raw Material	2.95	-
Purchase Packing Material	0.89	-
<b>Sub Total ( B )</b>	<b>4.52</b>	<b>4.62</b>
<b>Grand Total (A – B)</b>	<b>5.15</b>	<b>2.61</b>

### 31. Value of Imports on CIF basis:

(₹ in Lacs)

	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
Raw materials	4690.67	4919.90
Stores and spares	6.93	31.75
Capital Goods	-	-

### 32. Details of imported and indigenous raw materials, components and spare parts consumed during the financial year:

(₹ in Lacs)

Particulars	For the Year Ended 31 <sup>st</sup> March 2015	% To Total	For the Year Ended 31 <sup>st</sup> March 2014	% To Total
<b>Raw Materials:</b>				
Imported	5097.29	21.27	5148.64	23.16
Indigenous	18864.94	78.73	17061.07	76.82
	<b>23962.23</b>	<b>100.00</b>	<b>22209.71</b>	<b>100.00</b>
<b>Stores and Spares:</b>				
Imported	9.45	6.14	1.88	1.41
Indigenous	144.44	93.86	131.46	98.59
	<b>153.89</b>	<b>100.00</b>	<b>133.34</b>	<b>100.00</b>

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

33. Value of Raw Material Consumed

(₹ in Lacs)

Particulars	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
Monomers	20674.62	19782.06
Others	3287.61	2427.65
<b>Total</b>	<b>23962.23</b>	<b>22209.71</b>

34. Capitalisation of Exchange Rate Difference on Foreign Currency Loan & Related Interest cost.

(₹ In Lacs)

Particulars	For the Year Ended 31 <sup>st</sup> March 2015	For the Year Ended 31 <sup>st</sup> March 2014
Exchange Rate Difference related to Foreign Currency Loan - ECB	180.16	400.79
Interest on Foreign Currency Loan (Net)	-	-
<b>Total</b>	<b>180.16</b>	<b>400.79</b>

35. Earning in foreign currency

(₹ In Lacs)

	For the year Ended 31 <sup>st</sup> March 2015	For the year Ended 31 <sup>st</sup> March 2014
Export of Goods on F.O.B. basis	6566.37	3389.09

36. Expenditure in Foreign Currency

(₹ in Lacs)

Particulars	For the year Ended 31 <sup>st</sup> March 2015	For the year Ended 31 <sup>st</sup> March 2014
a. Professional Fees (including reimbursement)	18.33	23.84
b. Interest	92.45	169.32
c. Foreign Travel	103.30	66.60
d. Sales Commission	43.04	42.11
e. Others	0.90	5.18

37. Details on Derivatives Instruments and Un-hedged foreign currency exposures:

(i) Derivative instruments outstanding:

(A) Forward Exchange Contracts:

Particulars	As at 31 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March 2014	
	Purchase	Sales	Purchase	Sales
Total number of contracts outstanding	3	-	1	-
USD	2998970	-	4001000	-
INR Equivalent (₹ in Lacs)	1877.23	-	2503.42	-

(B) Interest Rate Swap Contracts (ECB Loan)

Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
Total Number of Contracts	1	1
Principal Notional Amount US \$	2669000	4001000
Maturity Period	Upto 2 Years	Upto 3 Years



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

- (ii) The foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

Particulars	As at 31 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March 2014	
	USD	₹ in Lacs	USD	₹ in Lacs
Trade and Other Payables	217252	110.00	623617	374.79
Trade Receivables	954915	597.69	244206	134.53

### 38. Segment Information

The Company operates in a single primary business segment, i.e. leading producers of Synthetic Lattices and Synthetic Rubber. Therefore, the separate segment information on primary segment is not given in terms of the accounting standard 17, on 'segment reporting' issued by the Institute of Chartered Accountants of India. The information pertaining to the company's secondary segment i.e. geographical is given below:

#### Secondary Segment Information:

The Company's operations are managed from India. The principal geographical areas in which the Company operates are India, Middle East and Asian Countries.

#### Secondary segment information with respect to geographical location

Particulars	(₹ in Lacs)			
	Revenue for the year ended 31 <sup>st</sup> March, 2015	Trade Receivable as at 31 <sup>st</sup> March, 2015	Revenue for the year ended 31 <sup>st</sup> March, 2014	Trade Receivable as at 31 <sup>st</sup> March, 2014
India	32215.00	4280.89	29576.69	5036.00
Outside India	6899.46	597.69	3458.75	134.53

### 39. As per requirement of Accounting Standard for Related Party transactions (AS 18) issued by ICAI:

#### A. Names of Related Parties and nature of relationship

(Disclosure made to the extent of information available)

##### (i) Person(s) having controlling interest

- a) Mr. Atul C. Choksey – Chairman & Non-Executive Director

##### (ii) Enterprises over which the Company's Directors Exercise significant influence

- Abhiraj Trading & Investments Pvt. Limited
- Aeonian Investments Company Limited
- Amisha Buildcon Private Limited
- Apco Enterprises Limited
- Aquamarine Trading & Investments Pvt. Limited
- Aquamarine Investment Managers LLP
- Balasesh Leafin Limited
- Bhuvantray Investments & Trading Co. Pvt. Limited
- Choksey Structural Engineering Private Limited
- Choksey Chemical Pvt. Limited
- Cons Holdings Limited
- Cybele Paradise Pvt Ltd
- Dhumraketu Investments & Trading Company Pvt.Ltd.
- Forest Hills Trading & Investments Pvt. Limited

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

- o) Gauriputra Investments & Trading Co. Pvt. Limited
- p) Haridwar Trading & Investments Pvt. Limited
- q) HMP Mineral Pvt. Limited
- r) Joshimath Trading & Investments Pvt. Limited
- s) Laxmanjhula Trading & Investments Pvt. Limited
- t) Mazda Colours Limited
- u) Propycon Trading & Investments Private Limited
- v) Saldhar Investments & Trading Company Pvt. Limited
- w) Sammelan Investments & Trading Limited
- x) Shyamal Finvest (India) Limited
- y) Hindustan Mineral Products Co. Limited
- z) Titan Trading & Agencies Limited
- aa) Trivikram Investments & Trading Company Limited

(iii) Key Management Personnel and their relatives :

- a) Mr. Abhiraj A. Choksey - Managing Director - Key Management Personnel

B. Related Party Disclosure

(₹ in Lacs)				
Sr. No.	Nature of Transaction	Person(s) having controlling interest	Companies controlled by Directors/ Relatives of Directors	Key Management Personnel*
<b>Income</b>				
<b>a.</b>	<b>Sale of Goods</b>			
	Choksey Chemicals Pvt. Ltd	-	118.65 (146.41)	-
<b>Expenses</b>				
<b>a.</b>	<b>Rent and Other expenses (Reimbursement)</b>			
	Apco Enterprises Limited	-	8.70 (17.36)	-
	Trivikram Investment & Trading Co. Ltd	-	3.42 (6.45)	-
<b>b.</b>	<b>Remuneration</b>			
	Mr. Abhiraj A. Choksey	-	-	85.16 (67.30)
<b>c.</b>	<b>Reimbursement of Medical Expenses</b>			
	Mr. Atul C. Choksey	1.78 (1.47)	-	-
<b>d.</b>	<b>Commission to Non-Executive Directors</b>			
	Mr. Atul C. Choksey	25.53 (11.40)	-	-

(Previous year's figures have shown in brackets and italics)



## apcotex industries limited

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

### C. Closing Balances

(₹ in Lacs)

Sr. No.	Name of the related Party	Persons having controlling Interest	Companies controlled by Directors / Relatives of Directors	Directors / Key Management Personnel*
<b>Outstanding Payable Balance</b>				
a.	Apco Enterprises Limited	-	3.42 (12.12)	-
b.	Trivikram Investment & Trading Co. Ltd	-	3.42 (-)	-
c.	Mr. Abhiraj A. Choksey – Salary Payable	-	-	4.50 (2.32)
d.	Mr. Atul C. Choksey – Commission Payable	25.53 (11.40)	-	-
<b>Outstanding Receivable Balance</b>				
a.	Choksey Chemicals Pvt Ltd	-	35.95 (65.98)	-

(Previous year's figures have shown in brackets and italics)

### 40. Disclosure as per Accounting Standard 15 (Revised)

#### i. Contribution to Defined Contribution Plans

Payment for Employers Contribution to Provident Fund, recognized as expenses is ₹ 26.38 Lacs.

#### ii. Contribution to Defined Benefit Plans

The following table sets out the status of the Gratuity Plan as required under AS 15 (Revised).

(₹ in Lacs)

	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
<b>Change in Present Value of Defined Benefit Obligation</b>		
Present Value of Benefit Obligation at the beginning of the year	171.03	149.59
Interest Cost	15.94	12.34
Current Service Cost	11.60	13.16
(Benefits Paid)	(19.98)	(3.82)
Actuarial (Gain)/Loss on obligations	13.72	(0.24)
Present Value of Benefit Obligation at the end of the year	192.31	171.03
<b>Fair Value of Plan Assets</b>		
Fair Value Of Plan Assets at the beginning of the year	152.65	106.92
Expected Return on Plan Assets	14.23	8.82
Contributions	15.55	40.44
(Benefits Paid)	(19.98)	(3.82)
Actuarial Gain/(Loss) on Plan Asset	2.01	0.28
Fair Value of Plan Asset at the end of the year	164.46	152.65
<b>Recognition of Actuarial Gain / Losses</b>		
Actuarial (Gain)/Loss for the year – Obligation	13.72	(0.24)
Actuarial (Gain)/Loss for the year – Plan Asset	(2.01)	(0.28)
Total (Gain)/Loss for the year	11.71	(0.52)
Actuarial (Gain)/Loss recognized in the year	11.71	(0.52)



NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(₹ in Lacs)

	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
<b>Expenses Recognized in the Statement of Profit &amp; Loss A/c</b>		
Current Service Cost	11.60	13.16
Interest Cost	15.94	12.34
(Expected Return on Plan assets)	(14.23)	(8.82)
Actuarial (Gain)/Loss	11.70	(0.52)
Expenses Recognized in the Statement of Profit & Loss	25.01	16.15
<b>Amount to be recognized in the Balance Sheet</b>		
Present Value of Obligation as at the end of the year	192.30	171.03
Fair value of plan asset as at the end of the year	164.45	152.65
Net Asset/(Liability) recognized in the Balance sheet	(27.85)	(18.38)
<b>Actuarial Assumptions</b>		
Discount Rate	8.00%	9.32%
Salary Escalation	8.50%	5.50%
Rate of Return on Plan Assets	8.00%	9.32%
<b>Investment details</b>		
Insurer Managed Fund	100.00%	100.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

41. Operating Leases:

The Company lease agreements are in respect of operating lease for vehicles. These Lease Agreements provide for cancellation by either party thereto as per the terms and condition of the agreement. The lease rental recognized in the profit and loss during year & the lease agreements obligations for the period is as per given table.

(₹ in Lacs)

Particulars	For the year ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
Lease payment recognized in P&L	6.93	3.54
Future Lease Commitments		
- Within one year	9.34	3.48
- Later than one year and not later than Five years	26.15	5.73

42. Earnings per Share:

	For the year ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
(i) Profit computation for both basic and diluted earnings per equity share of ₹ 5 each. Net profit as per Statement of profit and loss available for equity Shareholders (₹ in Lacs)	2468.06	1314.33
(ii) Number of Equity Shares*	10368992	10368992
(iii) Earning per equity share -Basic & Diluted (in Rupees)	23.80	12.68

\*The equity shares of the company having face value of ₹ 10 each have been subdivided into 2 equity shares of ₹ 5 each effective 17<sup>th</sup> August 2013, Pursuant to the approval of the shareholders on 28<sup>th</sup> of June 2013. In accordance with AS 20 – Earnings Per Share, the earnings per share for the year ended 31<sup>st</sup> March 2014 have been presented based on the revised



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

number of shares.

43. Micro & Small enterprises as defined under the Macro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro enterprises and small enterprises amounting to ₹ 156.07 Lacs (Previous Year: ₹ 4.22 Lacs). The disclosure pursuant to MSMED Act based on the books of account are as under :

(₹ in Lacs)

	For the year ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
Dues remaining unpaid		
Principal	156.07	4.22
Interest	0.69	-
Interest paid in terms of Section 16 of MSMED Act	-	-
Amount of payments made to supplier beyond the appointed day	-	-
Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act	-	-
Amount of Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the Act	-	-

44. Previous year's figures have been have been regrouped / restated wherever necessary to conform to current year's presentation.

As per our Report of even date  
For **KALYANIWALLA & MISTRY.**  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 104607W

**ERMIN K. IRANI**  
PARTNER

Membership Number: 35646  
Mumbai, Date : 8<sup>th</sup> May 2015

For and on behalf of Board of Directors

**ATUL C. CHOKSEY**  
**ABHIRAJ A. CHOKSEY**  
**MANUBHAI G. PATEL**

Director  
Managing Director  
Chairman-Audit Committee

**ANAND V. KUMASHI**  
**ROHIT R. MAHAKAL**

Company Secretary  
Chief Financial Officer

Mumbai, Date : 8<sup>th</sup> May 2015

## PERFORMANCE SUMMARY

(₹ in Lacs)

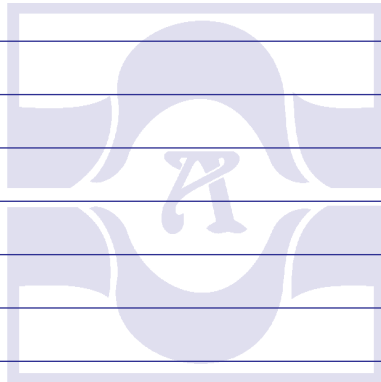
		Growth in comparison to previous year	2014-15	2013-14	2012-13	2011-12	2010-11
	<b>Revenues</b>						
1	Gross Sales	18.40%	39114.46	33035.43	30262.47	27789.76	22165.76
2	Net Sales	19.63%	35336.86	29537.81	27212.63	25384.72	20191.96
3	Other Income	78.24%	728.77	408.87	48.06	262.46	290.75
	<b>Cost</b>						
4	Material Consumed	10.40%	25020.39	22663.67	20628.13	19327.65	15069.78
5	Employee's Remuneration and Benefits	21.70%	1410.26	1158.82	1078.11	1008.51	777.48
6	Other Expenses (Incl Finance Cost)	38.88%	5249.27	3779.64	3437.04	3297.44	2795.80
7	Gross Profit	87.06%	4385.72	2344.55	2117.41	2013.58	1839.65
8	Depreciation		897.71	676.81	311.30	278.64	264.76
9	Earlier year adjustments (Income)		5.15	2.61	1.96	103.72	68.06
10	Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA)	70.69%	4704.83	2756.43	2350.26	2275.91	2026.01
11	Profit before tax	109.17%	3482.85	1665.12	1804.16	1631.20	1506.83
12	Profit after tax	87.78%	2468.06	1314.32	1280.53	1146.38	1072.36
13	Earning Per Shares		23.80	12.68	24.70	22.11	20.68
	<b>Capital Accounts</b>						
14	Share Capital		522.35	522.35	522.35	522.35	522.35
15	Reserves and Surplus		9452.95	8005.18	7297.44	6455.32	5897.08
16	Gross Block		12170.30	12028.04	11371.51	7739.67	7216.86
17	Total Investments		3076.15	2449.94	3302.89	3553.12	2550.04

Note : (Includes Investments in Liquid Mutual Funds which is part of cash and cash equivalents. )



**apcotex industries limited**

## NOTES





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Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra