

APAR INDUSTRIES LTD.



POWERING AHEAD!

55 YEARS OF POWERFUL PERFORMANCE
"TOMORROW'S PROGRESS TODAY"

Apar Industries Limited | Annual Report 2012-13

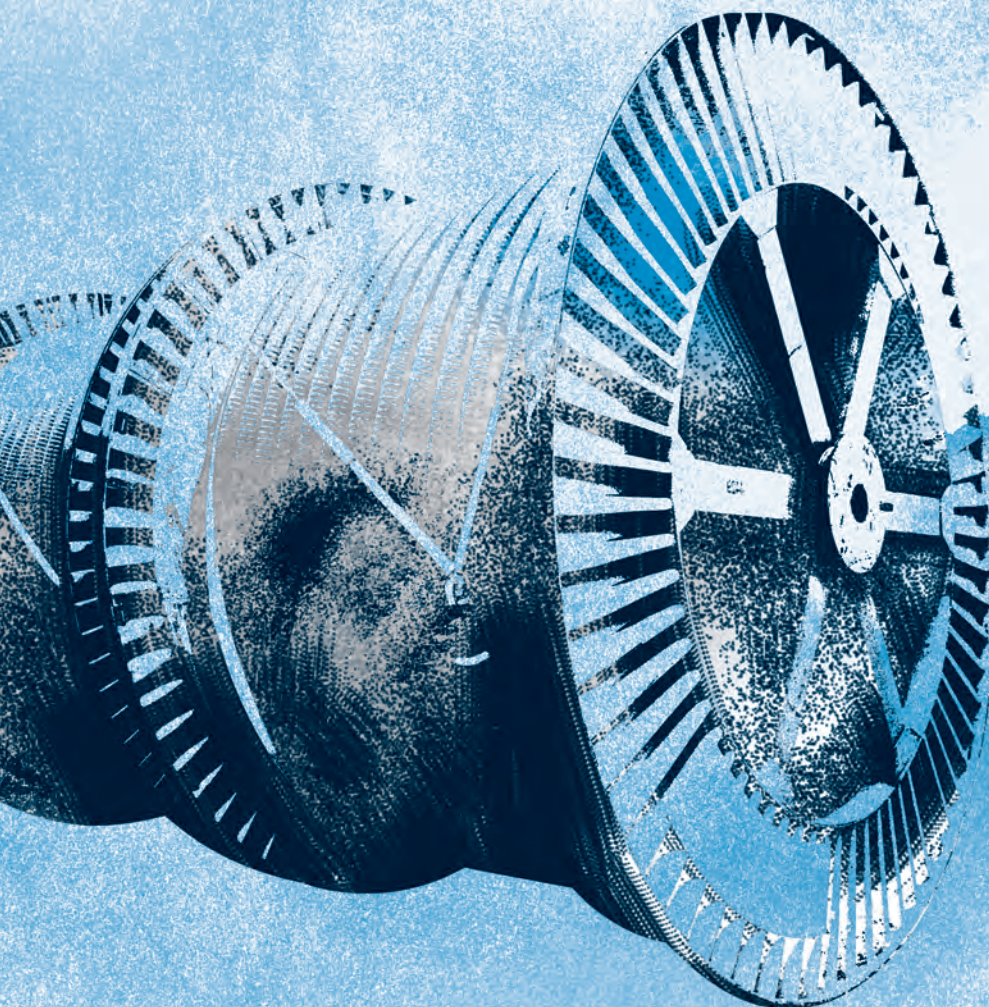
Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out

anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We

cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions

prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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Corporate Information

BOARD OF DIRECTORS

Dr. N. D. Desai	Chairman
Dr. N. K. Thingalaya	
Mr. F. B. Virani	
Mr. Kushal N. Desai	Managing Director
Mr. C. N. Desai	Joint Managing Director
Mr. H. N. Shah	
Mr. Rajesh Sehgal	
Mr. Sanjiv Maheshwari	

AUDIT COMMITTEE

Mr. H. N. Shah	Chairman
Dr. N. K. Thingalaya	
Mr. F. B. Virani	
Mr. Rajesh Sehgal	

COMPANY SECRETARY

Mr. Sanjaya Kunder

AUDITORS

M/s. Sharp & Tannan
Chartered Accountants, Mumbai.

BANKERS

■ Union Bank of India ■ Syndicate Bank ■ ING Vysya Bank Ltd. ■ IDBI Bank Limited ■ ICICI Bank Ltd. ■ State Bank of India ■ Standard Chartered Bank ■ Indian Bank ■ Bank of Baroda ■ Axis Bank Ltd. ■ Credit Agricole – Corporate & Investment Bank

REGISTERED OFFICE

301, Panorama Complex,
R. C. Dutt Road,
Vadodara – 390 007.
Tel : (+91) (0265) 2339906, 2331935
Fax : (+91) (0265) 2330309
E-mail : com_sec@apar.com
Website: www.apar.com

CORPORATE OFFICE

Apar House, Bldg. No. 5, Corporate Park,
Sion – Trombay Road, Chembur,
Mumbai – 400 071.
Tel : (+91) (022) 25263400, 67800400
Fax : (+91) (022) 25246326
E-mail : corporate@apar.com
Website: www.apar.com

REGISTRAR & SHARE TRANSFER AGENT

M/s. MCS Limited
Neelam Apartment, 88, Sampatrao Colony,
B/H Standard Chartered Bank,
Alkapuri, Vadodara – 390 007.
Tel : (+91) (0265) 2339397, 2350490
Fax : (+91) (0265) 2341639
E-mail : mcsldbaroda@yahoo.com
Website: www.mcsind.com

Financial Highlights for last five years (Consolidated)

₹ in Crore

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
PROFIT AND LOSS ACCOUNT DATA					
Sales (Net of Excise)	4,651	3,595	3,033	2,236	2,637
% of Growth	29	19	36	(15)	5
Exports	1,400	1,025	744	624	790
Materials, Operating and other costs	4,282	3,332	2,775	2,090	2,572
Employee cost	57	48	40	32	26
Depreciation	24	22	21	19	15
Interest and Discounting charges*	135	116	45	33	41
Profit before tax, exceptional & Extraordinary Items	155	79	154	102	1
% of Growth	97	(49)	51	-	(99)
Taxation	40	3	58	22	2
Profit after tax (PAT)	115	76	96	79	(2)
Exceptional items	5	2	-	1	2
Extraordinary Items - net of tax	-	-	-	60	-
Associate profit/(loss)	-	-	-	-	(6)
Minority interest	(1)	(1)	(1)	7	4
Balance of Profit	109	73	95	24	(5)
% of Growth	50	(23)	290	-	(11)
BALANCE SHEET DATA					
Share Capital	38	38	32	32	32
Reserves & Surplus	588	485	319	252	248
Net worth	627	523	351	283	280
Minority interest	2	1	1	0	8
Loan Funds	134	210	136	162	161
Deferred Tax (Net)	10	13	9	7	6
Total Liabilities	773	747	497	454	456
Gross Block	436	355	328	309	279
Net Block	288	207	184	181	179
Investments including Goodwill on Consolidation	21	0	0	0	60
Net Current assets	464	540	312	271	215
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-	-	1
Total Assets	773	747	497	454	456
KEY RATIOS					
PAT to Sales (%)	2.35	2.03	3.14	1.09	(0.20)
Return on Net Worth (%)	19.84	17.15	30.03	30.57	(1.28)
Asset Turns (Revenue to total Assets)	6.12	5.78	6.39	4.97	6.27
Return on Capital Employed (%) **	14.40	13.48	21.99	24.65	5.94
Debt to Equity Ratio	0.08	0.13	0.21	0.36	0.41
Earning per Equity Share (Basic) ₹	28.45	19.15	29.48	7.56	(1.65)
Rate of dividend % p.a.	52.50%	40%	60%	50%	-
Book value per Equity Share ₹	162.88	136.03	108.68	87.63	86.22
Share Price as on 31st March (BSE)	108.45	161.85	214.90	197.50	78.05

* Interest and Discounting charges for FY 2010-11, FY 2011-12 and FY 2012-13 includes Bank charges for borrowing and Applicable net gain/loss on foreign currency transaction and translation.

** Excluding extraordinary items.



Notice

NOTICE is hereby given that the **TWENTY FOURTH** Annual General Meeting of the Equity Shareholders of **APAR INDUSTRIES LIMITED** will be held at the Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 on Thursday, the 8th August, 2013 at 2.30 P.M. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares of the Company.
3. To appoint a Director in place of Dr. N. K. Thingalaya, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri F. B. Virani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration.

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

Place: Mumbai
Date : May 31, 2013

By Order of the Board,
For Apar Industries Limited

Sanjaya Kunder
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.
2. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
3. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, as per the provisions of SEBI Circular dated May 29, 2000. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
4. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from Saturday, 3rd August, 2013 to Thursday, 8th August, 2013, both days inclusive.
5. Members desirous of obtaining information / details about the accounts, are requested to write to the Company at least one week before the meeting, so that proper information can be made available at the time of meeting.
6. Shareholders who have not so far surrendered their old share certificates of Gujarat Apar Polymers Limited (GAPL) for exchange against the new share certificates of the Company i.e. Apar Industries Limited (AIL) are once again requested to forward their old share certificates to the Company for exchange. In terms of the Listing Agreement with the Stock Exchanges, the Registrar and Share Transfer Agent of the Company, MCS Limited has sent necessary reminders to the concerned Shareholders in this regard. The old share certificates of GAPL have already been cancelled and are of no effect or value.
7. Members holding shares in electronic form may note that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents, M/s. MCS Limited (MCS) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.



8. Members holding shares in electronic form are requested to intimate immediately any changes in their addresses or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / MCS.
9. The details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting as required in terms of Clause 49 of the Listing Agreement of the Stock Exchanges are also annexed hereto and forming part of the Notice.
10. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the Office hours on all working days except Sundays between 11.00 A.M. and 4.00 P.M. up to the date of the ensuing Annual General Meeting and at the meeting, during the meeting hours.
11. Corporate Members intending to send their Authorised Representative to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
12. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amounts of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Accounts of the Company are required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and, thereafter, no payments shall be made by the Company or by the IEPF in respect of any such amounts.

The amount of unpaid / unclaimed final dividend upto the financial year ended March 31, 2005, the First Interim Dividend for 2005-06 and Second Interim Dividend for 2005-06 on equity shares paid on 07.10.2005, 21.11.2005 and 18.04.2006 respectively have been transferred to IEPF. The unpaid / unclaimed Dividend amount of Equity Shares of the Company paid on 19.08.2006 (Final Dividend – 2005-06) is due for transfer to the said fund in the month of October, 2013. Members who have not yet encashed their warrant (s) are requested to make their claims to the Company without any delay.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 9th November, 2012 (date of last Annual General Meeting) on the website of the Company (www.apar.com), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

- 13 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / MCS.
14. Members may avail of the nomination facility as provided under Section 109A of the Companies Act, 1956.
15. (a) As stated in Para No. 8 (c) of the Directors' Report, the Company has not attached the Annual Accounts, Reports and other Statements pursuant to Section 212 (1) of the Companies Act, 1956, in respect of –
(a) Petroleum Specialities Pte. Ltd., Singapore (PSPL), Wholly Owned Subsidiary (WOS) of the Company;
(b) Quantum Apar Speciality Oils Pty. Ltd., Australia, Subsidiary of PSPL, and (c) Apar ChemateK Lubricants Ltd. Subsidiary of the Company with the Annual Report of the Company for the financial year ended March 31, 2013 in accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India (MCA). The Company has fulfilled all the conditions of the said Circular in the Annual Report attached herewith.
(b) A Statement showing information in aggregate of the said subsidiary Companies in compliance with the aforesaid General Circular of Ministry of Corporate Affairs has been attached with the financial statements.
(c) The Company shall provide a copy of the Annual Accounts and related information / reports for the year 2012-2013 of the subsidiary Companies as required



under Section 212 of the Act to the shareholders on their request, free of cost, at any point of time. Further, the annual accounts of subsidiary Companies shall be available for inspection at the Registered Office and Corporate Office of the Company and that of the respective subsidiary Company.

16. The Annual Report of the Company, circulated to the Members of the Company, will be made available on the Company's website at www.apar.com.

17. The Company has already initiated / implemented the "Green Initiative" during the year 2010-11, as per the Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices / documents and annual reports to shareholders. The email addresses as made available in your respective Depository Participant (DP) accounts and downloaded from NSDL / CDSL will be deemed to be your email address for serving notices / documents including those covered under Section 219 of the Companies Act, 1956 read with Section 53 of the Companies Act.

The Notice of AGM and the copies of audited financial

statements, directors' report, auditors' report etc. shall also be displayed on the Company's website at www.apar.com and the other requirements of the aforesaid MCA circular shall be duly complied with. Members holding shares in electronic mode are, therefore, requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by sending an email to investorservices@apar.com quoting their registered ledger folio number. Shareholders can register their email address, by sending an Email at investorservices@apar.com quoting their Folio No. / DP ID – Client ID in order to facilitate the Company to serve the documents through electronic mode.

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

Place: Mumbai
Date : May 31, 2013

By Order of the Board,
For Apar Industries Limited

Sanjaya Kunder
Company Secretary

Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting.

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of Director	Dr. N. K. Thingalaya	Shri F. B. Virani
Date of Birth	04.11.1937	26.06.1945
Date of Appointment	27.07.2001	27.07.2001
Expertise in specific functional areas	Banking	Chemical Engineering
Qualifications	Ph. D. (Economics)	B.E.(Chem. Engg.) M.S.(Chem. Engg.) (USA) M.B.A. (USA)
List of other Companies in which Directorship held as on 31.03.2013.	Lamina Foundries Limited	Dyna Cybertech Services Pvt. Ltd.
Chairman / Member of the Committee of other Public Companies on which he is a Director as on 31.03.2013.	Lamina Foundries Limited - Remuneration Committee - Audit Committee	Nil
No. of Shares held in the Company	Nil	6,937
Relationship between directors inter se	Nil	Nil

Directors' Report

To
The Shareholders,

Your Directors have immense pleasure in submitting the 24th Annual Report of the Company together with the Audited Annual Accounts showing the financial position of the Company for the year ended 31st March, 2013.

1. Financial results

Standalone results for the year 2012-13 include effect of amalgamation of Marine Cables & Wires Private Limited (MCWPL) with the Company from 1st April, 2012 being the transfer date as detailed in para 2(a) of this report. However, the same for the year 2011-12 are without such inclusion and therefore not comparable.

Consolidated results include the results of (a) Petroleum Specialities Pte. Ltd, Singapore (PSPL), a wholly-owned subsidiary (WOS) of the Company (b) Apar ChemateK Lubricants Ltd., a subsidiary company and (c) Quantum Apar Speciality Oils Pty. Ltd., subsidiary of PSPL.

₹ in Crore

Particulars	Company			Consolidated		
	2012-13	2011-12	Increase over previous year	2012-13	2011-12	Increase over previous year
Sales turnover (after deduction of excise duty)	4,532.19	3,453.26	31.2%	4,650.69	3,594.89	29.4%
Other income	7.70	0.54		2.25	0.54	
Profit for the year before finance cost, depreciation / amortisation, tax expenses and exceptional items	303.09	196.94	53.9%	313.50	216.00	45.1%
Deducting there from:						
- Depreciation / amortisation	23.86	21.28		24.01	21.77	
Finance Cost	134.31	114.13		134.57	115.52	
PROFIT BEFORE ADJUSTMENT OF EXCEPTIONAL ITEMS, TAXATION AND MINORITY INTEREST	144.92	61.53		154.92	78.71	
Exceptional items	4.62	1.96		4.62	1.96	
PROFIT BEFORE TAXATION FOR THE YEAR	140.30	59.57	135.5%	150.30	76.75	95.8%
Deducting there from:						
- Tax expenses	38.14	0.25		40.17	2.65	
Net profit for the year after taxation and before minority interest	102.16	59.32	72.2%	110.13	74.10	48.6%
Adjustment of:						
- Minority Interest (profit)/loss	—	—		(0.68)	(1.06)	
NET PROFIT AFTER TAXATION AND ABOVE ADJUSTMENTS	102.16	59.32		109.45	73.04	
Add: Profit brought forward from previous year	104.12	173.54		160.14	155.08	
(Less) : Loss of Amalgamating Subsidiary	(5.76)	(101.95)		0.08	(41.19)	
Amount available for appropriations	200.52	130.91		269.67	186.93	
Appropriation made by the Board of Directors:						
- General reserve	(18.34)	(8.90)		(18.34)	(8.90)	
Dividends on Equity Shares :						
- Proposed final dividend at ₹ 5.25 (52.50%) per share (previous year ₹ 4.00 (40%))	(20.20)	(15.39)		(20.20)	(15.39)	
- Income tax on dividends	(3.43)	(2.50)		(3.43)	(2.50)	
- Leaving balance of profit carried to balance sheet	158.55	104.12		227.70	160.14	
Earnings per Equity Share (EPS)						
- Basic & Diluted before & after extraordinary items	26.56	15.55		28.45	19.15	

2. a) Rehabilitation Scheme of Marine Cables & Wires Private Limited, a wholly-owned subsidiary company (MCWPL) through amalgamation with the Company:

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) at its hearing on May 16, 2013 sanctioned the Rehabilitation Scheme of Marine Cables & Wires Private Limited (MCWPL) envisaging its' amalgamation with the Company from transfer date 1st April, 2012. After the amalgamation, MCWPL's business is carried on in the name and style as 'Apar Industries Limited (Unit: Uniflex Cables- Plant 2)'.

b) Discharge of erstwhile Uniflex Cables Ltd. from purview of SICA:

Upon implementation of the Rehabilitation Scheme of erstwhile Uniflex Cables Ltd., the then subsidiary company, Hon'ble BIFR vide its Order dated January 8, 2013 have discharged the UCL from the purview of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA);

c) Enhancement in shareholding in Apar Chematek Lubricants Limited (ACLL):

During the year under consideration, Company purchased 47.5% Equity Shares of ACLL from joint venture partner, Chematek SpA and consequently, ACLL has become a subsidiary of the Company.

3. Dividend:

Considering the financial results achieved during the year under review as compared to the previous year, the Board of Directors has recommended the dividend for financial year 2012-13 on the capital of 38,470,431 Equity Shares of the face value of ₹ 10/- each fully-paid @ ₹ 5.25 (52.50 %) per share [(previous year ₹ 4.00 (40%) per share)].

This dividend amounting ₹ 20.20 crore is payable after declaration by shareholders at the ensuing Annual General Meeting (AGM) and you are requested to declare the same.

4. Management Discussion and Analysis / outlook:

(a) Industry structure, development, opportunities, threats, outlook and risk and concerns

The Indian Government has revised the capacity addition in power generation upwards to 88,537 MW as compared to the initial target of 76,000 MW for the 12th Five Year Plan

(2012-17). India's future GDP growth will depend greatly on the supply of electricity to the various parts of the country.

The addition in power generation during the previous year has fallen short by around 20% as compared to the target set by the Government. The Indian Power sector has been facing difficulties due to the coal sourcing issues and environmental clearances, resulting in slowdown in fresh investments in generation.

The Indian economy continued to be under strain during the year. The domestic demand for electrical equipment remained depressed. The Indian electrical industry had a reduction of growth of approx 6% as compared to the previous year.

There is a general expectation that once the issues on the generation sector are addressed, the power sector will bounce back. Being amongst the leading companies in the fields of transformer oils, conductors and cables, our Company will stand to gain further, once the market revives.

Despite the challenges from the external circumstances in the previous year, the Company increased its revenue from ₹ 3,453.26 crore to ₹ 4,532.19 crore (net of excise duty) increased by 31.2% on standalone basis. The Company's export stood at ₹ 1,282.54 crore during the year which was 45% more than the exports of the previous year and were to over 90 countries.

Margins from the manufacturing activities during the year under review were ₹ 303.09 crore as against ₹ 196.94 crore in the previous year on standalone basis; increased by 53.9%. The segment-wise operations were as under:

(i) Transformer and Speciality Oil segment

This division contributed 41.9 % of the Company's revenue. Details of sales revenues and segmental profit (standalone basis) are:

₹ / crore	2012-13	2011-12	Variation (%)
Turnover	1,926.31	1,816.63	(+) 6.0
Segment profit	113.16	140.11	(-) 19.2
Export	646.73	510.28	(+)26.7

The year FY13 was a challenging year for the speciality oil division especially in the domestic market. Transformer oil sales in the domestic market were affected most in the distribution



transformer segment and sale to the electricity distribution companies. The main reason for this is the poor financial health of the state electricity distribution companies. This has resulted in lower demand for distribution transformers from the lack of funds and slow recovery of payments from them which in turn has affected the financial capability of the distribution transformer manufacturers. The Company has had to resort to a careful approach to this segment, limiting sales in cases to maintain prudent control on debtors. Demand in the power transfer segment has also been affected but its impact on the Company was not as much as in the distribution segment.

The other sub-business segments of white oils, rubber process oils, industrial and automotive lubricants have all increased volume sales over the previous year. There was also a very strong improvement in overseas business (outside India sales), which registered a volume growth of 25%. Hence, the overall volume growth of the oil segment was up by approximately 7.7% in the backdrop of difficult market circumstances. This is reflective of the strong product and brand positioning, the Company enjoys in the marketplace and with its customers.

Even though there was an increase in sales volume, the profitability has been affected due to the following three reasons:

- There was fluctuation in the prices of base oils through the year, which resulted in longer period to increase prices in the face of reduced demand.
- There was a lot of fluctuation in the exchange rate and as a consequence of the variability, an increase in hedging costs.
- The financial liquidity in the market has been generally poor resulting in increase in debtor days, limiting sales to reduce debtor exposure and as a result of some of these effects higher cost of debtors and carrying inventory.

During the year under review, the Company also increased its equity stake in its joint venture, Apar ChemateK Lubricants Limited, which markets the world famous Agip branded lubricants from 50% to 97.5%. In the coming years, the Company will increase its efforts and resources to grow its sales in the automotive sector and expects to grow this sub-segment at a faster pace than the other sub-segments.

The net sales turnover of the Agip brand of automotive lubricants produced by the Company with a license and

technical knowhow of ENI-S.p.A of Italy, increased to ₹ 181.38 crore as against ₹ 163.25 crore in the previous year.

The profit for this segment came in at ₹ 113.16 crore as against ₹ 140.11 crore in the previous year even though there was an increase in sales volume.

In the coming year, the Company is cautiously optimistic that the demand for its products will be better once policy decisions announced for the revival of the power sector are implemented.

Risks and concerns

The Company is exposed to the volatility in the prices of its raw materials and in the foreign exchange rates. However, in order to mitigate its risks, the Company continues to exercise prudence in its inventory control and hedging strategies. The coal related issues have affected fresh investments in the power sector, and hence unless the governmental policies for the revival of the sector are implemented, there may not be an improvement in the environment. Hence, the Company is investing and growing its automotive oils and industrial oils businesses.

(ii) Conductor division

₹ / crore	2012-13	2011-12	Variation (%)
Turnover	2,226.30	1,362.58	(+) 63.4
Segment profit	197.09	58.39	(+) 237.5
Export	576.79	279.41	(+) 106.4

The division had a strong year registering significant increases in sales turnover, segment profit and export turnover. The orders were generally profitable and allowed for optimum capacity utilisation.

During the year, the division entered into an agreement with CTC Global, USA for the manufacture of a certain type of patented high-performance conductor called ACCC under CTC's license.

The domestic orders executed included a large component from PGCIL which were booked in 2011-12. Unfortunately, PGCIL had not finalised many orders during 2012-13. PGCIL has been experiencing slowdown in execution of its projects on account of delays in generation projects, right of way issues and land acquisition problems. The Company has booked orders from other customers in the private sector which will be executed during 2013-14.

During the year, the Company embarked on expanding its capacity in Silvassa in order to improve its competitiveness in the domestic and export markets.

The order book as of 1st April, 2013 stood at ₹ 1,132 crore and the orders in pipeline stood at ₹ 256 crore.

Risks and concerns

The Coal related issues are putting power generation projects in trouble; consequently even the transmission line projects are going to get delayed. The main client, Powergrid, tends to finalise its business in a lumpy manner creating cyclical effects in the industry. However, the Company has been developing clients in the private sector and in the export markets.

(iii) Uniflex Cables Division

₹ / crore	2012-13	2011-12	Variation (%)
Turnover	418.53	354.31	(+) 18.1
Segment profit/(Loss)	(0.86)	2.84	
Export	59.02	94.76	(-) 37.7

The cables segment had a good growth in terms of sales value of about 18% from the previous year. The revenue of Uniflex cables in the last four and a half years under the Apar management (September 2008 onwards) has grown from ₹ 31.25 crore to ₹ 407.54 crore representing a CAGR of 76.95%.

The main area for sales growth came from high tension cables. The Company also increased its presence in the optical fibre cable segment with new approvals from BSNL, Reliance and export customers. There is a significant expansion and upgradation that the Company is investing in this area as there is likely to be strong demand both in India and overseas in the OFC networks.

The overall market conditions remain to be very competitive with margins on standard products being unremunerative. The Company continues to focus on value added products to overcome this situation.

The E-beam plant is nearing completion. The Company has installed two accelerators. Of the two, the 1.5 MeV is already ready and is awaiting final approval for commercial operation from the Atomic Energy Research Board which is expected by the end of Q1FY14. Trial production on this machine has been

successful and products have started receiving acceptance from clients. The 3 MeV machine is still under installation and commissioning.

Several cost reduction measures have been taken by improving machinery, processes and manpower reduction. The company has also implemented a successful VRS scheme.

The company is working towards a similar growth in FY14 over FY13. There will also be a further improvement in the product mix as the company gets its E beam accelerators fully commissioned and approvals for its newly developed products

Risks and concerns

The excess capacity in the industry and the lack of reforms in the distribution segment has caused the LT & HT cables demand to be sluggish and the price levels to be depressed. The Company bagged some good orders in the past year in the HT cables but there is no certainty of a continuing strong order flow. The Company is concentrating on diversifying its product mix into specialty cables including electron-beam insulated cables for special and high performance applications.

(b) Operations of subsidiaries :

(i) Petroleum Specialities Pte. Ltd., Singapore (PSPL), a wholly-owned subsidiary (WOS):

During the year under review, net sales of PSPL was US\$ 44.78 million as against US\$ 61.49 million in the previous year and profit after tax stood at US\$ 1.64 million as against US\$ 2.29 million in the previous year. During the year under review, PSPL has paid dividend of US\$ 1.00 million.

Quantum Apar Speciality Oils Pty. Ltd., Australia (Quantum) where PSPL holds 65% equity has reported net sales of AUD 9.50 million as against AUD 9.29 million in the previous year and profit after tax of AUD 0.16 million as against AUD 0.28 million in the previous year. Quantum has paid dividend of AUD 0.09 million during the year under review.

(ii) Apar ChemateK Lubricants Limited (ACLL), subsidiary:

During the year under review, ACLL has reported total Income of ₹ 29.83 crore as against ₹ 21.99 crore in the previous year and earned a net profit (after tax) of ₹ 0.49 crore as against a loss of ₹ 1.57 crore in the previous year.

(c) Cautionary statement

The statements made in the management discussion and analysis section, describing the Company's goals, expectations,



or predictions etc. do contain some forward looking views of the management. The actual performance of the Company is dependent on several external factors, many of which are beyond the control of the management viz. growth of Indian economy, continuation of industrial reforms, fluctuations in value of rupee in the foreign exchange market, volatility in commodity prices, applicable laws/regulations, tax structure, domestic/international industry scenario, movement in international prices of raw materials and economic developments within the country among others.

(d) Internal control systems (ICS) and their adequacy

The Company established adequate ICS in respect of all the divisions of the Company. The ICS are aimed at promoting operational efficiencies and achieving savings in cost and overheads in all business operations. The System Application and Product (SAP), a world-class business process integration software solution which was implemented by the Company at all business units (including the cable unit) has been operating successfully.

For tightening and more effective internal control systems and risk management, the Company continued the engagement of M/s. KPMG India Pvt. Ltd., Chartered Accountants as internal auditors of the Company.

The system-cum-internal audit reports of the internal auditors are discussed at the Audit Committee meetings and appropriate corrective steps have been taken.

Further, all business segment prepare their annual budget, which are reviewed along with performance at regular intervals.

(e) Development of human resources

The Company promotes an open and transparent working environment to enhance teamwork and build business focus. The Company equally gives importance to the development of human resource (HR). It updates its HR policy in line with the changing HR culture in the industry as a whole. In order to foster excellence and reward those employees who perform well, the Company practices performance/production linked incentive schemes and introduced Employees Stock Option Scheme as detailed in an attachment to this report.

The Company also takes adequate steps for in-house training of employees and maintaining a safe and healthy environment for workers working within the factory premises.

5. Directors

Dr. N. K. Thingalaya and Mr. F. B. Virani, Directors shall retire by rotation at the ensuing annual general meeting of the Company and they, being eligible, offer themselves for reappointment. The Board recommends the reappointment of these Directors.

6. Directors' responsibility statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with regard to directors' responsibility statement, it is hereby confirmed that -

- i. In the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards were followed along with proper explanation relating to material departures, if any.
- ii. Appropriate accounting policies were selected and applied consistently and judgments and estimates were made that were 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 of the Company for the financial year under review.
- iii. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts were prepared on a 'going concern' basis.

7. Audit

M/s. Sharp & Tannan, Chartered Accountants, Mumbai, Statutory Auditors of the Company shall be retiring at the ensuing Annual General Meeting, and they being eligible, offer themselves for reappointment. The Audit Committee of Directors at its meeting held on 31st May, 2013 recommended re-appointment of M/s. Sharp & Tannan as Statutory Auditors of the Company for the financial year 2013-14.

8. Other information

a. Green Initiative

To support the 'Green Initiative' taken by the Ministry of Corporate Affairs (MCA), to contribute towards a greener



environment, the Company has already initiated /implemented the same from the year 2010-11. As permitted by Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the MCA, delivery of notices/documents and annual reports etc. are being sent to the shareholders by electronic mode wherever possible.

Further, the Company has started using recyclable steel drums in place of wooden pallets in its conductors division in order to protect the environment and reduce costs for the Company.

b. Corporate Social Responsibility (CSR)

With the strong belief in the principle of trusteeship, Apar Group continues to serve the community through a focus on education, healthcare and mid-day meal initiatives. During the year, the Company has contributed to the Dharmsinh Desai Foundation/Dharmsinh Desai University for its project for establishment of the Faculty of Medical Sciences leading to MBBS (Project). Apar Group has been an active participant in the free mid-day meal programmes across rural villages and schools in the Mumbai hinterland, feeding over 600,000 children a day and providing medical aid, clothing, books and education.

c. Attached to and forming part of this report are the following:

- i) Particulars relating to Employee Stock Option Scheme.
- ii) Particulars of Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.
- iii) Particulars relating to conservation of energy, technology absorption, research & development and foreign exchange earnings and outgo.
- iv) Report on Corporate Governance and auditors' certificate regarding compliance of conditions of corporate governance. The Ministry of Corporate Affairs has issued 'Corporate Governance Voluntary Guidelines' in December 2009. While these guidelines are recommendatory in nature, the Company is in the process of adopting these guidelines gradually.

v) Statement containing brief financial details of the subsidiaries.

d. In accordance with the General Circular dated February 8, 2011 issued by Ministry of Corporate Affairs, granting exemption under Section 212(8) of the Companies Act, 1956, the Company has not attached the Balance Sheet, Profit & Loss Accounts and other documents of its wholly-owned foreign subsidiaries viz. Petroleum Specialities Pte. Ltd., Singapore as well as its subsidiary Quantum Apar Speciality Oils Pty. Ltd., Australia, and Apar ChemateK Lubricants Limited, subsidiary of the Company. As per the terms of Circular, a statement containing brief financial details of the said subsidiaries for the year ended March 31, 2013 are included in the annual report and shall form part of this report. The annual accounts of the said subsidiaries and the related information will be made available to any member of the Company seeking such information at any point of time and are also available for inspection by any member of the Company at the registered office of the Company.

e. As on March 31, 2013, there was no fixed deposit remained unclaimed.

9. Acknowledgement

Your Directors wish to place on record their sincere appreciation for continuous cooperation, support and assistance provided by stakeholders, financial institutions, banks, government bodies, technical collaborators, customers, dealers and suppliers of the Company. Your Directors also wish to place on record their appreciation for the dedicated services rendered by the loyal employees of the Company.

For and on behalf of the Board

Place: Mumbai
Date: May 31, 2013

Dr. N. D. Desai
Chairman

Annexure I to the Directors' Report

Employee Stock Option

Members' approval was obtained at the Annual General Meeting held on August 9, 2007 for introduction of Employees Stock Option Scheme to issue and grant up to 16,16,802 options and it was implemented by the Company. The options have been granted to employees in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and

Employee Stock Purchase Scheme) Guidelines, 1999 (the SEBI guidelines). The Employees Stock Compensation Committee, constituted in accordance with the SEBI guidelines, administers and monitors the Scheme.

The disclosures stipulated under the SEBI Guidelines are given below:

a. Options granted by the Compensation Committee	: 175,150
b. Exercise price	: ₹ 207.05 per option
c. Options vested	: 175,150
d. Options exercised	: Nil
e. The total number of shares arising as a result of exercise of options	: Nil
f. Options lapsed	: Nil
g. Variation in terms of options	: See note 1 below
h. Money realised by exercise of options	: Nil
i. Total number of options in force	: 175,150
j. Employee-wise details of options granted to:	
i. Senior Management Personnel / Directors	
(a) Mr. H. N. Shah	: 7,500
(b) Mr. V. A. Gore*	: 4,000
(c) Dr. N. K. Thingalaya	: 4,000
(d) Mr. F.B.Virani	: 4,000
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year	: Nil
iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	: Nil
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share	: ₹ 26.56

Notes:

- 1) 175,150 options at the exercise price of ₹ 259.75 granted on January 23, 2008 were cancelled on May 27, 2008. The cancellation was necessary due to substantial reduction in the price of shares in the secondary market and simultaneously therewith the above detailed options were granted. The confirmation of the shareholders for the said cancellation and subsequent grant was sought at the 19th Annual General Meeting held on August 29, 2008.
- 2) As the exercise of options would be made at the market linked price of ₹ 207.05, the issuance of Equity Shares pursuant to exercise of options will not affect the Profit and Loss Account of the Company.
- 3) The Company obtained in-principle approval for the listing of the entire 1,616,802 Equity Shares to be issued and

allotted on exercise of options as and when exercised under the Scheme.

- 4) *Mr. V. A. Gore expired on December 2, 2009. Options granted to him have lapsed due to non-exercise of options by his legal heirs/beneficiary.
- 5) The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI guidelines and the resolution passed at the Annual General Meeting held on 9th August, 2007. The Certificate would be placed at the Annual General Meeting for inspection by members.
- 6) 75,856 options which were not exercised by the employees within the prescribed time period as per the Scheme have lapsed.

Annexure II to the Directors' Report

Information pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2013.

Names	Age (Years)	Designation/ Nature of Duty	Qualifications	Experience (Years)	Remuneration (₹)	Date of Commencement of Employment	Last Employment and Designation
Mr. Kushal N. Desai	46	Managing Director	B.Sc. (Hons.), (Ele. Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	24	21,101,701	24.03.1999	GE Lighting (India) Ltd. - President
Mr. C. N. Desai	41	Joint Managing Director	B.Sc. (Hons.), (Chem. Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	19	21,422,409	29.05.1993	-

Notes :

1. The Remuneration includes salary, allowances, commission paid to Directors, reimbursement of leave travel and medical expenses / benefits, company's contribution to provident fund, leave encashment and other perquisites in respect of motor car, accomodation, telephone etc.
2. Above directors are related to each other. None of the employees of the Company is related to any of the Directors.
3. All appointments are contractual and terminable by notice on either side.

Annexure III to the Directors' Report

ENERGY STATEMENT

Information as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

I. Conservation of Energy:

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

Conductor Division

- i) Installed variable speed drive panel and AC drive take up.
- ii) Installed MD controller for demand control.
- iii) Converted furnace from oil fuel to alternate fuel.
- iv) Monitoring with Energy meter and Hour meter on Air compressor to reduce air compressor power consumption due to air leakage.
- v) Maintain power factor above 0.995 and average 0.998 through the year and received incentive in the power bill.

- vi) Energy saving awareness created by fixing posters in the plant and office area.

Oil Division

- i) Carried out Energy Audit in the plants and implementation of findings are in progress.
- ii) Installed solar power system to replace part of our electrical energy load with green energy.
- iii) Installed power saving devices for the Air Conditioners in the plant.
- iv) Replaced the inefficient light fitting with the efficient light fittings in the plant with same lumens output.
- v) Maintained power factor above 0.995 throughout the year and received incentives in power bill.



- vi) Rain water collected through water harvesting and used in the boiler for steam generation.

Cable Division:

- i) Power trading initiated through IEX from January 2013 resulted into achievement of incentives in power bill.
- ii) Maintained power factor above 0.98 throughout the year resulting in rebate in power bill.
- iii) Replacement of 7.5KW water pump with 3KW water pump in Plant No. 3 for diversion of water through cooling in 100 mm extruder.
- iv) Rectification of steam leakages thereby reducing consumption of Natural gas.
- v) Installation & commissioning of new softening plant to improve quality of process water.
- vi) Installation and commissioning of heavy rewinding line to improve productivity.
- vii) Installation and commissioning of UPS for OFC and Sioplas line to reduce scrap and improve productivity.
- viii) Installation and commissioning of 1+3 layup machine to improve facility.
- ix) Increase in speed of SZ line in OFC Plant from 20 MPM to 40 MPM.

2) Additional Investment proposals, if any, being implemented for reduction of consumption of energy:

- i) Power conservation through VFD panel & coal based ageing furnace modifications.
- ii) Conversion of CCV line from steam cures to Nitrogen curing. Conversion of Boiler burner from Furnace Oil to CNG.
- iii) To adopt new energy efficient blending technology for blending operations.
- iv) To modify condensate recovery system and its storage to minimise energy losses.
- v) Replacement of inefficient light fittings with the efficient/ energy conservation light fittings in the plant.
- vi) To install VFD on Air Compressors to optimise energy consumption. To start Compressed air Audit to reduce wastage of compressed air and thus save energy.
- vii) Automation of filling lines with timers for the Filling pumps to reduce power consumption.

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

- i) Electrical energy savings.
- ii) Less failure of equipments / motors
- iii) More up time resulting into more productivity.

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

(A) Power and Fuel Consumption

	2012-13	2011-12
(i) Electricity		
(a) Purchased units	37,500,882	33,158,431
Total Amount (₹/crore)	20.10	17.16
Rate/Unit (₹)	5.36	5.17
(b) Own Generation		
Through Diesel Generator (Units)	1,127,813	730,591
Average Units generated per liter of diesel oil	3.03	2.69
Average Cost of Unit (₹)	14.74	14.07
(ii) Furnace Oil		
Quantity (Kl.)	8,157	6,853
Total Amount (₹/crore)	32.14	26.25
Average Rate/Kl.(₹)	39,404	38,298
(iii) Natural Gas		
Quantity (M3)	374,335	357,710
Total Amount (₹/crore)	1.33	0.92
Average Rate/M3 (₹)	35.43	25.73

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

		2012-13			2011-12		
		Electricity (Units)	Furnace Oil (liters)	Natural Gas (M3)	Electricity (Units)	Furnace Oil (liters)	Natural Gas (M3)
(i)	Refinery Division Per KL output of Oil	8.46	1.29	-	8.82	1.51	-
(ii)	Conductors Division Per MT output of Aluminium/Alloy Conductors	209	71	8	229	72	-
(iii)	Cable Division Per Km. of cable	131	-	135	112	-	140

Reasons for Change in consumption:

Electricity :	Oils	:	Change in Product mix
	Conductors	:	Change in product mix
	Cables	:	Change in product mix
Furnace Oil :	Oil	:	Change in product mix
	Conductors	:	Change in product mix
	Cables	:	Change in product mix
Natural Gas :	Cables	:	Change in product mix

II. Technology Absorption and Research & Development:

1. RESEARCH AND DEVELOPMENT (R&D):

(i) Specific areas in which R & D is carried out by the Company:

- Development of new types of up-rating Conductors, with utility in re-conductoring with enhanced power transmission capacity. AI-59, TAL developed and has been commercially produced and now targeting commercial development & production of ACSS/TW and ACCC/HVCRC conductors.
- Company's recognised In-house R&D Oil unit at Rabale, Navi Mumbai is carrying out active work in development of new grades and up gradation of existing grades. The Department of Scientific & Industrial Research (DSIR) has accorded renewal of Recognition of this in-house R&D unit for further 3 years upto 31.03.2015.
- The Company is actively following Six Sigma for improving the process efficiency, Productivity improvement, Energy Conservation and customer satisfaction.

- Rabale laboratory was already NABL accredited now Silvassa laboratory is also NABL accredited.
- The Company has carried out research and development majorly in development of specialty elastomeric, XLPE, foam compounds for electron beam irradiation, recycling of PTFE scrap, thin wall automotive wires, PVC building wires, pressure tight cables, hybrid rubber cables with integrated fiber optics, tactical fiber optics, electron beam irradiated solar and windmill cables, heavy and low tow cables for Indian Navy etc.

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

- Product accepted by the customer.
- Commercial production has been commenced.
- Benefits in Custom Duty, Central Excise and Income Tax.
- Commercial Orders received for under water cables and thin wall elastomeric cables and its successful execution has opened up good opportunities during the year. Other products have also reached stage for commercial ordering.



(iii) Future plan of action:

- Development of new types of Conductors such as STAL and Trapezoidal conductor, such as ACSS/TW and ACCC/HVCRC.
- Creating and developing a technical team for conductor stringing solutions for newly up-rated developed conductors and for this additional test facilities will also be created for measurement of Trapezoidal wires.
- To continue to carry on the R&D activity and try to absorb it to reduce cost especially the E-beam cables.
- To further develop finer particle PTFE powder and explore PTFE recycling business in the paint, printing ink, Moulding applications etc.

e) Develop 33 KV Elastomeric cables.

f) Development of new oil grades as well as up gradation of existing grades for better performance and for benefit of the customers.

(iv) Expenditure on R&D:

- Capital = ₹ 2.87 crore
- Revenue = ₹ 3.02 crore
- Total = ₹ 5.89 crore
- Total R&D Expenditure as a percentage of total turnover = 0.13%.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Technology Imported (in last five years)	Year of Import	Has technology been fully absorbed
License to use proprietary knowhow, formulae, trademarks and trade names relating to manufacture & sale of lubricating Oils, greases and other special Lubricants for industrial, automotive and marine applications.	2013	Yes
License to manufacture high performance conductor (ACCC)	2012	Being absorbed

III. Foreign Exchange Earnings and Outgo:

1. Activities related to exports:

Efforts are continuing to increase exports of all products.

2. Total Foreign Exchange used and earned:

(i) Total foreign exchange used: (₹ in crore)

	2012-13	2011-12
(a) Raw Materials (CIF)	2,240.69	1,769.15
(b) Stores & Spares	0.36	0.24
(c) Capital Goods	13.76	3.27
(d) Others	66.27	41.19
	2,321.08	1,813.85

(ii) Total foreign exchange earned: (₹ in crore)

	2012-13	2011-12
(a) Physical Exports (FOB)	1,282.54	884.46
(b) Deemed Exports (eligible for export incentives)	0.09	69.84
(c) Others	93.18	31.56
	1,375.81	985.86

Corporate Governance Report

Corporate Governance Philosophy

Apar Industries Limited ('the Company') believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards in its dealings with all its constituents.

The Company is committed to follow good Corporate Governance practices, which include having professional Directors on the Board, adopting pragmatic policies and effective systems and procedures and subjecting business processes to audits and checks, compliant with the required standards.

The driving force behind the Company's management is "Tomorrow's Progress Today" and backed by "A culture of High - Tech Practices and Quality". Apar's quality policy for ISO-9001 is "To satisfy customer needs and retain leadership by manufacturing and supplying quality products and services through continuous improvement by motivated employees".

The policies and actions of the Company are in line with the applicable guidelines on Corporate Governance with an endeavour to enhance value for shareholders. Pursuant to Clause 49 of the Listing Agreement of Stock Exchanges, the following details are presented:

Board of Directors

1. The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Board of Directors has more than 50% Non-Executive Directors and the Chairman, being Non-Executive Director and Promoter, half of the total number of directors are Independent Directors. None of the directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees as specified in Clause 49 across all companies in which he is a director. All the members of the Board are eminent individuals with excellent qualifications; professional expertise and extensive experience and they have made outstanding contributions to the industry.

2. The Board of Directors meets at least four times a year with maximum time gap of four months between any two meetings to review the Company's performance and financial results, and more often, if considered necessary.

3. The composition of the Board of Directors and details with regard to them is as follows as on 31st March, 2013 :

Name of Directors	Category	No. of Directorships in other public Companies.*	No. of Committee Memberships in other public Companies	No. of Committee Chairmanships in other public Companies
Dr. N. D. Desai	Chairman (Non- Executive)	1	--	--
Dr. N. K. Thingalaya	Non-Executive & Independent	1	2	2
Mr. F. B. Virani	Non-Executive & Independent	--	--	--
Mr. Kushal N. Desai	Managing Director	1	1	1
Mr. C. N. Desai	Joint Managing Director	1	1	--
Mr. H. N. Shah	Non-Executive & Independent #	1	1	--
Mr. Rajesh Sehgal	Non-Executive Director	-	-	-
Mr. Sanjiv Maheshwari	Non-Executive & Independent	-	-	-

* The directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies and deemed public companies, Section 25 companies and private limited companies.

as legally advised.

No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 1956 except Mr. Kushal N. Desai and Mr. Chaitanya N. Desai who are brothers and Dr. N. D. Desai who is their father.



4. During the financial year 2012-2013, five Board Meetings were held. The dates on which the Board meetings were held are as follows:

May 8, 2012, August 17, 2012, September 27, 2012, November 9, 2012, and February 14, 2013.

General Meetings

The last Annual General Meeting (23rd AGM) was held on November 9, 2012 at 12.00 noon at the auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Near GEB Head Office, Race Course, Vadodara – 390 007.

Following are the details of attendance of Directors at the aforesaid Board Meetings and AGM held during the financial year.

Name of Directors	No. of Board meetings held during the tenure of the Directors	No. of Board meetings attended	Last AGM attended
Dr. N.D. Desai - Chairman	5	5	Yes
Dr. N. K. Thingalaya	5	3	Yes
Mr. F. B. Virani	5	4	Yes
Mr. Kushal N. Desai	5	5	Yes
Mr. C. N. Desai	5	4	Yes
Mr. H. N. Shah	5	5	Yes
Mr. Rajesh Sehgal	5	5	Yes
Mr. Sanjiv Maheshwari	5	3	No

Audit Committee:

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement. The Audit Committee consists of three Independent Directors.

Term of Reference:

The broad terms of reference of the Audit Committee include, reviewing with the management, the quarterly and annual financial results/statements, adequacy of internal control

systems and internal audit functions, overseeing the Company's financial reporting process, recommending the appointment and removal of external and internal auditors, etc.

Composition: The composition of the Audit Committee and attendance of Directors at the meetings are given hereunder:

During the financial year 2012-13, five Audit Committee Meetings were held. The dates on which the Audit Committee Meetings were held are as follows:

May 8, 2012, August 17, 2012, September 27, 2012, November 8, 2012 and February 14, 2013.

Name of Directors	Category	No. of meetings held during the tenure of Director	No. of meetings attended
Mr. H. N. Shah - Chairman	Independent & Non-Executive	5	5
Dr. N. K. Thingalaya	Independent & Non-Executive	5	3
Mr. F. B. Virani	Independent & Non-Executive	5	4
Mr. Rahesh Sehgal	Non-Executive	5	5

**Compensation-Cum-Remuneration Committee:**

Terms of reference: The broad terms of reference of the Compensation-cum-Remuneration Committee include, over and above the administration and other related matters of the Employee Stock Option Plan, the approval of remuneration payable to managerial personnel in accordance with the provisions of Part II and Section II of Schedule XIII of the Companies Act, 1956 and under any other law.

Composition: Upto 8th November, 2012, the Compensation - cum - Remuneration Committee of the Board comprised of six

directors, namely, Dr. N. K. Thingalaya- Chairman, Shri H. N. Shah, Shri F. B. Virani, Shri C. N. Desai, Shri K. N. Desai and Shri Rajesh Sehgal. With effect from 9th November, 2012, the Compensation-cum-Remuneration Committee of the Board was re-constituted and now it consists of four Directors, viz. Dr. N. K. Thingalaya - Chairman, Shri H. N. Shah, Shri F. B. Virani and Shri Rajesh Sehgal.

During the financial year 2012-13, the Compensation-Cum-Remuneration Committee meeting was held on 27th September, 2012.

Name of Directors	Category	No. of meetings held during the tenure of Director	No. of meetings attended
Dr. N. K. Thingalaya - Chairman	Independent & Non-Executive	1	0
Mr. H. N. Shah	Independent & Non-Executive	1	1
Mr. F. B. Virani	Independent & Non-Executive	1	1
Mr. K. N. Desai	Executive Director	1	1
Mr. C. N. Desai	Executive Director	1	1
Mr. Rajesh Sehgal	Non-Executive	1	1

Remuneration policy, details of remuneration and other terms of appointment of Director:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis.

The remuneration policy is in consonance with the existing industry practices.

Details of remuneration paid to all the Directors:

1. The Non-Executive Directors receive the sitting fees for attending the Board and Committee meetings, as the case may be.

2. The break up of remuneration paid/payable to the Managing Directors for the financial year 2012-2013 is as under:

Name of Directors	Mr. Kushal N. Desai	Mr. C. N. Desai
Position	Managing Director	Joint Managing Director
Salary (₹)	3,978,957	4,197,518
Commission (₹)	14,706,558	14,706,559
Perquisites / Allowances (₹)	2,416,186	2,518,332
Total (₹)	21,101,701	21,422,409
Stock Option Granted (Nos.)	Nil	Nil
Service Contract	3 years from 01/01/2012 to 31/12/2014	3 years from 01/01/2012 to 31/12/2014
Notice Period	1 Month	1 Month

3. In terms of Section 309(1) of the Companies Act, 1956, Dr. N. D. Desai, a Non-Executive Chairman has been paid ₹ 5,100,000 including monetary value of facilities during the

period from April 1, 2012 to March 31, 2013 for his professional services to the Company towards his fees and ₹ 14,706,558 as commission.



4. In terms of Section 309(1) of the Companies Act, 1956, Shri H. N. Shah, a Non-Executive Professional Director has been paid for his professional services to the Company ₹ 3,000,000 towards his fees including monetary value of facilities during the period from April 1, 2012 to March 31, 2013.

The professional fees of above two directors have been fixed

by the Board after considering their professional expertise and experience in the respective fields, loyalty and professional fees structure prevalent in the industry.

5. Remuneration paid to Non-Executive Directors for attending the meetings of Board of Directors and Committees is as given below:

Name of Directors	Sitting Fees (Net) (₹)	No. of Equity Shares held in the Company	No. of Stock Options granted
Dr. N. D. Desai	117,750	7,084,975*	Nil
Dr. N. K. Thingalaya	63,000	--	4,000**
Mr. F. B. Virani	87,750	6,937	4,000**
Mr. H. N. Shah	186,000	2,970	7,500**
Mr. Sanjiv Maheshwari	54,000	582	Nil

* Includes shares held as trustee.

** Of these, 1/3rd of the options lapsed.

Share Transfer & Shareholders' Grievance Committee:

Terms of reference: The Board of Directors of the Company has constituted Share Transfer & Shareholders' Grievance Committee of Directors in order to meet the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges. This Committee has been constituted with the objective of overseeing the redressal of investors' complaints pertaining to transfers/transmission of shares, issue of duplicate share

certificates, non-receipt of dividend/interest, dematerialisation (demat) of shares and all other related matters concerning investors.

Composition: The Share Transfer & Shareholders' Grievance Committee met three times during the financial year, i.e. on May 8, 2012, September 27, 2012 and February 14, 2013.

The composition of Committee and attendance of Directors at these meetings are given below:

Name of Directors	Category	No. of meetings held	No. of meetings attended by directors
Dr. N. D. Desai - Chairman	Non- Executive Director	3	3
Mr. C. N. Desai	Executive Director	3	2
Mr. H. N. Shah	Independent & Non- Executive	3	3

Share Transfer System:

1. The Board of Directors has delegated the power of approval of share transfers to the Company Secretary and Deputy Secretary of the Company jointly, who approve the share transfers regularly on a fortnightly basis, and gist of the transfers are placed before the Share Transfer & Shareholders' Grievance Committee, periodically.

Compliance Officer:

Mr. Sanjaya Kunder, Company Secretary
Apar Industries Limited, Apar House, Corporate Park,
Sion-Trombay Road, Chembur, Mumbai – 400 071.

2. Status of complaints for the period April 1, 2012 to March 31, 2013.

1. No. of complaints received	4
2. No. of complaints resolved	4
3. No. of complaints not solved to the satisfaction of the estors as at 31st March, 2013.	Nil
4. Complaints pending as at 31st March, 2013.	Nil
5. No. of share transfers pending for approval as at 31st March, 2013.	Nil

**Risk assessment and minimisation Procedure:**

The Company has laid down procedure to inform the Members of the Board about the risk assessment and minimisation procedures. These procedures are periodically placed and are reviewed by the Board of Directors.

Auditors' Certificate on Corporate Governance:

The Company has obtained a Certificate from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance prescribed by Clause 49 of the Listing Agreement with Stock Exchanges, which is attached herewith.

DISCLOSURES**a) General Body Meeting:**

The details of last three Annual General Meetings (AGM) of shareholders of the Company held are as under:

Annual General Meetings (AGM):

AGM	Date & Time	Location	Details of Special Resolutions
23rd	November 9, 2012 at 12.00 noon	The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007.	1. Reappointment of Mr. Kushal N. Desai as Managing Director and Chief Executive Officer of the Company for a period of three years from 1st January, 2012 to 31st December, 2014 and payment of remuneration and commission. 2. Reappointment of Mr. Chaitanya N. Desai as joint Managing Director of the Company for a period of three years from 1st January, 2012 to 31st December, 2014 and payment of remuneration and commission.
22nd	August 24, 2011 at 10.30 A.M.	The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007.	No Special Resolution.
21st	August 2, 2010 at 2.30 P.M.	The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007.	Approval by the shareholders of the Company to the issue of securities for a value of upto ₹ 125 crore in one or more tranches through a public issue and/or a private placement basis and/or Qualified Institutional Placement within the meaning of Chapter VIII of the SEBI ICDR Regulations and/or preferential issue and/or any other kind of public issue and/or private placement as may be permitted under the applicable law from time to time.

b) Related Party transactions:

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The relevant details of all transactions with related parties given in Note No. 35 of the Audited Accounts for the financial year 2012-2013, form a part of this report also. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

c) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties or strictures have been imposed on it during the last three years.

d) The statutory financial statements of the Company are non-qualified.

e) Means of communication:

Quarterly / Half- yearly / Yearly financial results: Generally published in the Gujarat edition of "The Business Standard" an English daily newspaper and "Loksatta" – a Gujarati daily newspaper. Financial results of the Company are displayed on the Company's website: www.apar.com

f) Management Discussion & Analysis is covered under the separate head of the Directors' Report of 2012-2013.



g) The Company has complied with mandatory requirement of Corporate Governance provisions and has not adopted non-mandatory requirements except that the Non-Executive Chairman is entitled to maintain Chairman's Office at Company's expense and allowed reimbursement of expenses incurred in performance of his duties.

h) Reconciliation of Share Capital Audit (RSCA):

A qualified Practicing Company Secretary carried out on

quarterly basis, a Reconciliation of Share Capital Audit (RSCA) to reconcile the total dematted Share Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical share capital with the total issued and listed share capital. The RSCA Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

General Information

1. Annual General Meeting	:	
Day, Date and Time	:	Thursday, 8th August, 2013 at 2.30 P.M. at The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara-390 007.
2. Financial Calendar for 2013-14	:	
Financial year ending	:	31st March
First Quarter Results (June ,2013)	:	On or before 14th August, 2013.
Half Yearly Results (September, 2013)	:	On or before 14th November, 2013.
Third Quarter Results (December, 2013)	:	On or before 14th February, 2014.
Approval of Annual Accounts (2013-14)	:	On or before 30th May, 2014.
3. Book Closure Dates	:	Saturday, 3rd August, 2013 to Thursday, 8th August, 2013 (both days inclusive)
4. Dividend Payment	:	Dividend Warrants will be dispatched after the AGM, but before the expiry of statutory period of 30 days from the date of the AGM.
5. Registered Office	:	301, Panorama Complex, R. C. Dutt Road, Vadodara-390 007.
6. Listing of Shares on the Stock Exchanges	:	The Equity Shares of the Company are listed on – - BSE Ltd. (BSE) - Scrip Code No. 532259 Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. - National Stock Exchange of India Limited (NSE) Scrip Code - APARINDS "Exchange Plaza", Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. The Company has paid the due listing fees to both the Stock Exchanges.

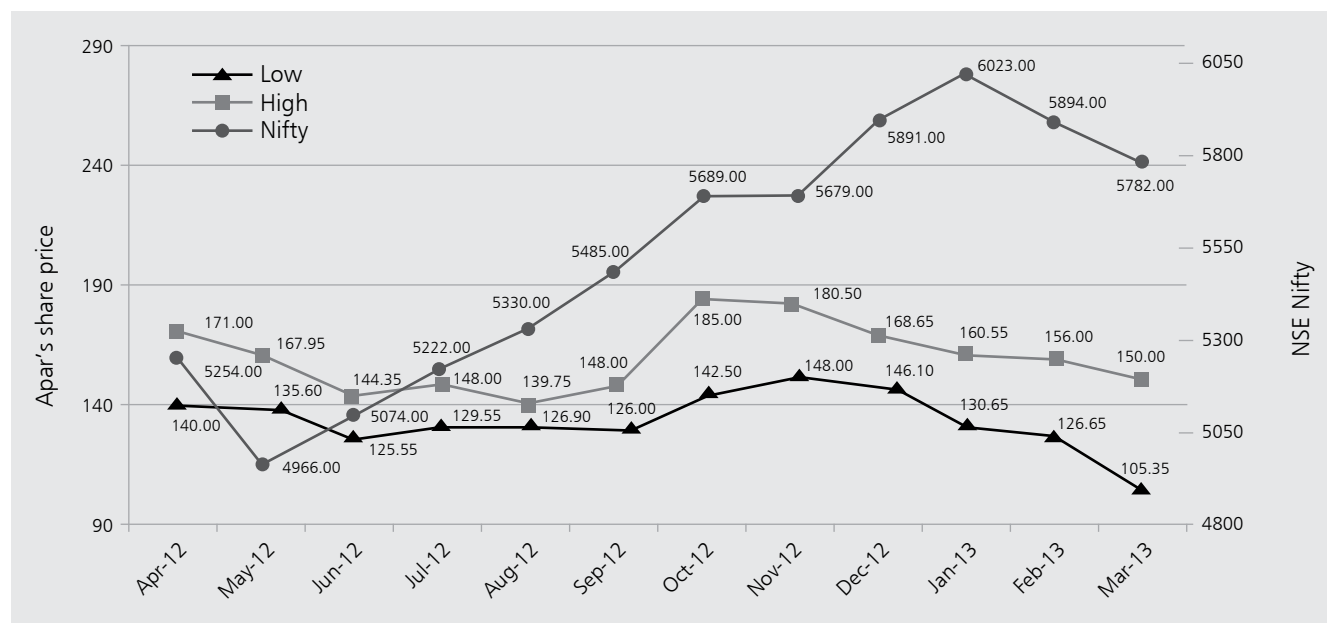


7. Stock Price Data for the financial year April, 2012 to March, 2013 prevailed at the BSE Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE):

Year	Month	BSE			NSE		
		High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
2012	April	170.95	140.00	38,043	171.00	140.00	124,443
	May	159.95	136.10	125,947	157.95	135.60	335,409
	June	147.00	126.00	48,451	144.35	125.55	158,115
	July	148.45	129.50	70,667	148.00	129.55	251,728
	August	139.00	127.20	34,845	139.75	126.90	89,738
	September	148.80	125.80	57,804	148.00	126.00	153,870
	October	185.00	142.00	98,896	185.00	142.50	199,304
	November	180.95	148.75	41,526	180.50	148.00	90,033
	December	168.30	147.25	47,770	168.65	146.10	137,170
	2013 January	162.00	130.25	54,487	160.55	130.65	145,017
2013	February	156.70	128.00	175,948	156.00	126.65	272,435
	March	147.90	105.00	172,761	150.00	105.35	555,543

8. Stock Performance:

The performance/movement of price of the Company's Equity Shares as compared to NSE Nifty Index is given in the chart below:



9. Registrar for Share Transfer and Depository:

MCS Limited
 Neelam Apartment, 88, Sampatrao Colony,
 B/H. Standard Chartered Bank, Alkapuri,
 Vadodara – 390 007.
 Ph. Nos. (0265) 2339397, 2350490
 Fax No. (0265) 2341639
 E-mail: mcsltbaroda@yahoo.com



10. Distribution of Shareholding as at 31st March, 2013:

Range of Equity Shares	No. of Equity Shareholders	% of Equity Shareholders	No. of Equity Shares held	% of Shareholding
1 - 500	27,671	95.82	1,355,143	3.52
501 - 1,000	593	2.05	434,041	1.13
1,001 - 2,000	313	1.08	449,315	1.17
2,001 - 3,000	91	0.32	230,548	0.60
3,001 - 4,000	47	0.16	168,499	0.44
4,001 - 5,000	36	0.12	168,619	0.44
5,001 - 10,000	64	0.22	444,795	1.16
10,001 - 50,000	42	0.15	826,136	2.14
50,001 - 100,000	8	0.03	639,276	1.66
100,000 And Above	14	0.05	33,754,059	87.74
Total	28,879	100.00	38,470,431	100.00

11. Shareholding Pattern as at 31st March, 2013:

Category	No. of Equity Shares held	% Holding
Promoters / Persons Acting in concert	22,670,288	58.93
Banks, Financial Institutions and Insurance Companies	409	0.00
Mutual funds	2,544,005	6.61
Foreign Institutional Investors	1,887,739	4.91
NRIs / OCBs	66,969	0.17
Corporate Bodies	1,152,955	3.00
Resident Individuals	3,876,565	10.08
Foreign Investors (Templeton Strategic Emerging Markets Fund III, L.D.C. and Shinny Limited, Mauritius – CLSA Group)	6,271,501	16.30
Total	38,470,431	100.00

12. Dematerialisation of shares and liquidity:

As at March 31, 2013 approx. 99.23 % of total Equity Share Capital is held in electronic form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's equity shares are compulsorily traded in the electronic form at the Stock Exchanges. Requests for dematerialisation of shares are processed and confirmed to NSDL and CDSL by the Registrar, MCS Limited. The Equity Share ISIN is INE372A01015.

**13. Cost Audit:**

The Cost Auditors appointed by the Company under Section 233B of the Companies Act, 1956 have submitted their Cost Audit Reports for the Financial Year ended 31st March, 2012. The said Cost Audit Reports were filed in XBRL mode with MCA Authorities on 11th March, 2013 (due date of filing was 28th February, 2013).

The due date for filing the Cost Audit Reports for the Financial Year ended 31st March, 2013 is 30th September, 2013.

14. Employee Stock Options:

A total of 175,150 Options have been granted. Each Option, upon exercise of the same, would give rise to one Equity Share of ₹ 10/- each fully paid-up. The details of the Options granted / vested are as under:

Date of Grant (the options granted on January 23, 2008 at ₹ 259.75 were cancelled and subsequently, fresh same number of options granted on May 27, 2008 at exercise price of ₹ 207.05 per option)	May 27, 2008
Total options granted	175,150
Date of vesting of options	May 27, 2009 (1/3rd of the above options granted) May 27, 2010 (further 1/3rd of the above options granted) May 27, 2011 (Balance 1/3rd of the above options granted)
Total Options vested	175,150

Note: No employee has exercised any option granted to him / her.

On 27th May, 2013, 75,856 options which are not exercised by the employees within the prescribed time period as per the Scheme have lapsed.

15. Plant locations:

Divisions	Locations
a) Conductors Division	a) Silvassa* and Nalagarh (H.P.)
b) Oil Division	b) Rabale and Silvassa*
c) Cable Division	c) Umbergaon and Khatalwad (Gujarat)

* Union Territory of Dadra & Nagar Haveli

16. Address for Communication

Shareholders' Grievances / correspondence should be addressed to the Company at the Registered Office of the Company at 301, Panorama Complex, R. C. Dutt Road, Vadodara - 390 007.

Ph. (0265) 2331935, 2339906

Fax (0265) 2330309.

E-mail :

Investor Grievance Redressal cell :

com_sec@apar.com



Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees and Directors. The said Code is available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2013, received from the senior management team of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management team means the Chief Financial Officer, the Company Secretary and all Vice Presidents and Functional Heads of the Company as on March 31, 2013.

Place : Mumbai

Date : 31st May, 2013.

Kushal N. Desai

Managing Director and CEO

Auditors' Certificate

To
The Members
Apar Industries Limited
301, Panorama Complex,
R.C.Dutt Road,
Vadodara – 390 007.

Dear Sirs,

We have examined the compliance of conditions of Corporate Governance by Apar Industries Limited, for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

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

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

Sharp & Tannan
Chartered Accountants
Registration No.109982W
by the hand of

Milind P. Phadke
Partner

Mumbai, 31st May, 2013

Membership No.033013



APAR INDUSTRIES LTD

Financial Section



Independent Auditors' Report

To the Members of

Apar Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Apar Industries Limited (the 'Company') which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 standards referred to in Section 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - (a) we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956; and
 - (e) on the basis of the written representations received from directors of the Company as on 31st March, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

Sharp & Tannan

Chartered Accountants

Registration No.109982W

by the hand of

Milind P. Phadke

Partner

Mumbai, 31st May, 2013

Membership No.033013

Annexure to the Independent Auditors' Report

(Referred to in Paragraph 1 of our report of even date)

- | | |
|---|---|
| <p>(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) As explained to us, these fixed assets have been physically verified by the management during the year, which in our opinion is reasonable. No material discrepancies were noticed on such verification.</p> <p>(c) The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern status.</p> <p>(ii) (a) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.</p> <p>(b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.</p> <p>(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the Paragraphs 4(iii) (b), (c) and (d) of the Order are not applicable to the Company.</p> <p>(b) According to the information and explanations given to us, the Company has taken unsecured loans from eleven parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount of loans outstanding during the year and the year-end balances of such loans was ₹ 10.51 crore and ₹ 8.00 crore respectively.</p> <p>(c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company, are prima facie, not prejudicial to the interest of the Company.</p> | <p>(d) In our opinion and according to the information and explanations given to us, the Company is regular in repayment of principal and interest, where stipulations have been made. In cases where there are no stipulations and repayment of both principal and interest are stated at call, the Company is regular in the payment of principal and interest as and when demanded.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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 and services. During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.</p> <p>(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been entered.</p> <p>(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.</p> <p>(vi) The Company has accepted deposits from the public and in our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed thereunder, where applicable, have been complied with. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.</p> <p>(vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.</p> |
|---|---|

Annexure to the Independent Auditors' Report

(Referred to in Paragraph 1 of our report of even date)

(viii) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of manufacturing activities and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.

(ix) (a) According to the information and explanations given to us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales

tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, sales tax, service tax, excise duty and cess as at 31st March, 2013, which have not been deposited on account of a dispute, are as under:

Name of the Statute	Nature of the disputed dues	Amount* ₹ in crore	Period to which the amount relates	Forum where disputes are pending
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, interest and penalty	4.12	1998-99 2001-02 to 2004-05 and 2006-07	Assistant Commissioner
		0.01	2003-04 and 2004-05	Commercial Tax Officer
		6.12	2002-03 to 2006-07	Commissioner VAT
		0.14	1998-99 and 2008-09	Tribunal
The Central Excise Act, 1944, the Customs Act, 1962 and Service tax under the Finance Act, 1994	Duty, service tax, interest and penalty	2.67	1997-98 to 2000-01, 2004-05 to 2009-10	CESTAT
		0.64	2001-02 to 2011-12	Commissioner (Appeals)
		2.50	1993-94, 1998-99 to 2003-04, 2005-06 to 2006-07	High Court
		5.30	1995-96 to 2001-02	Supreme Court

*Net of pre-deposit paid in getting the stay / appeal admitted



Annexure to the Independent Auditors' Report

(Referred to in Paragraph 1 of our report of even date)

- (x) The Company has no accumulated losses as at 31st March, 2013 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues to any financial institutions. The Company has not issued any debentures. Accordingly, the Paragraph 4(xi) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the Paragraph 4(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in mutual funds have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the terms and conditions of guarantee given by the Company for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interests of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year. Accordingly, the Paragraph 4 (xviii) of the Order is not applicable to the Company.
- (xix) The Company has not issued any debentures during the year. Accordingly, the Paragraph 4(xix) of the Order is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the Paragraph 4(xx) of the Order is not applicable to the Company.
- (xxi) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Sharp & Tannan

Chartered Accountants

Registration No.109982W

by the hand of

Milind P. Phadke

Partner

Mumbai, 31st May, 2013

Membership No.033013

Balance Sheet As at March 31, 2013

(₹ in crore)

	Note No.	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS:			
(a) Share capital	2	38.47	35.97
(b) Share capital suspense account	2	-	2.50
(c) Reserves and surplus	3	521.73	432.49
		560.20	470.96
2. NON-CURRENT LIABILITIES:			
(a) Long-term borrowings	4	32.94	34.65
(b) Deferred tax liabilities (net)	5	10.95	13.47
(c) Other-long term liabilities	6	13.79	41.05
(d) Long-term provisions	7	2.58	2.42
		60.26	91.59
3. CURRENT LIABILITIES:			
(a) Short-term borrowings	8	940.32	932.32
(b) Trade payables	9	1,327.70	855.63
(c) Other current liabilities	10	293.31	401.97
(d) Short-term provisions	11	24.22	18.84
		2,585.55	2,208.76
TOTAL		3,206.01	2,771.31
ASSETS			
1. NON-CURRENT ASSETS:			
(a) Fixed assets			
(i) Tangible assets	12	239.62	180.15
(ii) Intangible assets	12	2.69	1.51
(iii) Capital work-in-progress	12	45.10	21.28
(iv) Intangible assets under development	12	0.28	0.35
		287.69	203.29
(b) Non-current investments	13	28.49	5.98
(c) Long-term loans and advances	14	45.72	46.33
		361.90	255.60
2. CURRENT ASSETS:			
(a) Current investments	15	79.62	-
(b) Inventories	16	740.85	666.25
(c) Trade receivables	17	793.56	832.05
(d) Cash and bank balances	18	1,032.09	824.58
(e) Short-term loans and advances	19	131.46	138.36
(f) Other current assets	20	66.53	54.47
		2,844.11	2,515.71
TOTAL		3,206.01	2,771.31
Significant accounting policies	1		
Contingent liabilities and commitments	31		

The accompanying notes form an integral part of financial statements

As per our report attached

SHARP & TANNAN

Chartered Accountants

Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 31st May, 2013

Kushal N. Desai
Managing Director &
Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 31st May, 2013



Statement of Profit and Loss for the year ended March 31, 2013

(₹ in crore)

	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
INCOME:			
Revenue from operations (gross)	21	4,895.09	3,772.84
Less: Excise duty		362.90	319.58
Revenue from operations (net)		4,532.19	3,453.26
Other income	22	7.70	0.54
TOTAL REVENUE (i)		4,539.89	3,453.80
EXPENSES:			
Cost of raw materials and components consumed	23	3,554.66	2,849.91
Purchases of stock-in-trade	24	29.33	10.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(19.70)	(61.49)
Employee benefits expense	26	51.81	43.94
Other expenses	27	620.70	413.76
Exceptional items	28	4.62	1.96
TOTAL EXPENSES (ii)		4,241.42	3,258.82
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (i-ii)		298.47	194.98
Depreciation and amortisation expense		23.86	21.28
Finance costs	29	134.31	114.13
PROFIT BEFORE TAX		140.30	59.57
TAX EXPENSES:			
Current tax		39.00	14.29
Deferred tax		(0.86)	(4.16)
Taxes of earlier years		-	(9.88)
TOTAL		38.14	0.25
PROFIT FOR THE YEAR		102.16	59.32
Earnings Per Equity share:			
(a) Basic	30	26.56	15.55
(b) Diluted		26.56	15.55
Significant accounting policies	1		

The accompanying notes form an integral part of financial statements

As per our report attached

SHARP & TANNAN

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Company Secretary

Mumbai, 31st May, 2013

Cash Flow Statement for the year ended March 31, 2013

(₹ in crore)

	2012-13		2011-12	
A. Cash flows from Operating Activities :				
Profit before taxation		140.30		59.57
Adjustments for:				
Depreciation and amortisation	23.86		21.28	
(Profit)/loss on sale of fixed assets (net)	0.23		(0.18)	
Unrealised exchange loss/(gain)	10.20		72.02	
Investment written-off	0.02		-	
Profit on sale of investments	(1.56)		(0.38)	
Dividend on investments	(6.14)		(0.16)	
Interest income (net)	(7.45)		6.66	
		19.16		99.24
Operating profit before working capital changes in :		159.46		158.81
(Increase)/decrease in trade and other receivables	28.53		(131.06)	
(Increase)/decrease in inventories	(74.60)		(186.50)	
Increase/(decrease) in trade and other payables	330.30		196.43	
		284.23		(121.13)
Cash generated from/(used in) operations		443.69		37.68
Direct taxes paid (net of refunds)		(28.71)		(19.02)
Net cash from/(used in) operating activities		414.98		18.66
B. Cash flows from investing activities :				
Purchase of fixed assets	(106.15)		(44.39)	
Sale of fixed assets	0.79		0.81	
Purchase of shares in subsidiary				
- Apar ChemateK Lubricants Ltd.	(24.85)		-	
Investment in Mutual funds (Net)	(78.06)		0.38	
Dividend received	6.14		0.16	
Net cash from/(used in) investing activities		(202.13)		(43.04)



Cash Flow Statement for the year ended March 31, 2013

(₹ in crore)

	2012-13		2011-12	
C. Cash flows from financing activities :				
Proceeds/(repayments) from/of fixed deposits (net)	(2.28)		(2.74)	
Proceeds from issue of Shares (Net of expenses)	-		77.61	
Proceeds/(repayments) from short term borrowings	3.41		385.67	
Proceeds/(repayments) of long term borrowings	1.71		25.44	
Capital Subsidy received	-		0.30	
Interest received/(paid) - net	9.52		(16.74)	
Dividend paid	(15.34)		(12.59)	
Tax on dividends	(2.50)		(2.09)	
Net cash from/(used in) financing activities		(5.48)		454.86
Net Increase/(Decrease) in cash and cash equivalents				
(A+B+C)		207.37		430.48
Cash and cash equivalents at the beginning of year	824.58			383.27
Add: Transferred on Amalgamation	0.14	824.72		10.83
Cash and cash equivalents at the end of year		1,032.09		824.58

Notes :

- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 Cash Flow Statements.
- Purchase of fixed assets includes movement of capital work-in-progress during the year.
- Cash and cash equivalents represents cash and bank balances and include margin money of ₹ 841.48 crore; (Previous year ₹ 725.59 crore) and unrealised loss of ₹ 0.45 crore ; (Previous year unrealised gain ₹ 0.12 crore) on account of translation of foreign currency bank balances.
- Previous year's figures have been regrouped wherever necessary.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
by the hand of

For and on behalf of the Board of Directors

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 31st May, 2013

Kushal N. Desai
Managing Director &
Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 31st May, 2013



Notes Accompanying to the Financial Statements

NOTE	1	SIGNIFICANT ACCOUNTING POLICIES
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1. Basis of Preparation of financial statements:-

The financial statements are prepared on accrual basis under the historical cost convention and comply in all material aspects with the generally accepted accounting principles in India, the Accounting Standards prescribed under Section 211(3C) of the Companies Act, 1956 and the applicable provisions thereof.

2. Use of estimates:-

The preparation of financial statements is in conformity with generally accepted accounting principles ("GAAP") which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Fixed assets, Depreciation and Amortisation:-

- (i) Fixed assets are stated at cost of acquisition / construction (net of CENVAT) less accumulated depreciation. Cost includes purchase price and other costs attributable to acquisition / construction of fixed assets.
- (ii) Depreciation on assets is provided at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 (except as stated in (iii) below):
 - (a) On written down value method except in respect of building and plant and machinery purchased after 30.4.1987, which are depreciated on straight line method.
 - (b) Capital Expenditure in respect of which ownership does not vest with the Company is amortised over a period of five years. Leasehold land is amortised over the period of lease.
 - (c) Certain items of plant and machinery which have been considered to be continuous process plant by the management are depreciated at the prescribed rates.
 - (d) In respect of Cable division all assets are depreciated on straight line method.
- (iii) In the cases where the estimated useful life of the asset is less as compared to useful life estimated in Schedule XIV of the Companies Act, 1956, such assets are depreciated at rates higher than those prescribed under Schedule XIV of the Companies Act, 1956.

Asset	Rate
Factory building at Nalagarh	Over the lease period of 8 years

- (iv) In respect of assets costing less than ₹ 5,000 each and temporary structures, 100% depreciation is provided in the year of addition.
- (v) Borrowing costs attributable to acquisition/construction of qualifying assets within the meaning of the Accounting Standard (AS) 16 on "Borrowing Costs" are capitalised as a part of the cost of fixed assets.
- (vi) Pre-operation expenses including trial run expenses (net of revenue) are capitalised.

4. Impairment of assets: -

The Company assesses, at each balance sheet date, whether there is any indication of impairment of the carrying amount of the Company's assets. An impairment loss is recognised in the Statement of profit and loss wherever the carrying amount of the assets exceeds its estimated recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discounting factor. Impairment losses are recognised in the Statement of profit and loss. The impairment loss recognised in prior accounting period is reversed if there has been change in recoverable amount.



Notes Accompanying to the Financial Statements

NOTE	1	SIGNIFICANT ACCOUNTING POLICIES (contd.)
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5. Investments: -

All long term investments are stated at cost. Provision for diminution in value of long term investments is made if it is other than temporary in nature. Current investments are valued at lower of cost and market value.

6. Inventories :-

Inventories are valued at lower of standard cost or net realisable value. Cost includes material cost, cost of labour and attributable manufacturing overheads. Cost of materials is arrived at on weighted average basis. Inventory of scrap is valued at estimated realisable value. Inventories of finished goods include excise duty as applicable.

7. Government grants: -

- (i) Government grants are recognised in the financial statements when they are received and there is reasonable assurance that the Company will comply with the conditions attached to them.
- (ii) Government grants, which are in the nature of refundable interest free loans received from government/semi-government authorities, are credited to secured/unsecured loans.
- (iii) Government grants which are in the nature of subsidies received from government/semi-government authorities and which are non-refundable are credited to reserves.

8. Employee stock options:-

In respect of the employee stock options, the excess of fair price on the date of grant over the exercise price is recognised as deferred compensation cost amortised over vesting period.

9. Voluntary retirement schemes:-

Compensations paid under voluntary retirement schemes are amortised over a period not exceeding 5 years, up to March 31, 2010. The expenses incurred after March 31, 2010 are charged to Statement of profit and loss.

10. Enterprise resource planning cost:-

Cost of implementation of ERP Software including all related direct expenditure is amortised over a period of 5 years on successful implementation.

11. Share issue expenses:-

Share issue expenses are written off against share premium account if any or amortised over a period of 5 years.

12. Revenue recognition:-

- (i) Sale of goods is recognised on despatch to customers and on date of shipment in case of exports. Sales exclude amounts recovered towards sales tax and excise duty and is net of returns.
- (ii) Price variation claims are accounted in accordance with the terms of contract and/or upon admittance by customers.
- (iii) Dividend income on investment is recognised when the right to receive payment is established.
- (iv) In respect of service activities, income is recognised as and when services are rendered.
- (v) Lease rental on operating lease is accounted on accrual basis.

13. Post-employment benefits:-

Defined Contribution Plans: In respect of the Company's provident fund scheme, the Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the



Notes Accompanying to the Financial Statements

NOTE	1	SIGNIFICANT ACCOUNTING POLICIES (contd.)
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contributions and the notified interest rate. In respect of the Company's approved superannuation scheme, the Company makes specified contributions to the superannuation fund administered by the Company and the return on investments is adequate to cover the commitments under the scheme. The Company's contribution paid/payable under these schemes is recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service.

Defined Benefit Plans: In respect of the Company's gratuity and leave wages schemes, the present value of the obligation under such scheme is determined based on actuarial valuation using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligation is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of profit and loss. Long-term compensated absences are provided for based on actuarial valuation, made at the year end, by independent actuaries.

14. Translation of foreign currency:-

- (i) The Company translates foreign currency transactions during the year, at the conversion rates prevailing on transaction dates.
- (ii) Monetary items remaining unsettled at the year end are translated / reported at the year end rate. Exchange differences arising on such revaluation are recognised in the Statement of profit and loss.
- (iii) Non-Monetary items (other than fixed assets) are reported at the exchange rate at which they are accounted.
- (iv) In case of forward contracts, premium on the forward contracts is recognised as income or expense over the life of the contract.
- (v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

15. Derivative Contracts:-

Derivative contract entered into, to hedge commodity/forex unexecuted Firm commitment and highly probable forecast transaction are recognised in the Financial Statement at fair value as on Balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the Statement of profit and loss or Balance sheet as the case may be after applying the test of hedge effectiveness. The gain or losses are recognised as 'Hedge Reserve' in the Balance Sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the Statement of profit and loss. The gains and losses on roll over or cancellation of derivative contract which qualify as effective hedge are recognised in the Statement of profit and loss in the same period in which the hedge item is accounted.

16. Export benefits/Incentives:-

The Company accounts for excise duty rebate on deemed and physical exports, duty entitlements and Focus benefits on physical exports on accrual basis. Premium on special import licence is credited in the accounts as and when realised. The benefits in the form of entitlements to Advance Licenses for duty free import of raw materials in respect of exports made are accounted when such imports are made. The benefits in the form of entitlements to status holders licenses are accounted when licenses are utilised.

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

The demands under disputed showcause notices / orders of statutory authorities are provided in the accounts on the basis of management's estimate and the balance, if any are included in contingent liability.



Notes Accompanying to the Financial Statements

NOTE	1	SIGNIFICANT ACCOUNTING POLICIES (contd.)
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18. Taxes on income:-

- (a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.
- (b) Deferred tax is recognised on timing differences between the accounted income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.
- (c) Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

19. Provision for contingencies:-

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Disclosure of contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When likelihood of such outflow is remote, no provision or disclosure is made. Provision arising from litigations, assessments by statutory authorities, etc. is made when the Company based on legal advice wherever necessary estimates that the liability has been incurred and the amount can be reasonably estimated.

20. Accounting for interest in joint ventures:-

Interest in joint ventures (i.e., jointly controlled entity) are accounted for as follows:

- (a) income on investment in incorporated jointly controlled entity is recognised when the right to receive the same is established.
- (b) investment in such joint venture is carried at cost after providing for any Permanent diminution in value.

21. Borrowing costs:-

- (a) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve month) to get ready for its intended use or sale.
- (b) All other borrowing costs are recognised as expense in the period in which they are incurred.

22. Lease accounting:-

Operating lease rentals are expensed with reference to lease terms and other considerations.

Notes Accompanying to the Financial Statements

NOTE	2	SHARE CAPITAL	(₹ in crore)	
			March 31, 2013	March 31, 2012
Authorised				
91,998,750 Equity shares of ₹ 10 each (Previous year 91,998,750 Equity shares of ₹ 10 each)			92.00	92.00
Issued				
38,470,431 Equity shares of ₹ 10 each (Previous year 35,972,394 Equity shares of ₹ 10 each)			38.47	35.97
Subscribed and Paid up				
38,470,431 Equity shares of ₹ 10 each fully paid (Previous year 35,972,394 Equity shares of ₹ 10 each fully paid) (2,498,037 Equity shares of ₹ 10 each issued as fully paid up to the shareholders of erstwhile Uniflex Cables Limited as per the Scheme of Amalgamation)			38.47	35.97
Total			38.47	35.97
Share Capital Suspense Account				
2,498,037 Equity shares of ₹ 10 each issued as fully paid up to the shareholders of erstwhile Uniflex Cables Limited as per the Scheme of Amalgamation			-	2.50
Total			-	2.50

Notes :

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Equity Shares

	March 31, 2013		March 31, 2012	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
At the beginning of the period	35,972,394	35.97	32,336,031	32.33
Issued during the year	*2,498,037	2.50	3,636,363	3.64
Outstanding at the end of the period	38,470,431	38.47	35,972,394	35.97

*Issued during the year to shareholders of erstwhile Uniflex Cables Limited as per the Scheme of Amalgamation

b. Disclosure as required by Accounting Standard (AS) 14 Accounting for Amalgamations :

- Marine Cables & Wires Private Limited (MCWPL) was engaged in the business of doing job works of manufacturing & sale of insulated Wires and Electrical Cables including Telecom Cables.
- MCWPL was declared as Sick Industrial Company by Hon'ble Board for Industrial & Financial Reconstruction (BIFR) on February 1, 2010 and BIFR vide its record of proceedings dated 21st May, 2013 sanctioned Rehabilitation Scheme of MCWPL, envisaging its Amalgamation with the Company (Scheme) w.e.f. 1st April, 2012 (Appointed date/Transfer date).
- Pending receipt of formal order from Hon'ble BIFR, the scheme has been given effect in financial statements. Upon receipts of Order and sanctioned scheme, the same will be filed with the Registrar of Companies & Effective date of amalgamation will be date of such filing.

Notes Accompanying to the Financial Statements

NOTE 2 SHARE CAPITAL (contd.)

- (iv) The amalgamation has been accounted for under the 'pooling of interest method' as prescribed by Accounting Standard (AS) 14 Accounting for Amalgamations, specified by the Companies (Accounting Standard) Rules, 2006. Accordingly, the assets, liabilities including contingent liabilities and reserve of MCWPL as at 1st April, 2012 have been taken at their book values as stipulated in the said Scheme. The reserves of the Transferor Company have been transferred to the respective reserves.
- (v) The Scheme of amalgamation envisage cancellation of total paid up share capital of MCWPL held by the Company.
- (vi) The amalgamation has resulted in transfer of assets, liabilities and reserves as on 1st April, 2012 in accordance with the terms of the scheme as under:

Particulars	₹ in crore
Fixed Assets	3.12
Current Assets	0.84
Total	3.96
Current Liabilities and Provisions	7.29
Non current liabilities	0.18
Transfer to Securities Premium Account	1.14
Transfer to Capital Reserve	0.16
Transfer to Statement of Profit and Loss	(5.76)
Credit to investment in MCWPL	0.95
Total	3.96

- (vii) The net amount of investment in MCWPL ₹ 1.38 crore (cost of ₹ 2.33 crore less share capital of MCWPL ₹ 0.95 crore) has been debited to Capital Reserve.
- (viii) Deferred tax asset of ₹ 1.66 crore has been created for carried forward losses/depreciation and timing differences of erstwhile MCWPL by crediting to General Reserve.
- (ix) After giving effect to the scheme net-worth of erstwhile MCWPL has become positive and as such the company will make an application to Hon'ble BIFR to take discharge from BIFR.
- (x) In view of Amalgamation, current year figures are not strictly comparable to those of the previous year.

c. Terms/rights attached to equity shares

- i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- ii) During the year ended 31st March, 2013, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 5.25 (₹ 4 for FY 2012).
- iii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes Accompanying to the Financial Statements

NOTE 2 SHARE CAPITAL (contd.)

d. Details of Shareholders holding more than 5% shares in the company

Equity shares of ₹ 10 each fully paid

	March 31, 2013		March 31, 2012	
	No. of Shares	% of holdings in the class	No. of Shares	% of holdings in the class
Dr. N. D. Desai	6,914,222	17.97%	6,804,939	18.92%
Kushal N. Desai	6,920,778	17.99%	6,831,778	18.99%
Chaitanya N. Desai	6,909,610	17.96%	6,820,610	18.96%
Templeton Strategic Emerging Markets Fund III, L.D.C.	3,636,363	9.45%	3,636,363	10.11%
Shinny Limited, Mauritius	2,635,138	6.85%	2,635,138	7.33%
Reliance Capital Trustee Co. Ltd. A/c. Reliance Diversified Power Sector Fund	-		1,914,238	5.32%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shares reserved for issue under options

The company provides share-based payment to its employees. During the year ended 31st March, 2013, an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Members' approval was obtained at the Annual General Meeting held on 9th August, 2007 for introduction of Employee Stock Option Scheme to issue and grant upto 1,616,802 options but board has granted 175,150 options till date.

(₹ in crore)

	March 31, 2013	March 31, 2012
i. Outstanding at the beginning of the year	175,150	175,150
ii. Vested during the year	-	58,384
iii. Forfeited during the year	-	-
iv. Exercised during the year	-	-
v. Outstanding at the end of the year	175,150	175,150
vi. Exercisable at the end of the year	175,150	175,150



Notes Accompanying to the Financial Statements

NOTE	3	RESERVES AND SURPLUS	(₹ in crore)	
			March 31, 2013	March 31, 2012
Capital Reserve				
Balance as per the last financial statement			24.99	0.50
Add: Capital subsidy received.			-	0.30
: Transferred on amalgamation of a subsidiary			0.16	1.71
: Balance over UCL amalgamation Consideration			-	22.48
: Difference between share capital of erstwhile MCWPL & Investment in books (Refer Note 2(b)(vii))			(1.38)	-
Closing balance			23.77	24.99
Capital Redemption Reserve			14.75	14.75
Securities Premium Account				
Balance as per the last financial statements			175.21	58.85
Add: Premium on issue of shares			-	76.36
: Transferred on amalgamation of a subsidiary (Refer Note 2(b)(vi))			1.14	42.39
Less: Share issue expenses			-	(2.39)
Closing Balance			176.35	175.21
Cash Flow Hedging Reserve				
Balance as per the last financial statements			(16.58)	-
Add: (Deduction)/Addition during the year (net)			14.89	(16.58)
Closing Balance			(1.69)	(16.58)
General Reserve				
Balance as per the last financial statements			130.00	94.75
Add: Amount transferred from surplus balance in the statement of Profit and loss			18.34	8.90
: Deferred Tax Asset created in respect of erstwhile MCWPL (Refer Note 2(b)(viii))			1.66	26.35
Closing Balance			150.00	130.00
Surplus/(deficit) In the Statement of Profit and Loss				
Balance as per last Financial Statements			104.12	173.54
Add : Transferred on Amalgamation of a subsidiary as on 1st April, 2012 (Refer Note 2(b) (vi))			(5.76)	(73.69)
Add : Net Profit of UCL for FY 2010-11			-	(28.25)
Add: Profit for the year			102.16	59.31
Less: Appropriations				
Proposed final equity dividend (amount per share ₹ 5.25 (₹ 4.00))			(20.20)	(15.39)
Tax on proposed equity dividend			(3.43)	(2.50)
Transfer to General Reserve			(18.34)	(8.90)
Total appropriations			(41.97)	(26.79)
Net surplus In the Statement of Profit and Loss			158.55	104.12
Total Reserves and Surplus			521.73	432.49

Notes Accompanying to the Financial Statements

NOTE	4	LONG-TERM BORROWINGS	(₹ in crore)	
			March 31, 2013	March 31, 2012
Secured Loans				
Term loans				
Foreign currency loan from banks (Refer Note below)			27.15	25.44
Unsecured Loans				
Deposits				
Deposits from directors			0.25	0.60
Deposits from public			5.54	8.61
Total			32.94	34.65

Note:

The Term loan is secured by exclusive charge on the assets acquired by the company with the proceeds of the facility.

Terms of repayment of term loan- In August, 2014 ₹ 8.14 crore, In August, 2015 ₹ 8.14 crore and In August, 2016 ₹ 10.87 crore.

NOTE	5	DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability arising on account of timing difference in:				
Book and tax depreciation			20.95	20.23
Deferred tax assets arising on account of timing difference in:				
Provision for doubtful debts and advances			(5.13)	(4.33)
Provision for gratuity and leave salary			(1.03)	(0.99)
Voluntary retirement scheme			(1.58)	(0.51)
Expenses allowable on payment basis			(2.26)	(0.93)
Total			10.95	13.47

NOTE	6	OTHER LONG-TERM LIABILITIES		
Advance from customers			11.95	39.28
Deposits from dealers			1.84	1.77
Total			13.79	41.05

NOTE	7	LONG-TERM PROVISIONS		
Provision for employee benefits				
Provision for gratuity- In respect of employee			0.03	-
Provision for gratuity- In respect of Directors			0.45	0.34
Provision for leave benefits (Refer Note 33)			2.10	2.08
Total			2.58	2.42



Notes Accompanying to the Financial Statements

NOTE	8	SHORT-TERM BORROWINGS	(₹ in crore)	
			March 31, 2013	March 31, 2012
Secured Loans				
Working capital loans from banks (Refer Notes below)			44.16	71.34
Unsecured Loans				
Packing credit loan in foreign currency from Banks			41.53	72.76
Buyer's Credit in foreign currency			850.38	783.89
Loans and Advances from related parties repayable on demand (Refer Note 35 (b)(vi))			0.08	0.07
Public Deposits			0.32	0.41
Director's Deposits			3.85	3.85
Total			940.32	932.32

Note:

Working capital loans from banks (secured) ₹ 44.16 crore are secured by -

- hypothecation of specified stocks, specified book debts of the Company and movable plant and machinery at Nalagarh Unit.
- first charge by way of equitable mortgage by deposit of title deeds of Company's specified immovable properties, both present and future.
- first charge by way of equitable mortgage by deposit of title deeds of certain immovable properties of Apar Corporation Private Limited, a related party.

NOTE	9	TRADE PAYABLES		
Trade payables (including acceptances) (Refer Note below)				
Due to micro and small enterprises			3.27	2.50
Due to other than micro and small enterprises			1,299.06	834.33
Due to subsidiary companies			25.37	18.80
Total			1,327.70	855.63

Note:

The disclosure as per The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act).

a) i) Delayed payments due - Principal amount	-	-
ii) Interest due on the above.	-	-
b) Total interest paid on all delayed payments during the year under the provision of the Act	-	-
c) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	-	-
d) Interest accrued but not due	-	-
e) Total interest due but not paid	-	-

Note:

(The above information regarding micro enterprises and small enterprises has been determined on the basis of information available with the Company).

Notes Accompanying to the Financial Statements

NOTE	10	OTHER CURRENT LIABILITIES	(₹ in crore)	
			March 31, 2013	March 31, 2012
		Current maturities of long-term borrowings		
		Deposits from directors	0.50	0.06
		Deposit from public	10.49	9.71
		Interest accrued but not due on borrowings	11.73	11.42
		Investor Education and Protection Fund (Refer Note (a) below)		
		Unclaim dividend	0.64	0.59
		Creditors for capital expenditure	4.94	0.65
		Statutory dues towards Government	12.10	13.57
		Provision for materials/expenses	173.79	223.41
		Others Payable (Refer Note (b) below)	79.12	142.56
		Total	293.31	401.97

Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on March 31, 2013.

(b) Other payable includes security deposit, book overdraft and advance from customers.

NOTE	11	SHORT-TERM PROVISIONS		
		Provision for employee benefits		
		Liability to the Employee Gratuity Fund (Refer Note 33)	0.02	0.26
		Provision for leave benefits (Refer Note 33)	0.57	0.69
		Sub Total	0.59	0.95
		Other provisions		
		Proposed equity dividend	20.20	15.39
		Provision for tax on proposed equity dividend	3.43	2.50
		Sub Total	23.63	17.89
		Grand Total	24.22	18.84

Notes Accompanying to the Financial Statements

NOTE	12	FIXED ASSETS	(₹ in crore)												
			Gross Block					Depreciation					Net Block		
			As at 01-04-2012	Transfer on Amalgamation	Additions	Deductions	Other Adjustment	As at 31-03-2013	Upto 31-03-2012	Transfer on Amalgamation	For the year	Deductions/ Adjustment	Upto 31-03-2013	As at 31-03-2013	As at 31-03-2012
i) Tangible assets	Land- Freehold		12.49	-	4.65	-	-	17.14	-	-	-	-	-	17.14	12.49
	Land-Leasehold		11.80	0.31	0.03	-	-	12.14	0.96	0.14	0.15	-	1.25	10.89	10.84
	Building (Refer Note below)		61.37	1.60	35.67	-	-	98.64	17.82	0.68	4.32	-	22.82	75.82	43.55
	Plant and Machinery (Refer Note below)		233.38	4.71	32.63	(1.43)	4.39	273.68	128.32	2.75	16.50	(0.62)	146.95	126.73	105.06
	Furniture and Fixtures		6.36	0.08	0.75	(0.01)	-	7.18	5.18	0.07	0.28	(0.00)	5.53	1.65	1.18
	Equipments		12.13	0.13	1.19	(0.01)	-	13.44	8.13	0.07	0.93	(0.01)	9.12	4.32	4.00
	Motor Vehicles		5.58	-	1.04	(0.57)	-	6.05	2.55	-	0.84	(0.41)	2.98	3.07	3.03
	Sub total (i)		343.11	6.83	75.96	(2.02)	4.39	428.27	162.96	3.71	23.02	(1.04)	188.65	239.62	180.15
	ii) Intangible assets														
Specialised software		3.95	-	1.48	-	-	5.43	2.44	-	0.81	-	-	3.25	2.18	1.51
Non-Complete Fee		-	-	0.54	-	-	0.54	-	-	-	0.03	-	0.03	0.51	-
Sub total (ii)		3.95	-	2.02	-	-	5.97	2.44	-	0.84	-	-	3.28	2.69	1.51
Total (i+ii)		347.06	6.83	77.98	(2.02)	4.39	434.24	165.40	3.71	23.86	(1.04)	191.93			
31 March 2012		194.46	126.02	28.79	(2.47)	0.26	347.06	72.77	73.22	21.28	(1.89)	165.38			
iii) Capital work-in-progress-Tangible assets															
Buildings														21.12	14.45
Plant and Machinery														23.98	6.83
Sub total (iii)													45.10	21.28	
iv) Intangible assets under development															
Specialised Software														0.28	0.35
Sub total (iv)														0.28	0.35
Grand Total														287.69	203.29

Note

- Includes expenditure on Research and development ₹ 0.42 crore, (Previous Year ₹ 0.57 crore) for Plant and Machinery and ₹ 2.46 crore, (Previous Year ₹ nil) for building (Refer Note 32)
- In line with the Notification No G.S.R. 914 (E) dated 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India in respect of the accounting periods commencing on or after the 1st April, 2011 for an enterprise which had earlier exercised the option under paragraph 46 and at the option of any other enterprise, the exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset. Accordingly, ₹ 4.65 crore (Previous Year ₹ 0.26 crore) have been capitalised to Plant and Machinery and ₹ nil, (Previous Year ₹ 2.69 crore) debited to capital work in progress (Refer Note 1(14)(vi)).

The unamortised amount of such exchange differences, as on 31st March, 2013 is ₹ 4.61 crore (Previous Year ₹ 2.95 crore).

Notes Accompanying to the Financial Statements

NOTE	13	NON-CURRENT INVESTMENTS	(₹ in crore)	
			March 31, 2013	March 31, 2012
A. Investment in Equity Instruments				
In Subsidiary Companies				
- 100,000 (Previous year 100,000) Ordinary shares of S\$ 1 each fully paid in Petroleum Specialities Pte Limited, Singapore			0.26	0.26
- 6,598,069 (Previous year 3,383,625) Equity shares of Apar ChemateK Lubricants Limited of ₹ 10 each, fully paid up (Acquired on 24th September, 2012 3,214,444 shares from Joint Venture partner for a consideration of ₹ 24.85 crore)			28.23	-
- 94,650 Equity shares of ₹ 100 each fully paid up in Marine Cables & Wires Private Limited (Amalgamated during the year with the Company. (Refer note 2(b))			-	2.32
Total			28.49	2.58
In Joint Venture				
Nil shares (Previous year 3,383,625) of Apar ChemateK Lubricants Limited of ₹ 10 each, fully paid up (Refer note above)			-	3.38
Total			28.49	5.96
B. Investment in Preference shares				
In Subsidiary Companies				
- 4 Preference Shares of ₹ 1000 each fully paid up in Marine Cables & Wires Private Limited (Amalgamated during the year with the Company. (Refer note 2(b))			-	0.00
C. Investment in Government security				
- 6 Year National Savings Certificates			-	0.00
- 12 Year National Defence Certificates			-	0.00
- 6 Year National Savings Certificates (held as security by Government Departments)			-	0.00
Total			-	0.00
D. Other non-current Investment				
4,200 shares (Previous year 4,200) of Natpur Co-operative Bank Limited of ₹ 50 each			-	0.02
			28.49	5.98
Aggregate book value of unquoted investments			28.49	5.98
Aggregate book value of quoted investments			-	-
Aggregate market value of quoted investments			-	-

NOTE	14	LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good				
Capital advances			10.77	6.50
Security deposit			3.82	4.38
Others loans and advances			24.14	35.45
Income tax paid against disputed demands			6.99	-
Total			45.72	46.33

Notes Accompanying to the Financial Statements

NOTE	15	CURRENT INVESTMENT	(₹ in crore)			
			Units as at March 31, 2013	As at March 31, 2013	Units as at March 31, 2012	As at March 31, 2012
Investments in Liquid fund						
Union KBC Liquid Fund Growth			152,680.21	17.81	-	-
Union KBC Ultra Short term Debt Fund			181,688.96	19.50	-	-
IDBI Liquid Fund			340,586.82	42.31	-	-
Total				79.62	-	-
Aggregate market value of quoted investments				80.52	-	-
				80.52	-	-

NOTE	16	INVENTORIES	(₹ in crore)	
			March 31, 2013	March 31, 2012
Raw materials and components			301.45	294.06
Raw materials-in transit			216.38	171.14
Work-in-progress			81.21	72.72
Finished goods			118.60	112.80
Stock-in-trade			8.98	3.76
Stock-in-trade-in transit			0.20	-
Stores and spares			14.03	11.77
Total			740.85	666.25

NOTE	17	TRADE RECEIVABLES		
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good			0.03	0.03
Unsecured, considered good			22.51	50.39
Unsecured, considered doubtful			15.81	13.33
			38.35	63.75
Less: Provision for doubtful debts			15.81	13.33
			22.54	50.42
Other receivables (Refer Note below)				
Secured, considered good			0.92	0.34
Unsecured, considered good			770.10	781.29
			771.02	781.63
Total			793.56	832.05

Note : Includes receivable from subsidiaries/ down-stream subsidiaries

Due from subsidiary companies

Quantum Apar Speciality Oils Pty. Ltd.	9.48	-
Petroleum Specialities Pte. Limited	-	0.80
	9.48	0.80

Notes Accompanying to the Financial Statements

NOTE	18	CASH AND BANK BALANCES	(₹ in crore)	
			March 31, 2013	March 31, 2012
		Cash and cash equivalents		
		Balances with banks:		
		On current accounts	179.75	75.13
		On deposits with original maturity of less than three months	2.16	16.00
		On unpaid dividend account (Refer Note (i) below)	0.64	0.59
		Cash on hand	0.20	0.05
		Funds in transit	7.56	5.15
		Sub Total	190.31	96.92
		Other bank balances		
		Deposits with original maturity for more than 3 months but less than 12 months	0.30	2.07
		Margin money deposit (Refer Note (ii) below)	841.48	725.59
		Sub Total	841.78	727.66
		Grand Total	1,032.09	824.58

Note:

(i) There are no amounts due and outstanding to be credited to the Investor Education and Protection Funds as at March 31, 2013.

(ii) Against letter of credits for Company's imports of raw materials and working capital loans.

NOTE	19	SHORT-TERM LOANS AND ADVANCES		
		Unsecured, considered good		
		Loan and advances to related parties	0.00	1.28
		Others		
		Advances recoverable in cash or kind	96.01	68.98
		Balances with statutory/government authorities	35.45	68.10
		Total	131.46	138.36
		Loans and advances to related parties include		
		Loans to subsidiary companies		
		Marine Cables & Wires Private Limited (Amalgamated with the Company with effect from 1st April, 2012)	0.00	1.28
		Loans to other related parties		
		AIL Benefit Trust	0.00	0.00
		Total	0.00	1.28

(₹ in crore)				
Loans and advances to subsidiary companies	March 31, 2013	Maximum amount due at any time during the year	March 31, 2012	Maximum amount due at any time during the year
Marine Cables & Wires Private Limited	0.00	-	1.28	1.90

Notes Accompanying to the Financial Statements

NOTE	20	OTHER CURRENT ASSETS	(₹ in crore)	
			March 31, 2013	March 31, 2012
		Interest accrued but not due on fixed deposits	23.14	24.87
		Interest accrued but not due on security deposits	0.02	0.06
		Assets held for sale	0.02	0.02
		Receivable from AIL Benefit Trust		
		- Original value of investment	83.44	83.44
		- Provision for dimunition in value	(55.55)	(55.55)
			27.89	27.89
		Other receivable	15.46	1.63
		Total	66.53	54.47

NOTE	21	REVENUE FROM OPERATIONS		
		Sale of products		
		Finished goods	4,802.29	3,705.24
		Raw materials	30.03	25.27
		Traded goods	26.88	10.03
		Total	4,859.20	3,740.54
		Sale of services	1.36	1.01
		Other operating revenues		
		Others	34.53	31.29
		Total	34.53	31.29
		Revenue from operations (gross)	4,895.09	3,772.84
		Less : Excise duty	362.90	319.58
		Revenue from operations (net)	4,532.19	3,453.26

NOTE	21.1	DETAILS OF PRODUCTS SOLD		
		Finished goods sold		
		Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	2,069.69	1,991.74
		AAC/AAAC/ACSR- Conductor, Aluminium Rods	2,291.68	1,346.26
		Cables	440.92	367.24
		Total	4,802.29	3,705.24
		Raw materials sold		
		Base Oils	25.94	23.68
		Ferrous metal and Non-ferrous metals	4.09	1.59
		Total	30.03	25.27
		Traded goods sold		
		Thermoplastic Elastomers	14.60	7.14
		Lubricants	11.70	2.89
		Aluminium and GSW Steel Wire etc.	0.51	-
		Others	0.07	-
		Total	26.88	10.03

Notes Accompanying to the Financial Statements

NOTE	22	OTHER INCOME	(₹ in crore)	
			March 31, 2013	March 31, 2012
		Dividend income from AIL Benefit Trust	0.65	-
		Dividend received from subsidiary Company	5.45	-
		Dividend on short-term investment in liquid funds	0.04	0.16
		Net gain on sale of short term investment in liquid funds	1.56	0.38
		Total	7.70	0.54

NOTE	23	COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
		Inventory at the beginning of the year	465.20	324.86
		Add: On Amalgamation	-	16.38
		Add: Purchases	3,607.30	2,973.87
			4,072.50	3,315.11
		Less: inventory at the end of the year	517.84	465.20
		Cost of raw materials and components consumed	3,554.66	2,849.91

NOTE	23.1	DETAILS OF RAW MATERIALS AND COMPONENTS CONSUMED		
		Non-ferrous metals	1,751.28	1,185.64
		Ferrous metals	160.29	94.64
		Chemicals	49.26	42.85
		Base Oils	1,499.34	1,432.43
		Others	94.49	94.35
		Total	3,554.66	2,849.91

NOTE	24	PURCHASES OF STOCK-IN-TRADE		
		Thermoplastic Elastomers	16.76	7.39
		Lubricants	12.03	3.35
		Aluminium and GSW Steel Wire etc.	0.54	-
		Others	0.00	-
		Total	29.33	10.74

Notes Accompanying to the Financial Statements

NOTE	25	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	(₹ in crore)
		March 31, 2013	March 31, 2012
Inventories at the end of the year			
Finished goods		118.60	112.80
Work-in-progress		81.21	72.72
Traded goods		9.17	3.76
Sub Total		208.98	189.28
Inventories at the beginning of the year			
Finished goods		112.80	62.09
Add: On Amalgamation		-	14.85
Work-in-progress		72.72	30.21
Add: On Amalgamation		-	18.76
Traded goods		3.76	1.88
Sub Total		189.28	127.79
Total		(19.70)	(61.49)

NOTE	25.1	DETAILS OF INVENTORY	
Finished goods			
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)		50.39	49.23
AAC/AAAC/ACSR- Conductors		39.06	56.78
Cables		29.15	6.79
Total		118.60	112.80
Work-in-progress			
Oil		10.05	7.84
Conductor		39.81	33.59
Cables		31.35	31.29
Total		81.21	72.72
Traded goods			
Thermoplastic Elastomers		5.54	1.97
Lubricants		3.63	1.79
Total		9.17	3.76

NOTE	26	EMPLOYEE BENEFITS EXPENSE	
Salaries, wages and bonus		45.05	38.76
Contribution to provident and other funds (Refer Note 33)		3.94	3.26
Staff welfare expenses		2.82	1.92
Total		51.81	43.94

Notes Accompanying to the Financial Statements

NOTE	27	OTHER EXPENSES	(₹ in crore)	
			March 31, 2013	March 31, 2012
		Consumption of stores and spares	13.51	9.83
		Packing materials	154.20	117.41
		Excise duty adjustment of finished goods stock	2.33	0.25
		Storage charges	10.48	8.44
		Power, electricity and fuel	56.84	47.16
		Processing charges, fabrication and labour charges	40.07	25.78
		Freight and forwarding charges	186.52	102.23
		Rent	1.86	1.76
		Rates and taxes	3.67	3.08
		Insurance	5.66	3.95
		Repairs and maintenance		
		Plant and machinery	2.44	2.33
		Buildings	0.59	0.72
		Others	2.48	2.01
		Advertising and sales promotion	1.07	0.87
		Sales commission	26.18	12.76
		Travelling and conveyance	7.43	6.11
		Printing and stationery	1.20	1.31
		Legal and professional fees	6.37	5.79
		Directors' sitting fees	0.06	0.06
		Commission to Chairman, Managing Director and Joint Managing Director	4.41	2.18
		Discount and rebates	7.55	5.23
		Lease rental	0.32	0.23
		Donation	2.01	0.03
		Royalty	3.37	2.12
		Marketing fees	27.08	18.00
		Bank charges and commission	7.95	6.11
		Exchange differences (net)	3.11	(1.27)
		Bad debts and advances written-off	13.67	2.64
		Less: Provision for doubtful debts utilised	(3.01)	(0.89)
			10.66	1.75
		Provision for doubtful debts and advances	5.49	10.79
		Miscellaneous expenses	25.56	16.92
		Loss on sale of fixed assets (net)	0.23	(0.18)
			620.70	413.76
		Above expenses include research and development expenses (Refer Note 32)	3.02	1.70

Notes Accompanying to the Financial Statements

NOTE	27.1 MISCELLANEOUS EXPENSES INCLUDES AUDITORS' REMUNERATION	(₹ in crore)	
		March 31, 2013	March 31, 2012
As auditor:			
Audit fee		0.24	0.24
Other services (certification fees)		0.16	0.20
Reimbursement of expenses		0.01	0.01
Cost auditor's remuneration			
For Audit fees		0.01	0.01
Total		0.42	0.46

NOTE	28 EXCEPTIONAL ITEMS		
	Voluntary Retirement Compensation	4.62	1.96
	Total	4.62	1.96

NOTE	29 FINANCE COSTS		
Interest expenses			
	On fixed loan	2.82	5.84
	Others	72.09	48.80
	Bank charges for borrowing	16.77	13.47
	Applicable net loss on foreign currency transactions and translation	124.99	93.99
	Sub Total	216.67	162.10
Interest income on			
	Bank deposits	(77.21)	(46.29)
	Others	(5.15)	(1.68)
	Sub Total	(82.36)	(47.97)
	Total	134.31	114.13

NOTE	30 EARNINGS PER SHARE (EPS)		
	Profit after tax and before extraordinary items- in ₹ in crore	102.16	59.32
	Profit after tax and extraordinary items- in ₹ in crore	102.16	59.32
	Weighted Number of Equity Shares outstanding during the year	3.85	3.81
	Nominal Value of Equity Shares in ₹	10.00	10.00
	Earnings Per Share - in ₹		
	Basic and Diluted (before extraordinary items)	26.56	15.55
	Basic and Diluted (after extraordinary items)	26.56	15.55

Notes Accompanying to the Financial Statements

NOTE	31	CONTINGENT LIABILITIES AND COMMITMENTS	(₹ in crore)	
			March 31, 2013	March 31, 2012
A. Contingent liabilities not provided for:				
a) Claims against the Company not acknowledged as debts -				
i) Demand/ Show cause-cum-demand notices received and contested by the Company with the relevant appellate authorities:				
Excise duty (also refer note (iii) below)			4.65	4.40
Service tax			0.20	0.20
Customs duty			2.90	2.96
Sales tax			10.54	10.47
ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.			7.94	7.48
iii) Interest on delayed payment of excise duty, (which duty payment was revenue neutral) on certain deemed exports. Department has filed appeal in the Supreme Court against High Court Order in Company's favour.			4.45	4.45
iv) Labour matters			6.80	3.14
v) Others			6.07	5.98
b) Guarantee given by the Company for credit facilities enjoyed by Petroleum Specialities Pte Ltd., a wholly-owned subsidiary			54.29	50.88
c) Bills of exchange discounted			206.61	157.44
d) Taxation:				
Disputed demands of income tax			6.99	3.99
B. Capital commitments				
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)			13.93	21.54

NOTE	32	RESEARCH AND DEVELOPMENT EXPENSES		
A. R & D Center-OIL (Rabale - DSIR Recognised)				
a) Salary, wages and other benefits			1.45	1.28
Consumables and Chemicals			0.28	0.16
Sub-Total			1.73	1.44
b) Capital expenditure				
Building			2.11	-
Plant & Machinery			0.32	0.57
Sub Total			2.43	0.57
Total			4.16	2.01
B. R & D Center-Conductor (Silvassa)				
Travelling expenses			0.01	0.06
Training expenses			0.06	0.14
Consumables			0.74	0.06
Others			0.15	0.00
Sub Total			0.96	0.26
C. R & D Center-Cable (Khatalwad)				
a) Salary, wages and other benefits			0.07	-
Consumables and Chemicals			0.26	-
Sub-Total			0.33	-
b) Capital expenditure				
Building			0.35	-
Plant & Machinery			0.10	-
Sub Total			0.45	-
Total			0.78	-
Grand Total (A+B+C)			5.90	2.27

Notes Accompanying to the Financial Statements

NOTE 33 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Defined Contribution Plan

(₹ in crore)

	March 31, 2013	March 31, 2012
Contributions to Defined Contribution Plan, recognised as expense for the year are as under:		
Employer's Contribution to Government managed Provident Fund and Family Pension Fund.	1.94	1.69
Employer's Contribution to Superannuation Fund.	0.71	0.62

Defined Benefit Plan

The Employees' Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

(₹ in crore)

	March 31, 2013		March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
(i) Changes in Defined Benefit Obligation during the year				
Defined Benefit obligation at beginning of the year <i>(Including on amalgamation Gratuity ₹ 0.15 crore. Leave Encashment ₹ 0.05 crore)</i>	5.41	2.82	5.01	2.39
Current Service Cost	0.42	0.44	0.40	0.25
Interest Cost	0.47	0.22	0.40	0.20
Actuarial (gain) / loss	0.59	(0.01)	0.27	0.43
Benefits paid	(1.15)	(0.80)	(0.82)	(0.49)
Defined Benefit obligation at end of the year	5.74	2.67	5.26	2.78
(ii) Changes in fair value of Plan Assets				
Fair value of plan assets at beginning of the year	5.00	-	4.35	-
Expected return on plan assets	0.43	-	0.37	-
Actuarial gain / (loss)	(0.06)	-	(0.09)	-
Employer Contribution	1.25	0.80	1.19	0.49
Benefit paid	(0.93)	(0.80)	(0.82)	(0.49)
Fair value of plan assets at year end	5.69	-	5.00	-
Actual return on plan assets	0.37	-	0.29	-
(iii) Net Asset / (liability) recognised in the Balance Sheet as at March 31, 2013				
Fair Value of plan assets	5.69	-	5.00	-
Present value of obligation	5.74	2.67	5.26	2.78
Amount recognised in balance sheet	0.05	2.67	0.26	2.78

Notes Accompanying to the Financial Statements

NOTE 33 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (contd.) (₹ in crore)

	March 31, 2013		March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Recognised under:				
Long term Provision (Refer Note 7)	0.03	2.10	-	2.09
Short term Provision (Refer Note 11)	0.02	0.57	0.26	0.69
Total	0.05	2.67	0.26	2.78
(iv) Expense recognised during the year				
Current Service Cost	0.42	0.44	0.40	0.25
Interest Cost	0.47	0.22	0.40	0.20
Expected return on plan assets	(0.43)	-	(0.37)	-
Net Actuarial (gain) / loss	0.65	(0.01)	0.36	0.43
Net Cost	1.11	0.65	0.78	0.88

	March 31, 2013		March 31, 2012	
	Gratuity (Funded) 1994-96 (Ultimate)	Leave Encashment (Unfunded) 1994-96 (Ultimate)	Gratuity (Funded) 1994-96 (Ultimate)	Leave Encashment (Unfunded) 1994-96 (Ultimate)
(v) Actuarial assumptions				
Mortality Table (LIC)				
Discount rate (per annum)	8.50%	8.50%	8.50%	8.50%
Expected rate of return on plan assets (per annum)	8.60%	-	8.60%	-
Rate of escalation in salary (per annum)	5%	5%	5%	5%
Attrition rate	2%	2%	2%	2%

	March 31, 2013	March 31, 2012
	(%)	(%)
(vi) Broad Category of Plan Assets relating to Gratuity as a percentage of total Plan Assets		
Public Securities	20	18
Special Deposit Schemes	-	-
State Govt. Securities	-	-
Private Sector Securities	80	82
	100	100

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan asset management.



Notes Accompanying to the Financial Statements

NOTE	34	INTEREST IN A JOINT VENTURE	(₹ in crore)	
			March 31, 2013	March 31, 2012
I)	Equity and liabilities			
	1.	Share Capital	-	3.38
	2.	Reserve and Surplus	-	1.35
	3.	Long term Provisions	-	0.01
	4.	Current Liabilities		
	(a)	Trade Payable	-	0.30
	(b)	Other Current Liabilities	-	0.83
	(c)	Short-term Provisions	-	0.10
II)	Assets			
	1.	Fixed Assets		
	(a)	Tangible assets	-	0.11
	(b)	Intangible assets	-	0.02
	2.	Deferred tax assets/(liability) (net)	-	0.36
	3.	Long- term Loans and Advances	-	1.84
	4.	Current assets		
	(a)	Inventories	-	0.08
	(b)	Trade Receivable	-	3.22
	(c)	Cash and cash equivalents	-	0.23
	(d)	Short-term Loans and Advances	-	0.12
III)	Income			
	1.	Revenue from operations	6.48	10.96
	2.	Other Income	0.01	0.04
IV)	Expenses			
	1.	Purchase of traded goods	0.93	1.54
	2.	Changes in inventories of stock-in-trade	0.16	(0.08)
	3.	Employee benefit Expenses	1.52	2.69
	4.	Depreciation and amortisation expenses	0.06	0.05
	5.	Other expenses	4.39	7.95
	6.	Profit Before Tax	(0.46)	(1.16)
	7.	Tax expenses	(0.15)	(0.38)
	8.	Net Profit/(Loss)	(0.31)	(0.79)
V)	Other matters			
	1.	Contingent Liabilities	-	-
	2.	Capital Commitments	-	-
	(Refer Note 13 (A))			



Notes Accompanying to the Financial Statements

NOTE	35	RELATED PARTY DISCLOSURES
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A. List of Related Parties

a) Subsidiary Companies:

- (1) Petroleum Specialities Pte. Ltd., Singapore
- (2) Quantum Apar Speciality Oil Pty. Ltd. (subsidiary of Petroleum Specialities Pte. Ltd.)
- (3) Apar ChemateK Lubricants Ltd. (w.e.f. 26.09.2012)
- (4) Marine Cables & Wires Private Limited (Amalgamated with Company from 1st April, 2012)

b) Joint Venture Company:

Apar ChemateK Lubricants Ltd. (Upto 25.09.2012, became subsidiary w.e.f. 26.09.2012)

c) Key Managerial Personnel:

Mr. K. N. Desai - Managing Director
Mr. C. N. Desai - Joint Managing Director

d) Chairman having significant influence:

Dr. N. D. Desai - Non Executive Chairman

e) Relatives of Key Managerial Personnel:

Mrs. M. N. Desai
Mrs. Noopur Kushal Desai
Mr. Rishabh K. Desai
Ms. Gaurangi K. Desai
Mrs. Jinisha C. Desai
Mr. Devharsh C. Desai
Ms. Nikita C. Desai
Mrs. Vineeta R. Srivastava
Mr. Rajeev Srivastava
Ms. Krishangi R. Srivastava

f) Entities over which significant influence is exercised by key management personnel/individuals having significant influence:

Apar Corporation Private Ltd.
Scope Private Limited and its' subsidiaries, viz
a) Apar Investment (Singapore) Pte. Ltd.
b) Apar Investment Inc.
Kushal N. Desai Family Trust
Apar Technologies Private Ltd.

Kushal Chaitanya N. Desai Family Trust
Chaitanya N. Desai Family Trust
Catalis World Private Ltd.
Gayatri Associates
AIL Benefit Trust



Notes Accompanying to the Financial Statements

NOTE 35 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

B. Related Party Transactions

(i) Subsidiary companies:

Sr. no. Transactions	March 31, 2013	March 31, 2012
1 Purchase of Raw materials	124.02	149.33
2 Sale of finished goods/ Raw materials	26.11	18.16
3 Job work done by Subsidiary	-	3.26
4 Guarantee charges received from Petroleum Specialities Pte. Ltd.	1.11	-
5 Reimbursement (received) of expenses	0.02	0.01
6 Marketing and other services received from Subsidiary	17.04	-
7 Guarantees given by the Company on behalf of Petroleum Specialities Pte Ltd.	54.29	50.88
8 Balance outstanding as on 31.03.2013		
a) Payable to subsidiary for supply of raw materials, security deposit and services	25.37	18.80
b) Receivable from subsidiary company for supply of raw material, finished goods capital goods and services	9.48	2.08

(ii) Joint Venture Company (Apar ChemateK Lubricants Limited):

Sr. no. Transactions	March 31, 2013	March 31, 2012
1 Marketing fees	10.29	18.00
2 Sale of goods	1.86	3.08
3 Balance outstanding as on 31.03.2013		
Payable for services	-	5.19
Receivable for goods	-	0.46

(iii) Key Managerial Personnel :

Sr. no. Transactions	March 31, 2013	March 31, 2012
1 Interest paid	0.38	0.38
2 Directors' remuneration	4.25	2.51
3 Dividends paid (payment basis)	5.51	4.65
4 Sitting fees	0.00	0.00
5 Outstanding as on 31.03.2013		
Loans and deposits payable	3.75	3.75

Notes Accompanying to the Financial Statements

NOTE 35 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

B. Related Party Transactions (contd.)

(iv) Chairman having significant influence

Sr. no.	Transactions	March 31, 2013	March 31, 2012
1	Interest paid	0.08	0.08
2	Director's commission	1.47	0.73
3	Legal and professional fees	0.51	0.51
4	Sitting fees	0.01	0.01
5	Dividends paid (payment basis)	2.75	2.37
6	Outstanding as on 31.03.2013		
	Loans and deposits payable	0.85	0.76

(v) Relatives of Key Managerial Personnel:

Sr. no.	Transactions	March 31, 2013	March 31, 2012
1	Interest paid	0.47	0.77
2	Dividends paid (payment basis)	0.00	0.00
3	Outstanding as on 31.03.2013		
	Loans and deposits payable	3.32	6.20

(vi) Entities over which key management personnel/individual having significant influence

Sr. no.	Transactions	March 31, 2013	March 31, 2012
1	Interest paid	0.00	0.13
2	Rent paid	0.63	0.63
3	Dividends paid (payment basis)	0.77	0.10
4	Outstanding as on 31.03.2013		
	Loans and deposits payable	0.08	0.07



Notes Accompanying to the Financial Statements

NOTE 35 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

C. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

Transactions	March 31, 2013	March 31, 2012
(i) Purchase of raw materials		
- Petroleum Specialities Pte. Ltd.	123.87	149.33
(ii) Sale of finished goods/ raw materials		
- Petroleum Specialities Pte. Ltd.	14.53	18.16
- Quantum Apar Speciality Oils Pty Ltd.	11.52	-
(iii) Guarantee charges from		
- Petroleum Specialities Pte. Ltd.	1.11	-
(iv) Marketing and other services received from		
- Apar ChemateK Lubricants Limited (As Subsidiary company)	17.04	-
(v) Guarantees given by the Company on behalf of subsidiary companies		
- Petroleum Specialities Pte. Ltd.	54.29	50.88
(vi) Interest paid		
- Dr. N. D. Desai	0.08	0.08
- Kushal N. Desai	0.05	0.05
- Chaitanya N. Desai	0.33	0.33
- Rishabh K. Desai	0.09	0.18
- Vineeta R. Srivastava	0.15	0.36
- Apar Corporation Private Ltd.	-	0.13
(vii) Dividends paid (payment basis)		
- Dr. N. D. Desai	2.75	2.37
- Kushal N. Desai	2.76	2.34
- Chaitanya N. Desai	2.75	2.31
(viii) Legal and professional fees		
- Dr. N. D. Desai	0.51	0.51
(ix) Rent paid		
- Apar Corporation Private Ltd.	0.63	0.63
(x) Marketing fees		
- Apar ChemateK Lubricants Ltd. (As Joint Venture Company)	10.29	18.00
(xi) Director Remuneration		
- Kushal N. Desai	2.11	1.25
- Chaitanya N. Desai	2.14	1.26
- Dr. N. D. Desai	1.47	0.73
(xii) Sitting fees		
- Kushal N. Desai	0.00	0.00
- Chaitanya N. Desai	0.00	0.00
- Dr. N. D. Desai	0.01	0.01

Notes Accompanying to the Financial Statements

NOTE 36 SEGMENT INFORMATION

The Company's operations predominantly relate to manufacture of Conductors, Transformer/Speciality Oils and Power/ Telecom cables which businesses have been identified as primary segments based on the Company's risk profile and internal reporting structure.

a. Primary Segments (Business Segments)

FY 2012-13

(₹ in crore)

Particulars	Conductor	Transformer & Speciality Oils	Power/ Telecom Cables	Others	Elimination	Total
Revenue						
External sales (net of excise duty)	2,195.02	1,918.29	403.79	15.09	-	4,532.19
Other income	0.04	5.45	0.00	2.21	-	7.70
Inter-Segment Sales	31.24	2.57	14.74	0.01	(48.56)	-
Total revenue	2,226.30	1,926.31	418.53	17.31	(48.56)	4,539.89
Segment results before finance costs and tax	197.09	113.16	(0.86)	1.14		310.53
Less: Finance costs						134.31
Less: Other unallocated expenditure net of unallocable Income						35.92
Profit before taxes						140.30
Tax expense						38.14
Profit after tax						102.16
Capital employed						
Segment assets	1,099.94	1,568.46	385.95	7.81	-	3,062.16
Unallocable corporate and other assets						143.85
Total Assets						3,206.01
Segment liabilities	942.88	1,366.61	154.82	2.29	-	2,466.60
Unallocable corporate and other liabilities						34.39
Total liabilities						2,500.99
Capital expenditure	32.27	21.75	51.29	-	-	105.31
Capital expenditure -Unallocable						0.84
Depreciation and Amortisation	9.81	4.60	7.20	-	-	21.61
Depreciation and Amortisation- Unallocable						2.25

FY 2011-12

Particulars	Conductor	Transformer & Speciality Oils	Power/ Telecom Cables	Others	Elimination	Total
Revenue						
External sales (net of excise duty)	1,281.36	1,814.64	350.09	7.17	-	3,453.26
Other income	0.02	-	-	0.52	-	0.54
Inter-Segment Sales	81.20	1.99	4.22	-	(87.41)	-
Total revenue	1,362.58	1,816.63	354.31	7.69	(87.41)	3,453.80
Segment results before finance costs and tax	58.39	140.11	2.84	0.76	-	202.10
Less: Finance costs						114.12
Less: Other unallocated expenditure net of unallocable Income						28.41
Profit before taxes						59.57
Tax expenses						0.25
Profit after tax						59.32
Capital employed						
Segment assets	735.31	1,661.36	279.16	3.77	-	2,679.60
Unallocable corporate and other assets						91.71
Total Assets						2,771.31
Segment liabilities	624.07	1,365.64	74.73	1.01	-	2,065.45
Unallocable corporate and other liabilities						28.59
Total liabilities						2,094.04
Capital expenditure	4.99	10.67	25.71	-	-	41.37
Capital expenditure -Unallocable						3.02
Depreciation and Amortisation	7.43	4.17	7.96	-	-	19.56
Depreciation and Amortisation- Unallocable						1.72



Notes Accompanying to the Financial Statements

NOTE 36 SEGMENT INFORMATION (contd.) (₹ in crore)

b. Secondary Segments (Geographical Segments)

	March 31, 2013	March 31, 2012
Segment Revenue		
- Within India*	3,249.65	2,568.80
- Outside India	1,282.54	884.46
	4,532.19	3,453.26

* Include deemed exports ₹ 0.09 crore (Previous year ₹ 69.84 crore)

Segment Assets		
- Within India	2,842.57	2,596.39
- Outside India	363.45	174.92
	3,206.02	2,771.31

- The Company's tangible fixed assets are located entirely in India.

c. Segment revenue and results

The expenses which are not directly attributable to the business segment are shown as unallocable corporate/other expenses (net of miscellaneous income).

Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally of fixed assets, debtors and inventories.

Segment liabilities primarily include creditors and other liabilities.

Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocable corporate assets and liabilities respectively.

NOTE 37 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Type of Instruments	Nos.	Mt.	Amount \$/ Euro/GBP (in crore)	(₹ in crore)
(I) (a). In respect of commodity futures/option at London Metal Exchange (in Mt.) - USD	47.00 (108.00)	7,943.00 (19,191.00)	1.74 (5.09)	94.69 (258.95)
(b). In respect of foreign currency				
Forward contracts - buy contracts - USD	182.00 (86.00)		26.66 (20.91)	1,447.17 (1,064.00)
Forward contracts - buy contracts - EURO	- (5.00)		- (0.51)	- (34.40)
Forward contracts - USD Sell & Euro Buy	10.00		1.20	64.89
Forward contracts - Euro Sell & USD Buy	4.00 -		0.23 -	15.87 -
(II) All the derivative instruments entered by the Company during the year were for hedging purposes and not for any speculative purposes.				
(III) Unhedged foreign currency exposures				
In US \$ - Payable (net)			4.42 (8.14)	240.11 (414.10)
In Euro - Payable (net)			- (0.00)	- (0.31)
In GBP - Receivable (net)			- (0.00)	- (0.10)
(iv) Premium in case of forward contracts not expired and pertaining to the future period			- -	21.46 (17.46)

(Figures in brackets are in respect of previous year)

Notes Accompanying to the Financial Statements

NOTE 38 VALUE OF IMPORTS CALCULATED ON CIF BASIS (₹ in crore)

	March 31, 2013	March 31, 2012
Raw materials and Components	2,240.69	1,769.15
Stores and spare parts	0.36	0.24
Capital goods	13.76	3.27
Total	2,254.81	1,772.66

Note: Imports through canalising agencies and items of foreign origin purchased locally are excluded.

NOTE 39 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Professional fees	1.31	0.83
Royalty	2.61	1.99
Interest and bank charges	37.55	26.79
Commission and foreign travel	22.91	6.48
Others	0.43	3.83
Total	64.81	39.92

NOTE 40 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

	March 31, 2013		March 31, 2012	
	% of total Consumption	Value (₹ in crore)	% of total Consumption	Value (₹ in crore)
Raw materials				
Imported at landed cost (including duty and clearing charges incurred in India)	63.42	2,254.53	63.48	1,809.27
Indigenous	36.58	1,300.12	36.52	1,040.65
	100.00	3,554.65	100.00	2,849.92
Components and Spare parts				
Imported (at landed cost)	2.44	0.33	3.04	0.30
Indigenous	97.56	13.19	96.96	9.54
Total	100.00	13.52	100.00	9.84

NOTE 41 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

	March 31, 2013	March 31, 2012
a). No of shareholders	1	1
b). No. of shares held	3,636,363	3,636,363
c). Year of dividend	2011-12	2010-11
d). Amount remitted - ₹	1.46	1.27



Notes Accompanying to the Financial Statements

NOTE	42	EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)	(₹ in crore)	
			March 31, 2013	March 31, 2012
		Export of goods calculated on FOB basis	1,282.54	884.46
		Deemed exports	0.09	69.84
		Dividend from Subsidiaries	5.45	0.00
		Others (Freight, insurance and interest)	87.73	31.56
		Total	1,375.81	985.86

NOTE 43

₹ '0 'indicate amount less than ₹ 50,000

NOTE 44

As per the Accounting Standard (AS), 28 Impairment of Assets, the Company has reviewed the potential generation of economic benefit from its fixed assets and accordingly, necessary impairment loss has been provided in the financial statements.

SHARP & TANNAN

Chartered Accountants

Registration No. 109982W

by the hand of

Milind P. Phadke

Partner

Membership No. 033013

Mumbai, 31st May, 2013

For and on behalf of the Board of Directors

Kushal N. Desai
Managing Director &
Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 31st May, 2013



Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

Sr. No.	Particulars	Petroleum Specialities Pte. Limited, Singapore		Quantum Apar Speciality Oils Pty. Limited, Australia		Apar ChemateK Lubricants Limited, India
		In USD	₹ in Crore	In AUD	₹ in Crore	₹ in Crore
(a)	Capital	59,101	0.26	300,000	1.03	6.77
(b)	Reserve	11,504,904	62.66	426,188	3.37	3.19
(c)	Total Assets	12,734,382	69.27	4,155,390	23.47	14.04
(d)	Total Liabilities	1,170,377	6.35	3,429,202	19.07	4.08
(e)	Details of investment (Except in case of investment in Subsidiaries)	-	-	-	-	-
(f)	Turnover	44,272,416	241.91	9,497,441	53.32	29.83
(g)	Profit before taxation	1,907,871	12.96	219,929	2.21	0.57
(h)	Provision for taxation	266,505	1.44	63,269	0.36	0.08
(i)	Profit after taxation	1,641,366	11.51	156,660	1.85	0.49
(j)	Proposed dividend	Nil	Nil	Nil	Nil	Nil

As on 31.03.2013 : 1 U.S. Dollar(USD) = ₹ 54.2900, 1 Australian Dollar(AUD) = ₹ 56.9664



Independent Auditors' Report

To

The Board of Directors of Apar Industries Limited

We have audited the accompanying consolidated financial statements of **APAR Industries Limited** (the 'Company') and its subsidiaries (the Company and its subsidiaries constitute the 'Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

The consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 Consolidated Financial Statements and (AS) 27 Financial Reporting of Interests in Joint Ventures specified by the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and on the basis of the separate audited financial statements of the Apar Group included in the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit

also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

We report that on the basis of the information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements as noted below, the consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Apar Group as at 31st March, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Apar Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Apar Group for the year ended on that date.

Other Matters

We did not audit the financial statements of certain subsidiaries whose financial statements have been audited by other auditors and whose reports have been furnished to us and insofar as it relates to the amounts included in respect of the subsidiaries are based solely on the reports of the other auditors. The details of total assets, total revenues and net cash flows in respect of these subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other auditors:

(₹ in crore)

	Total assets	Total revenues	Net cash flows
Foreign subsidiaries	92.65	297.58	15.35

Our opinion is not qualified in respect of these matters.

Sharp & Tannan
Chartered Accountants
Registration No.109982W
by the hand of

Milind P. Phadke
Partner

Mumbai, 31st May, 2013

Membership No.033013

Consolidated Balance Sheet as at March 31, 2013

(₹ in crore)

	Note No.	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS:			
(a) Share capital	2	38.47	35.97
(b) Share capital suspense account	2	-	2.50
(c) Reserves and surplus	3	588.16	484.84
		626.63	523.31
2. MINORITY INTEREST		1.78	1.16
3. NON-CURRENT LIABILITIES:			
(a) Long-term borrowings	4	32.94	34.65
(b) Deferred tax liabilities (net)	5	10.31	13.11
(c) Other-long term liabilities	6	13.79	41.05
(d) Long-term provisions	7	2.81	2.62
		59.85	91.43
4. CURRENT LIABILITIES:			
(a) Short-term borrowings	8	940.32	948.98
(b) Trade payables	9	1,305.40	839.98
(c) Other current liabilities	10	300.21	409.51
(d) Short-term provisions	11	24.25	18.96
		2,570.18	2,217.43
TOTAL		3,258.44	2,833.33
ASSETS			
1. NON-CURRENT ASSETS:			
(a) Fixed assets			
(i) Tangible assets	12	239.86	183.42
(ii) Intangible assets	12	2.72	1.53
(iii) Capital work-in-progress	12	45.10	21.28
(iv) Intangible assets under development	12	0.28	0.35
		287.96	206.58
(b) Goodwill on consolidation		20.65	-
(c) Non-current investments	13	-	0.02
(d) Long-term loans and advances	14	50.03	45.50
		358.64	252.10
2. CURRENT ASSETS:			
(a) Current investments	15	79.62	-
(b) Inventories	16	751.48	683.53
(c) Trade receivables	17	813.78	865.35
(d) Cash and bank balances	18	1,054.93	831.93
(e) Short-term loans and advances	19	133.46	145.95
(f) Other current assets	20	66.53	54.47
		2,899.80	2,581.23
TOTAL		3,258.44	2,833.33
Significant accounting policies	1		
Contingent liabilities and commitments	31		

The accompanying notes form an integral part of consolidated financial statements

As per our report attached

SHARP & TANNAN

Chartered Accountants

Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors

Milind P. Phadke

Partner

Membership No. 033013

Mumbai, 31st May, 2013

Kushal N. Desai

Managing Director &

Chief Executive Officer

H. N. Shah

Director

V. C. Diwadkar

Chief Financial Officer

Sanjaya R. Kunder

Company Secretary

Mumbai, 31st May, 2013



Consolidated Statement of Profit and Loss for the year ended March 31, 2013 (₹ in crore)

	Note No.	2012-13	2011-12
INCOME:			
Revenue from operations (gross)	21	5,013.59	3,914.47
Less: Excise duty		362.90	319.58
Revenue from operations (net)		4,650.69	3,594.89
Other income	22	2.25	0.54
TOTAL REVENUE (i)		4,652.94	3,595.43
EXPENSES:			
Cost of raw materials and components consumed	23	3,644.58	2,945.43
Purchases of stock-in-trade		29.33	10.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(19.62)	(61.56)
Employee benefits expense	25	57.26	47.81
Other expenses	26	627.89	437.01
Exceptional items	27	4.62	1.96
TOTAL EXPENSES (ii)		4,344.06	3,381.39
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (i-ii)		308.88	214.04
Depreciation and amortisation expense		24.01	21.77
Finance costs	28	134.57	115.52
PROFIT BEFORE TAX		150.30	76.75
TAX EXPENSES:			
Current tax		40.80	16.58
Deferred tax		(0.63)	(4.05)
Taxes of earlier years		-	(9.88)
TOTAL		40.17	2.65
PROFIT AFTER TAX BUT BEFORE MINORITY INTEREST FOR THE YEAR		110.13	74.10
Minority Interest (Profit)/loss		(0.68)	(1.06)
PROFIT FOR THE YEAR		109.45	73.04
Earnings Per Equity share:			
(a) Basic	29	28.45	19.15
(b) Diluted		28.45	19.15
Significant accounting policies	1		

The accompanying notes form an integral part of consolidated financial statements

As per our report attached

SHARP & TANNAN

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Sanjaya R. Kunder

Company Secretary

Mumbai, 31st May, 2013

Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ in crore)

	2012-13		2011-12	
A. Cash flows from Operating Activities :				
Profit before taxation		150.30		76.75
Adjustments for:				
Depreciation and amortisation	24.01		21.77	
(Profit)/loss on sale of fixed assets(net)	0.22		(0.18)	
Foreign currency translation reserve	0.85		0.76	
Unrealised exchange loss/(gain)	9.76		72.48	
Investment written off	0.02		-	
Profit on sale of investments	(1.56)		(0.38)	
Dividend on investments	(0.69)		(0.16)	
Interest income (net)	(7.18)		8.06	
		25.43		102.35
Operating profit before working capital changes in :		175.73		179.10
(Increase)/decrease in trade and other receivables	49.52		(154.80)	
(Increase)/decrease in inventories	(67.95)		(190.90)	
Increase/(decrease) in trade and other payables	329.70		213.10	
		311.27		(132.60)
Cash generated from/(used in) operations		487.00		46.50
Direct taxes paid (net of refunds)		(33.67)		(21.60)
Net cash from/(used in) operating activities		453.33		24.90
B. Cash flows from investing activities :				
Purchase of fixed assets	(106.21)		(44.50)	
Sale of fixed assets	0.79		0.81	
Purchase of shares in subsidiary				
- Apar ChemateK Lubricants Ltd.	(24.85)		-	
Investment in Mutual funds (Net)	(78.06)		0.38	
Dividend received	0.69		0.16	
Net cash from/(used in) investing activities		(207.64)		(43.15)



Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ in crore)

	2012-13		2011-12	
C. Cash flows from financing activities :				
Proceeds/(repayments) from/of fixed deposits (net)	(2.28)		(2.74)	
Proceeds from issue of Shares (net of expenses)	-		77.61	
Proceeds/(repayments) from Short term borrowings	(8.26)		362.13	
Proceeds/(repayments) of long term borrowings	1.71		25.44	
Capital subsidy received	-		0.30	
Interest received/(paid) (net)	3.67		(12.55)	
Dividend paid	(15.34)		(12.59)	
Tax on dividends	(2.50)		(2.09)	
Net cash from/(used in) financing activities		(23.00)		435.51
Net Increase/(Decrease) in cash and cash equivalents				
(A+B+C)		222.69		417.26
Cash and cash equivalents at the beginning of year	831.93			414.66
Cash and cash equivalents on acquisition of subsidiaries	0.31	832.24		-
Cash and cash equivalents at the end of year		1,054.93		831.93

Notes :

- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 Cash Flow Statements.
- Purchase of fixed assets includes movement of capital work-in-progress during the year.
- Cash and cash equivalents represents cash and bank balances and include margin money of ₹ 841.48 crore; (Previous year ₹ 725.59 crore) and unrealised loss of ₹ 0.45 crore ; (Previous year unrealised gain ₹ 0.12 crore) on account of translation of foreign currency bank balances.
- Previous year's figures have been regrouped wherever necessary.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
by the hand of

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 31st May, 2013

Kushal N. Desai
Managing Director &
Chief Executive Officer

For and on behalf of the Board of Directors

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Mumbai, 31st May, 2013



Notes Accompanying to the Consolidated Financial Statements

NOTE	1	SIGNIFICANT ACCOUNTING POLICIES
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1. Basis of Preparation of financial statements:-

The financial statements are prepared on accrual basis under the historical cost convention and comply in all material aspects with the generally accepted accounting principles in India, the Accounting Standards prescribed under Section 211 (3C) of Companies Act, 1956 and the applicable provisions thereof.

2. Use of estimates:-

The preparation of financial statements is in conformity with generally accepted accounting principles ("GAAP") which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Basis of preparation and principles of consolidation: -

The Consolidated Financial Statements relate to Apar Industries Limited (the Company) and its subsidiary companies, viz., Petroleum Specialities Pte. Ltd., a company incorporated in Singapore and its down-stream subsidiary, viz., Quantum Apar Speciality Oils Pty. Ltd., a company incorporated in Australia, Apar ChemateK Lubricants Ltd., a company incorporated in India, (hereinafter referred to as the "Group").

The Consolidated Financial Statements have been prepared on the following basis:

(i) Subsidiaries

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra group balances, intra group transactions and also resulting unrealised profits or losses. The consolidation procedures are in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements', notified by the Companies (Accounting Standards) Rules, 2006.

The excess of the cost to the company of its investment in subsidiary / Associate companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary / Associates companies as on the date of investment is in excess of cost of investment of the company, it is recognised as 'Capital Reserve' and shown under the head 'Reserve and Surplus', in the consolidated financial statements.

Minority interests in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

In case of foreign subsidiaries, revenue items are consolidated at the average exchange rates that prevailed during each month of the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains and losses arising on conversion are recognised in the Exchange fluctuation reserve.

The financial statements of the subsidiary /Joint Venture considered for consolidation are drawn up to the same reporting date as that of the Company.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's stand alone financial statements.

(ii) Joint Venture

Interest in a jointly controlled entity is accounted using proportionate consolidation method.

(iii) Investment in Associates

Investments in entities in which the parent company or any of its subsidiaries has significant influence but not a controlling interest, are reported according to the equity method i.e. investment is initially recorded at cost, identifying any goodwill arising at the time of acquisition. The carrying amount of investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The consolidated profit and loss account includes the investor's share of the results of the operations of the investee.

Notes Accompanying to the Consolidated Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

4. Fixed assets, Depreciation and Amortisation:-

- (i) Fixed assets are stated at cost of acquisition / construction (net of CENVAT) less accumulated depreciation. Cost includes purchase price and other costs attributable to acquisition / construction of fixed assets.
- (ii) Depreciation on assets is provided at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 (except as stated in (iii) below):
 - (a) On written down value method except in respect of building and plant and machinery purchased after 30.4.1987, which are depreciated on straight line method.
 - (b) Capital Expenditure in respect of which ownership does not vest with the Company is amortised over a period of five years. Leasehold land is amortised over the period of lease.
 - (c) Certain items of plant and machinery which have been considered to be continuous process plant by the management are depreciated at the prescribed rates.
 - (d) In respect of Cable division all assets are depreciated on straight line method.
- (iii) In the cases where the estimated useful life of the asset is less as compared to useful life estimated in Schedule XIV of the Companies Act, 1956, such assets are depreciated at rates higher than those prescribed under Schedule XIV of the Companies Act, 1956.

Asset	Rate
Factory building at Nalagarh	Over the lease period

- (iv) In respect of assets costing less than ₹ 5,000 each and temporary structures, 100% depreciation is provided in the year of addition.
- (v) Borrowing costs attributable to acquisition/construction of qualifying assets within the meaning of the Accounting Standard (AS) 16 on "Borrowing Costs" are capitalised as a part of the cost of fixed assets.
- (vi) Pre-operation expenses including trial run expenses (net of revenue) are capitalised.

5. Impairment of assets:-

The Group assess, at each balance sheet date, whether there is any indication of impairment of the carrying amount of the Group's assets. An impairment loss is recognised in the Statement of profit and loss account wherever the carrying amount of the assets exceeds its estimated recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discounting factor. Impairment losses are recognised in the Statement of profit and loss. The impairment loss recognised in prior accounting period is reversed if there has been change in recoverable amount.

6. Investments:-

Investments other than in subsidiaries, Joint Ventures and Associates have been accounted as per Accounting Standard (AS) 13 'Accounting for Investments'.

7. Inventories:-

Inventories are valued at lower of standard cost or net realisable value. Cost includes material cost, cost of labour and attributable manufacturing overheads. Cost of materials is arrived at on weighted average basis. Inventory of scrap is valued at estimated realisable value. Inventories of finished goods include excise duty as applicable.

8. Government grants:-

- (i) Government grants are recognised in the financial statements when they are received and there is reasonable assurance that the Company will comply with the conditions attached to them.
- (ii) Government grants, which are in the nature of refundable interest free loans received from government/semi-government authorities, are credited to secured/unsecured loans.
- (iii) Government grants which are in the nature of subsidies received from government/semi-government authorities and which are non-refundable are credited to reserves.



Notes Accompanying to the Consolidated Financial Statements

NOTE	1	SIGNIFICANT ACCOUNTING POLICIES (contd.)
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9. Employee stock options:-

In respect of the employee stock options, the excess of fair price on the date of grant over the exercise price is recognised as deferred compensation cost amortised over vesting period.

10. Voluntary retirement schemes:-

Compensations paid under voluntary retirement schemes are amortised over a period not exceeding 5 years, up to March 31, 2010. The expenses incurred after March 31, 2010 are charged to Statement of profit and loss.

11. Enterprise resource planning cost:-

Cost of implementation of ERP Software including all related direct expenditure is amortised over a period of 5 years on successful implementation.

12. Share issue expenses:-

Share issue expenses are written off against share premium account if any or amortised over a period of five years.

13. Revenue recognition:-

- (i) Sale of goods is recognised on despatch to customers and on date of shipment in case of exports. Sales exclude amounts recovered towards sales tax and excise duty and is net of returns.
- (ii) Price variation claims are accounted in accordance with the terms of contract and/or upon admittance by customers.
- (iii) Dividend income on investment is recognised when the right to receive payment is established.
- (iv) In respect of service activities, income is recognised as and when services are rendered.

14. Post-employment benefits:-

Defined Contribution Plans: In respect of the Company's provident fund scheme, the Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the return on notified interest rate. In respect of the Company's approved superannuation scheme, the Company makes specified contributions to the superannuation fund administered by the Company and the return on investments is adequate to cover the commitments under the scheme. The Company's contribution paid/payable under these schemes is recognised as expense in the Statement of profit and loss account during the period in which the employee renders the related service.

Defined Benefit Plans: In respect of the Company's gratuity and leave wages schemes, the present value of the obligation under such scheme is determined based on actuarial valuation using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligation is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of profit and loss Account. Long-term compensated absences are provided for based on actuarial valuation, made at the year end, by independent actuaries.

15. Translation of foreign currency:-

- (i) The Group translates foreign currency transactions during the year, at the conversion rates prevailing on transaction dates.
- (ii) Monetary items remaining unsettled at the year end are translated/reported at the year end rate. Exchange differences arising on such revaluation are recognised in the Statement of profit and loss Account.
- (iii) Non-Monetary items (other than fixed assets) are reported at the exchange rate at which they are accounted.
- (iv) In case of forward contracts, premium on the forward contracts is recognised as income or expense over the life of the contract.
- (v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

Notes Accompanying to the Consolidated Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

16. Derivative Contracts:-

Derivative contract entered into, to hedge commodity/forex unexecuted Firm commitment and highly probable forecast transaction are recognised in the Financial Statement at fair value as on Balance Sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the Statement of profit and loss or Balance sheet as the case may be after applying the test of hedge effectiveness. The gain or losses are recognised as 'Hedge Reserve' in the Balance Sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the Statement profit and loss. The gains and losses on roll over or cancellation of derivative contract which qualify as effective hedge are recognised in the Statement of profit and loss in the same period in which the hedge item is accounted.

17. Export benefits/Incentives:-

The Group accounts for excise duty rebate on deemed and physical exports and duty entitlements/focus benefits on physical exports on accrual basis. Premium on special import licence is credited in the accounts as and when realised. The benefits in the form of entitlements to Advance Licenses for duty free import of raw materials in respect of exports made are accounted when such imports are made. The benefits in the form of entitlements to status holders licenses are accounted when licenses are utilised.

18. Claims against the Group not acknowledged as debts:-

The demands under disputed show cause notices / orders of statutory authorities are provided in the accounts on the basis of management's estimate and the balance, if any are included in contingent liability.

19. Taxes on income:-

- Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.
- Deferred tax is recognised on timing differences between the accounted income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.
- Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

20. Provision for contingencies:-

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Disclosure of contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When likelihood of such outflow is remote, no provision or disclosure is made. Provision arising from litigations, assessments by statutory authorities, etc. is made when the Group based on legal advice wherever necessary estimates that the liability has been incurred and the amount can be reasonably estimated.

21. Borrowing costs

- Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve month) to get ready for its intended use or sale.
- All other borrowing costs are recognised as expense in the period in which they are incurred.

Notes Accompanying to the Consolidated Financial Statements

NOTE	2	SHARE CAPITAL	(₹ in crore)	
			March 31, 2013	March 31, 2012
Authorised				
91,998,750 Equity shares of ₹ 10 each (Previous year 91,998,750 Equity shares of ₹10 each)			92.00	92.00
Issued				
38,470,431 Equity shares of ₹ 10 each (Previous year 35,972,394 Equity shares of ₹10 each)			38.47	35.97
Subscribed and Paid up				
38,470,431 Equity shares of ₹ 10 each fully paid (Previous year 35,972,394 Equity shares of ₹10 each fully paid)			38.47	35.97
(2,498,037 Equity shares of ₹ 10 each issued as fully paid up to the shareholders of erstwhile Uniflex Cables Limited as per the Scheme of Amalgamation)				
Total			38.47	35.97

Share Capital Suspense Account

2,498,037 Equity shares of ₹ 10 each issued as fully paid up to the shareholders of erstwhile Uniflex Cables Limited as per the Scheme of Amalgamation	-	2.50
Total	-	2.50

Notes:

- a. Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Equity Shares

	March 31, 2013		March 31, 2012	
	No. of Shares	₹ crore	No. of Shares	₹ crore
At the beginning of the period	35,972,394	35.97	32,336,031	32.33
Issued during the year	*2,498,037	2.50	3,636,363	3.64
Outstanding at the end of the period	38,470,431	38.47	35,972,394	35.97

*Issued during the year to shareholders of erstwhile Uniflex Cables Limited as per the Scheme of Amalgamation.

- b. Disclosure as required by Accounting Standard (AS) 14 Accounting for Amalgamations :

- Marine Cables & Wires Private Limited (MCWPL) was engaged in the business of doing job works of manufacturing & sale of insulated Wires and Electrical Cables including Telecom Cables.
- MCWPL was declared as Sick Industrial Company by Hon'ble Board for Industrial & Financial Reconstruction (BIFR) on February 1, 2010 and BIFR vide its record of proceedings dated 21st May, 2013 sanctioned Rehabilitation Scheme of MCWPL, envisaging its Amalgamation with the Company (Scheme) w.e.f. 1st April, 2012 (Appointed date/Transfer date).
- Pending receipt of formal order from Hon'ble BIFR, the scheme has been given effect in financial statements. Upon receipts of Order and sanctioned scheme, the same will be filed with the Registrar of Companies & Effective date of amalgamation will be date of such filing.



Notes Accompanying to the Consolidated Financial Statements

NOTE 2 SHARE CAPITAL (contd.)

- (iv) The amalgamation has been accounted for under the 'pooling of interest method' as prescribed by Accounting Standard (AS) 14 Accounting for Amalgamations, specified by the Companies (Accounting Standard) Rules, 2006. Accordingly, the assets, liabilities including contingent liabilities and reserve of MCWPL as at 1st April, 2012 have been taken at their book values as stipulated in the said Scheme. The reserves of the Transferor Company have been transferred to the respective reserves.
- (v) The Scheme of amalgamation envisage cancellation of total paid up share capital of MCWPL held by the Company.
- (vi) The amalgamation has resulted in transfer of assets, liabilities and reserves as on 1st April, 2012 in accordance with the terms of the scheme as under:

Particulars	₹ in crore
Fixed Assets	3.12
Current Assets	0.84
Total	3.96
Current Liabilities and Provisions	7.29
Non current liabilities	0.18
Transfer to Securities Premium Account	1.14
Transfer to Capital Reserve	0.16
Transfer to Statement of Profit and Loss	(5.76)
Credit to investment in MCWPL	0.95
Total	3.96

- (vii) The net amount of investment in MCWPL ₹ 1.38 crore (cost of ₹ 2.33 crore less share capital of MCWPL ₹ 0.95 crore) has been debited to Capital Reserve.
 - (viii) Deferred tax asset of ₹ 1.66 crore has been created for carried forward losses/depreciation and timing differences of erstwhile MCWPL by crediting to General Reserve.
 - (ix) After giving effect to the scheme net-worth of erstwhile MCWPL has become positive and as such the company will make an application to Hon'ble BIFR to take discharge from BIFR.
 - (x) In view of Amalgamation, current year figures are not strictly comparable to those of the previous year.
- c. **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March, 2013, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 5.25 (₹ 4 for FY 2012). In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes Accompanying to the Consolidated Financial Statements

NOTE 2 SHARE CAPITAL (contd.)

d. Details of Shareholders holding more than 5% shares in the company

Equity shares of ₹ 10 each fully paid

	March 31, 2013		March 31, 2012	
	No. of Shares	% of holdings in the class	No. of Shares	% of holdings in the class
Dr. N. D. Desai	6,914,222	17.97%	6,804,939	18.92%
Kushal N. Desai	6,920,778	17.99%	6,831,778	18.99%
Chaitanya N. Desai	6,909,610	17.96%	6,820,610	18.96%
Templeton Strategic Emerging Markets Fund III, L.D.C.	3,636,363	9.45%	3,636,363	10.11%
Shinny Limited, Mauritius	2,635,138	6.85%	2,635,138	7.33%
Reliance Capital Trustee Co. Ltd A/c- Reliance Diversified Power Sector Fund	-	-	1,914,238	5.32%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shares reserved for issue under options

The company provides share-based payment to its employees. During the year ended 31st March, 2013, an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Members' approval was obtained at the Annual General Meeting held on 9th August, 2007 for introduction of Employee Stock Option Scheme to issue and grant upto 1,616,802 options but board has granted 175,150 options till date.

(₹ in crore)

	March 31, 2013	March 31, 2012
i. Outstanding at the beginning of the year	175,150	175,150
ii. Vested during the year	-	58,384
iii. Forfeited during the year	-	-
iv. Exercised during the year	-	-
v. Outstanding at the end of the year	175,150	175,150
vi. Exercisable at the end of the year	175,150	175,150



Notes Accompanying to the Consolidated Financial Statements

NOTE	3	RESERVES AND SURPLUS	(₹ in crore)	
			March 31, 2013	March 31, 2012
Capital Reserve				
Balance as per the last financial statement			24.99	0.50
Add: Capital subsidy received			-	0.30
: Transferred on amalgamation of a subsidiary			0.16	1.71
: Balance over UCL amalgamation Consideration			-	22.48
: Difference between share capital of erstwhile MCWPL & Investment in books (Refer Note 2(b)(vii))			(1.38)	-
Closing balance			23.77	24.99
Capital Redemption Reserve			14.75	14.75
Securities Premium Account				
Balance as per the last financial statements			175.21	58.85
Add: Premium on issue of shares			-	76.36
: Transferred on amalgamation of a subsidiary (Refer Note 2(b)(vi))			1.14	42.39
Less: Share issue expenses			-	(2.39)
Closing Balance			176.35	175.21
Cash Flow Hedging Reserve				
Balance as per the last financial statements			(16.58)	-
Add: (Deduction)/Addition during the year (net)			14.89	(16.58)
Closing Balance			(1.69)	(16.58)
Currency Fluctuation Reserve			(2.72)	(3.67)
General Reserve				
Balance as per the last financial statements			130.00	94.75
Add: Amount transferred from surplus balance in the statement of Profit and loss			18.34	8.90
: Deferred Tax Asset created in respect of erstwhile MCWPL (Refer Note 2(b)(viii))			1.66	26.35
Closing Balance			150.00	130.00
Surplus/(deficit) In the Statement of Profit and Loss				
Balance as per last Financial Statements			160.14	155.08
Add : Transferred on Amalgamation of a subsidiary as on 1st April, 2010			-	(41.19)
Add : Transferred on Amalgamation of a subsidiary as on 1st April, 2012			0.08	-
Add: Profit for the year			109.45	73.04
Less: Appropriations				
Proposed final equity dividend (amount per share ₹ 5.25 (₹ 4.00))			(20.20)	(15.39)
Tax on proposed equity dividend			(3.43)	(2.50)
Transfer to General Reserve			(18.34)	(8.90)
Total appropriations			(41.97)	(26.79)
Net surplus In the Statement of Profit and Loss			227.70	160.14
Total Reserves and Surplus			588.16	484.84

Notes Accompanying to the Consolidated Financial Statements

NOTE	4	LONG-TERM BORROWINGS	(₹ in crore)	
			March 31, 2013	March 31, 2012
Secured Loans				
Term loans				
Foreign currency loan from banks (Refer Note below)			27.15	25.44
Unsecured Loans				
Deposits				
Deposits from directors			0.25	0.60
Deposits from public			5.54	8.61
Total			32.94	34.65

Note:

The Term loan is secured by exclusive charge on the assets acquired by the company with the proceeds of the facility.

Terms of repayment of term loan- In August, 2014 ₹ 8.14 crore, In August, 2015 ₹ 8.14 crore and In August, 2016 ₹ 10.87 crore.

NOTE	5	DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability arising on account of timing difference in:				
Book and tax depreciation			20.39	20.23
Deferred tax assets arising on account of timing difference in:				
Provision for doubtful debts and advances			(5.13)	(4.33)
Provision for gratuity and leave salary			(1.11)	(0.99)
Voluntary retirement scheme			(1.58)	(0.51)
Expenses allowable on payment basis			(2.26)	(0.93)
Sub Total			10.31	13.47
Share of Joint Venture (net) (Refer Note 32(b))			-	(0.36)
Total			10.31	13.11

NOTE	6	OTHER LONG-TERM LIABILITIES		
Advance from customers			11.95	39.28
Deposits from dealers			1.84	1.77
Total			13.79	41.05

NOTE	7	LONG-TERM PROVISIONS		
Provision for employee benefits				
Provision for gratuity- other Employee			0.03	0.15
Provision for gratuity- In respect of Directors			0.45	0.34
Provision for leave benefits			2.33	2.12
Share of Joint Venture (Refer Note 32(b))			-	0.01
Total			2.81	2.62



Notes Accompanying to the Consolidated Financial Statements

NOTE	8	SHORT-TERM BORROWINGS	(₹ in crore)	
			March 31, 2013	March 31, 2012
Secured Loans				
Working capital loans from banks (Refer Notes below)			44.16	71.34
Unsecured Loans				
Packing credit loan in foreign currency from Banks			41.53	72.76
Buyer's Credit in foreign currency			850.38	783.89
Loans and Advances from related parties repayable on demand (Refer Note 33)			0.08	16.73
Public Deposits			0.32	0.41
Director's Deposits			3.85	3.85
Total			940.32	948.98

Note:

Working capital loans from banks (secured) ₹ 44.16 crore are secured by -

- hypothecation of specified stocks, specified book debts of the Company and movable plant and machinery at Nalagarh Unit.
- first charge by way of equitable mortgage by deposit of title deeds of Company's specified immovable properties, both present and future.
- first charge by way of equitable mortgage by deposit of title deeds of certain immovable properties of Apar Corporation Private Limited, a related party.

NOTE	9	TRADE PAYABLES		
Trade payables (including acceptances)				
Due to micro and small enterprises			3.27	2.50
Due to other than micro and small enterprises			1,302.13	837.42
Share of Joint Venture (Refer Note 32 (b))			-	0.07
Total			1,305.40	839.99

Notes Accompanying to the Consolidated Financial Statements

NOTE	10	OTHER CURRENT LIABILITIES	(₹ in crore)	
			March 31, 2013	March 31, 2012
		Current maturities of long-term borrowings		
		Deposits from directors	0.50	0.06
		Deposit from public	10.49	9.71
		Interest accrued but not due on borrowings	11.73	17.01
		Investor Education and Protection Fund (Refer Note (a) below)		
		Unclaim dividend	0.64	0.59
		Creditors for capital expenditure	4.94	0.65
		Statutory dues towards Government	13.12	14.49
		Provision for materials/expenses	176.34	223.41
		Others Payable (Refer Note (b) below)	82.45	142.76
		Share of Joint Venture (Refer Note 32(b))	-	0.83
		Total	300.21	409.51

Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on March 31, 2013.

(b) Other payable includes security deposit, book overdraft and advance from customers.

NOTE	11	SHORT-TERM PROVISIONS		
		Provision for employee benefits		
		Liability to the Employee Gratuity Fund	0.02	0.27
		Provision for leave benefits	0.60	0.70
		Share of Joint Venture (Refer Note 32(b))	-	0.10
		Sub Total	0.62	1.07
		Other provisions		
		Proposed equity dividend	20.20	15.39
		Provision for tax on proposed equity dividend	3.43	2.50
		Sub Total	23.63	17.89
		Grand Total	24.25	18.96

The unamortised amount of such exchange differences, as on 31st March, 2013 is ₹ 4.61 crore (Previous Year ₹ 2.95 crore).

Notes Accompanying to the Consolidated Financial Statements

NOTE 13 NON-CURRENT INVESTMENTS		(₹ in crore)	
	March 31, 2013	March 31, 2012	
A. Investment in Government security			
- 6 Year National Savings Certificates	-	0.00	
- 12 Year National Defence Certificates	-	0.00	
- 6 Year National Savings Certificates (held as security by Government Departments)	-	0.00	
Total	-	0.00	
B. Other non-current Investment			
4,200 shares (Previous year 4,200) of Natpur Co-operative Bank Limited of ₹ 50 each	-	0.02	
Total	-	0.02	
Aggregate book value of unquoted investments	-	0.02	
Aggregate book value of quoted investments	-	-	
Aggregate market value of quoted investments	-	-	

NOTE 14 LONG-TERM LOANS AND ADVANCES			
Unsecured, considered good			
Capital advances	10.77	6.50	
Security deposit	3.82	4.38	
Others loans and advances	28.45	32.78	
Income tax paid against disputed demands	6.99	-	
Share of Joint Venture (Refer Note 32(b))	-	1.84	
Total	50.03	45.50	

NOTE 15 CURRENT INVESTMENT		(₹ in crore)		
	Units as at March 31, 2013	March 31, 2013	Units as at March 31, 2012	March 31, 2012
Investments in Liquid fund				
Union KBC Liquid Fund Growth	152,680.21	17.81	-	-
Union KBC Ultra Short term Debt Fund	181,688.96	19.50	-	-
IDBI Liquid Fund	340,586.82	42.31	-	-
Total		79.62	-	-
Aggregate market value of quoted investments		80.52	-	-
		80.52	-	-



Notes Accompanying to the Consolidated Financial Statements

NOTE	16	INVENTORIES	(₹ in crore)	
			March 31, 2013	March 31, 2012
		Raw materials and components	312.08	311.26
		Raw materials-in transit	216.38	171.14
		Work-in-progress	81.21	72.72
		Finished goods	118.60	112.80
		Stock-in-trade	8.98	3.76
		Stock in trade -in transit	0.20	-
		Stores and spares	14.03	11.77
		Share of Joint Venture (Refer Note 32(b))	-	0.08
		Total	751.48	683.53

NOTE	17	TRADE RECEIVABLES		
		Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment		
		Secured, considered good	0.03	0.03
		Unsecured, considered good	22.51	50.39
		Unsecured, considered doubtful	15.81	13.33
			38.35	63.75
		Less: Provision for doubtful debts	15.81	13.33
		Sub Total	22.54	50.42
		Other receivables		
		Secured, considered good	0.92	0.34
		Unsecured, considered good	790.32	813.96
		Share of Joint Venture (Refer Note 32(b))	-	0.63
		Sub Total	791.24	814.93
		Grand Total	813.78	865.35

Notes Accompanying to the Consolidated Financial Statements

NOTE 18 CASH AND BANK BALANCES		(₹ in crore)	
	March 31, 2013	March 31, 2012	
Cash and cash equivalents			
Balances with banks:			
On current accounts	202.58	82.24	
On deposits with original maturity of less than three months	2.16	16.00	
On unpaid dividend account (Refer Note (i) below)	0.64	0.59	
Cash on hand	0.21	0.06	
Funds in transit	7.56	5.15	
Sub Total	213.15	104.04	
Other bank balances			
Deposits with original maturity for more than 3 months but less than 12 months	0.30	2.07	
Margin money deposit (Refer Note (ii) below)	841.48	725.59	
Sub Total	841.78	727.66	
Share of Joint Venture (Refer Note 32(b))	-	0.23	
Grand Total	1,054.93	831.93	

Note:

- (i) There are no amounts due and outstanding to be credited to the Investor Education and Protection Funds as at March 31, 2013.
- (ii) Against letter of credits for Company's imports of raw materials and working capital loans.

NOTE 19 SHORT-TERM LOANS AND ADVANCES			
Unsecured, considered good			
Loan and advances to related parties	1.56	1.39	
Others			
Advances recoverable in cash or kind	96.45	75.96	
Balances with statutory/government authorities	35.45	68.48	
Share of Joint Venture (Refer Note 32(b))	-	0.12	
Total	133.46	145.96	
Loans and advances to related parties include			
Loans to other related parties			
AIL Benefit Trust	0.00	0.00	
Apar Technologies Private Ltd.	1.56	-	
Apar Investment Inc.	-	1.39	
Total	1.56	1.39	

Notes Accompanying to the Consolidated Financial Statements

NOTE	20	OTHER CURRENT ASSETS	(₹ in crore)	
			March 31, 2013	March 31, 2012
		Interest accrued but not due on fixed deposits	23.14	24.87
		Interest accrued but not due on security deposits	0.02	0.06
		Assets held for sale	0.02	0.02
		Receivable from AIL Benefit Trust		
		- Original value of investment	83.44	83.44
		- Provision for diminution in value	(55.55)	(55.55)
			27.89	27.89
		Other receivable	15.46	1.63
		Total	66.53	54.47

NOTE	21	REVENUE FROM OPERATIONS		
		Sale of products		
		Finished goods	4,916.23	3,843.53
		Raw materials	30.03	25.27
		Traded goods	26.87	10.03
		Share of Joint Venture (Refer Note 32(b))	1.33	1.96
		Total	4,974.46	3,880.79
		Sale of services	1.36	1.01
		Other operating revenues		
		Others	37.77	32.67
		Total	37.77	32.67
		Revenue from operations (gross)	5,013.59	3,914.47
		Less : Excise duty	362.90	319.58
		Revenue from operations (net)	4,650.69	3,594.89

NOTE	22	OTHER INCOME		
		Dividend income from AIL Benefit Trust	0.65	-
		Dividend received from subsidiary	-	-
		Dividend on short-term investment in liquid funds	0.04	0.16
		Net gain on sale of short term investment in liquid funds	1.56	0.38
		Total	2.25	0.54

Notes Accompanying to the Consolidated Financial Statements

NOTE	23	COST OF RAW MATERIALS AND COMPONENTS CONSUMED	(₹ in crore)	
			March 31, 2013	March 31, 2012
Inventory at the beginning of the year			482.40	354.12
Add: Purchases			3,690.64	3,073.71
			4,173.04	3,427.83
Less: inventory at the end of the year			528.46	482.40
Cost of raw materials and components consumed			3,644.58	2,945.43

NOTE	24	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year				
Finished goods			118.60	112.80
Work-in-progress			81.21	72.72
Traded goods			9.17	3.84
Sub Total			208.98	189.36
Inventories at the beginning of the year				
Finished goods			112.80	76.95
Work-in-progress			72.72	48.97
Traded goods			3.84	1.88
Sub Total			189.36	127.80
Grand Total			(19.62)	(61.56)

NOTE	25	EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus			48.64	39.88
Contribution to provident and other funds			4.20	3.31
Staff welfare expenses			2.90	1.93
Share of Joint Venture (Refer Note 32(b))			1.52	2.69
Total			57.26	47.81

Notes Accompanying to the Consolidated Financial Statements

NOTE	26	OTHER EXPENSES	(₹ in crore)	
			March 31, 2013	March 31, 2012
		Consumption of stores and spares	13.51	9.83
		Packing materials	154.61	117.41
		Excise duty adjustment of finished goods stock	2.33	0.25
		Storage charges	12.59	8.44
		Power, electricity and fuel	56.84	47.89
		Processing charges, fabrication and labour charges	39.82	24.24
		Freight and forwarding charges	186.52	120.78
		Rent	2.09	2.39
		Rates and taxes	3.67	3.15
		Insurance	5.88	4.57
		Repairs and maintenance		
		Plant and machinery	2.44	2.40
		Buildings	0.59	0.74
		Others	2.52	2.03
		Advertising and sales promotion	11.57	0.89
		Sales commission	26.11	13.25
		Travelling and conveyance	8.83	6.20
		Printing and stationery	1.23	1.32
		Legal and professional fees	8.96	7.84
		Directors' sitting fees	0.06	0.06
		Commission to Chairman, Managing Director and Joint Managing Director	4.41	2.18
		Discount and rebates	7.50	5.53
		Lease rental	0.32	0.23
		Donation	2.01	0.03
		Royalty	3.37	2.12
		Marketing fees	5.15	9.00
		Bank charges and commission	9.51	6.40
		Exchange differences (net)	3.11	(1.73)
		Bad debts and advances written-off	13.67	2.69
		Less: Provision for doubtful debts utilised	(3.01)	(0.89)
			10.66	1.80
		Provision for doubtful debts and advances	5.49	10.79
		Miscellaneous expenses	31.58	19.21
		Loss on sale of fixed assets (net)	0.22	(0.18)
		Share of Joint Venture (Refer Note 32(b))	4.39	7.95
			627.89	437.01
		Above expenses include research and development expenses (Refer Note 31)	3.02	1.70

NOTE	27	EXCEPTIONAL ITEMS		
		Voluntary Retirement Compensation	4.62	1.96
		Total	4.62	1.96

Notes Accompanying to the Consolidated Financial Statements

NOTE	28	FINANCE COSTS	(₹ in crore)	
			March 31, 2013	March 31, 2012
Interest expenses				
On fixed loan			2.82	5.84
Others			72.38	50.29
Bank charges for borrowing			16.77	13.47
Applicable net loss on foreign currency transactions and translation			124.99	93.99
Sub Total			216.96	163.59
Interest income on				
Bank deposits			(77.20)	(46.29)
Others			(5.19)	(1.74)
Share of Joint Venture (Refer Note 32(b))			-	(0.04)
Sub Total			(82.39)	(48.07)
Total			134.57	115.52

NOTE	29	EARNINGS PER SHARE (EPS)		
Profit after tax and before extraordinary items- in ₹ in crore			109.45	73.04
Profit after tax and extraordinary items- in ₹ in crore			109.45	73.04
Weighted Number of Equity Shares outstanding during the year			3.85	3.81
Nominal Value of Equity Shares in ₹			10.00	10.00
Earnings Per Share - in ₹				
Basic and Diluted (before extraordinary items)			28.45	19.15
Basic and Diluted (after extraordinary items)			28.45	19.15

NOTE	30	CONTINGENT LIABILITIES AND COMMITMENTS		
A. Contingent liabilities not provided for:				
a) Claims against the Company not acknowledged as debts -				
i) Demand/ Show cause-cum-demand notices received and contested by the Company with the relevant appellate authorities:				
Excise duty (also refer note (iii) below)			4.65	4.40
Service tax			0.20	0.20
Customs duty			2.90	2.96
Sales tax			10.54	10.47
ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.			7.94	7.48
iii) Interest on delayed payment of excise duty, (which duty payment was revenue neutral) on certain deemed exports. Department has filed appeal in the Supreme Court against High Court Order in Company's favour.			4.45	4.45
iv) Labour matters			6.80	3.14
v) Others			6.07	5.98
b) Bills of exchange discounted			206.61	157.44
c) Taxation:				
Disputed demands of income tax			6.99	3.99
B. Capital commitments				
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)			13.93	21.54

Notes Accompanying to the Consolidated Financial Statements

NOTE	31	RESEARCH AND DEVELOPMENT EXPENSES	(₹ in crore)	
			March 31, 2013	March 31, 2012
A.	R & D Center-OIL (Rabale - DSIR Recognised)			
	a) Salary, wages and other benefits		1.45	1.28
	Consumables and Chemicals		0.28	0.16
	Sub-Total		1.73	1.44
	b) Capital expenditure			
	Building		2.11	-
	Plant & Machinery		0.32	0.57
			2.43	0.57
	Sub Total		4.16	2.01
B.	R & D Center-Conductor (Silvassa)			
	Travelling expenses		0.01	0.06
	Training expenses		0.06	0.14
	Consumables		0.74	0.06
	Others		0.15	0.00
	Sub Total		0.96	0.26
C.	R & D Cable (Khatalwad)			
	a) Salary, wages and other benefits		0.07	-
	Consumables and Chemicals		0.26	-
	Sub-Total		0.33	-
	b) Capital expenditure			
	Building		0.35	-
	Plant & Machinery		0.10	-
	Sub Total		0.45	-
	Total		0.78	-
	Grand Total (A+B+C)		5.90	2.27

NOTE	32	
a)	The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 Consolidated Financial Statements and Accounting Standard (AS) 27 Financial Reporting of Interest in Joint Ventures, notified by Companies (Accounting Standards) Rules, 2006.	

The subsidiaries (which along with Apar Industries Limited, the parent, constitute the Group) considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	% voting power held as on March 31, 2013	% voting power held as on March 31, 2012
Petroleum Specialities Pte. Ltd.	Singapore	100	100
Quantum Apar Speciality Oils Pty. Ltd. - (Subsidiary of Petroleum Specialities Pte. Ltd.)	Australia	65	65
Marine Cables & Wires Private Limited (Amalgamated with Apar Industries Limited)	India	-	65.47
Apar ChemateK Lubricants Limited (Became subsidiary w.e.f. 27th September, 2012)	India	97.5	-

b) Interests in Joint Ventures

The Group's interests in jointly controlled entity (incorporated Joint Venture) is:

Name of the Company	Country of Incorporation	% of ownership interest as at March 31, 2013	% of ownership interest as at March 31, 2012
Apar ChemateK Lubricants Limited (Became subsidiary w.e.f. 27th September, 2012)	India	97.5	50

Notes Accompanying to the Consolidated Financial Statements

NOTE	32	INTEREST IN A JOINT VENTURE (contd.)	(₹ in crore)	
			March 31, 2013	March 31, 2012
I) Equity and liabilities				
1. Share Capital			-	3.38
2. Reserve and Surplus			-	1.35
3. Long term Provisions			-	0.01
4. Current Liabilities				
(a) Trade Payable			-	0.30
(b) Other Current Liabilities			-	0.83
(c) Short-term Provisions			-	0.10
II) Assets				
1. Fixed Assets				
(a) Tangible assets			-	0.11
(b) Intangible assets			-	0.02
2. Deferred tax assets/(liability) (net)			-	0.36
3. Long- term Loans and Advances			-	1.84
4. Current assets				
(a) Inventories			-	0.08
(b) Trade Receivable			-	3.22
(c) Cash and cash equivalents			-	0.23
(d) Short-term Loans and Advances			-	0.12
III) Income				
1. Revenue from operations			6.48	10.96
2. Other Income			0.01	0.04
IV) Expenses				
1. Purchase of traded goods			0.93	1.54
2. Changes in inventories of stock-in-trade			0.08	(0.08)
3. Employee benefit Expenses			1.52	2.69
4. Depreciation and amortisation expenses			0.03	0.05
5. Other expenses			4.39	7.95
6. Profit Before Tax			(0.46)	(1.16)
7. Tax expenses			(0.15)	(0.38)
8. Net Profit/(loss)			(0.31)	(0.79)
V) Other matters				
1. Contingent Liabilities			-	-
2. Capital Commitments			-	-



Notes Accompanying to the Consolidated Financial Statements

NOTE 33 RELATED PARTY DISCLOSURES

A. List of Related Parties

a) Joint Venture Company:

Apar ChemateK Lubricants Ltd. (upto 26th September, 2012)

b) Key Managerial Personnel:

Mr. K. N. Desai - Managing Director

Mr. C. N. Desai - Joint Managing Director

Mr. G. Sudhakar -Director- Petroleum Specialities Pte. Limited

c) Chairman having significant influence:

Dr. N. D. Desai - Non Executive Chairman

d) Relatives of Key Managerial Personnel:

Mrs. M. N. Desai

Mrs. Noopur Kushal Desai

Mr. Rishabh K. Desai

Ms. Gaurangi K. Desai

Mrs. Jinisha C. Desai

Mr. Devharsh C. Desai

Ms. Nikita C. Desai

Mrs. Vineeta R. Srivastava

Mr. Rajeev Srivastava

Ms. Krishangi R. Srivastava

e) Entities over which significant influence is exercised by key management personnel/individuals having significant influence:

Apar Corporation Private Ltd.

Scope Private Limited and its' subsidiaries, viz

a) Apar Investment (Singapore) Pte. Ltd.

b) Apar Investment Inc.

Kushal N. Desai Family Trust

Apar Technologies Private Ltd.

Kushal Chaitanya N. Desai Family Trust

Chaitanya N. Desai Family Trust

Catalis World Private Ltd.

Gayatri Associates

AIL Benefit Trust

Notes Accompanying to the Consolidated Financial Statements

NOTE 33 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

B. Related Party Transactions

(i) Joint Venture Company (Apar ChemateK Lubricants Limited):

Sr. no. Transactions	March 31, 2013	March 31, 2012
1 Marketing fees	10.29	18.00
2 Sale of goods	1.86	3.08
3 Balance outstanding as on 31.03.2013		
Payable for services	-	5.19
Receivable for goods	-	0.46

(ii) Key Managerial Personnel :

Sr. no. Transactions	March 31, 2013	March 31, 2012
1 Interest paid	0.38	0.38
2 Directors' remuneration	4.46	2.65
3 Dividends paid (payment basis)	5.51	4.65
4 Sitting fees	0.00	0.00
5 Outstanding as on 31.03.2013		
Loans and deposits payable	3.75	3.75

(iii) Chairman having significant influence:

Sr. no. Transactions	March 31, 2013	March 31, 2012
1 Interest paid	0.08	0.08
2 Director's commission	1.47	0.73
3 Legal and professional fees	0.51	0.51
4 Sitting fees	0.01	0.01
5 Dividends paid (payment basis)	2.75	2.37
6 Outstanding as on 31.03.2013		
Loans and deposits payable	0.85	0.76

(iv) Relatives of Key Managerial Personnel:

Sr. no. Transactions	March 31, 2013	March 31, 2012
1 Interest paid	0.47	0.77
2 Dividends paid (payment basis)	0.00	0.00
3 Outstanding as on 31.03.2013		
Loans and deposits payable	3.32	6.20

(v) Entities over which key management personnel/individual having significant influence:

Sr. no. Transactions	March 31, 2013	March 31, 2012
1 Interest paid	0.04	1.07
2 Rent paid	0.73	0.72
3 Arranging Fees	0.18	0.42
4 Dividends paid (payment basis)	0.77	0.10
5 Outstanding as on 31.03.2013		
Loans and deposits payable	0.08	16.73
Loans and advances receivable	1.56	1.39



Notes Accompanying to the Consolidated Financial Statements

NOTE 33 RELATED PARTY DISCLOSURES (contd.)

(₹ in crore)

C. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

Transactions	March 31, 2013	March 31, 2012
(i) Interest paid		
- Dr. N. D. Desai	0.08	0.08
- Kushal N. Desai	0.05	0.05
- Chaitanya N. Desai	0.33	0.33
- Rishabh K. Desai	0.09	0.18
- Vineeta R. Srivastava	0.15	0.36
- Apar Corporation Private Limited	-	0.85
- Apar Investment Inc.	0.04	0.22
(ii) Dividends paid (payment basis)		
- Dr. N. D. Desai	2.75	2.37
- Kushal N. Desai	2.76	2.34
- Chaitanya N. Desai	2.75	2.31
- AIL Benefit Trust	-	-
(iii) Legal and professional fees		
- Dr. N. D. Desai	0.51	0.51
(iv) Rent paid		
- Apar Corporation Private Ltd.	0.63	0.63
- Apar Technologies Private Limited	0.10	0.09
(v) Marketing fees		
- Apar ChemateK Lubricants Ltd. (As Joint Venture Company)	10.29	18.00
(vi) Director Remuneration		
- Kushal N. Desai	2.11	1.25
- Chaitanya N. Desai	2.14	1.26
- Dr. N. D. Desai	1.47	0.73
- Mr. G. Sudhakar - Director - Petroleum Specialities Pte. Limited	0.21	0.14
(vii) Sitting fees		
- Kushal N. Desai	0.00	0.01
- Chaitanya N. Desai	0.00	0.00
- Dr. N. D. Desai	0.01	0.00
(viii) Arranging fees		
- Apar Investment Inc.	0.18	0.42

Notes Accompanying to the Consolidated Financial Statements

NOTE 34 SEGMENT INFORMATION

The Company's operations predominantly relate to manufacture of Conductors, Transformer/Speciality Oils and Power/ Telecom cables which businesses have been identified as primary segments based on the Company's risk profile and internal reporting structure.

a. Primary Segments (Business Segments)

(₹ in crore)

FY 2012-13

Particulars	Conductor	Transformer & Speciality Oils	Power/ Telecom Cables	Others	Elimination	Total
Revenue						
External sales (net of excise duty)	2,195.02	2,036.79	403.79	15.09	-	4,650.70
Other income	0.04	-	0.00	2.21	-	2.25
Inter-Segment Sales	31.24	2.57	14.74	0.01	(48.56)	-
Total revenue	2,226.30	2,039.36	418.53	17.31	(48.56)	4,652.94
Segment results before finance costs and tax	197.10	123.43	(0.86)	1.14	-	320.81
Less: Finance costs						134.57
Less: Other unallocated expenditure net of unallocable Income						35.94
Profit before taxes						150.30
Tax expense						40.17
Profit after tax						110.13
Capital employed						
Segment assets	1,099.94	1,620.90	385.95	7.81	-	3,114.60
Unallocable corporate and other assets						143.84
Total Assets						3,258.44
Segment liabilities	942.88	1,353.24	154.82	2.29	-	2,453.23
Unallocable corporate and other liabilities						34.40
Total liabilities						2,487.63
Capital expenditure	32.27	21.81	51.29	-	-	105.37
Capital expenditure -Unallocable						0.84
Depreciation and Amortisation	9.81	4.75	7.20	-	-	21.76
Depreciation and Amortisation- Unallocable						2.25

FY 2011-12

Particulars	Conductor	Transformer & Speciality Oils	Power/ Telecom Cables	Others	Elimination	Total
Revenue						
External sales (net of excise duty)	1,281.36	1,956.03	350.33	7.17	-	3,594.89
Other income	0.02	-	-	0.52	-	0.54
Inter-Segment Sales	81.20	1.99	4.22	-	(87.41)	-
Total revenue	1,362.58	1,958.02	354.55	7.69	(87.41)	3,595.43
Segment results before finance costs and tax	58.39	159.02	2.52	0.76	-	220.69
Less: Finance costs						115.52
Less: Other unallocated expenditure net of unallocable Income						28.42
Profit before taxes						76.75
Tax expenses						2.65
Profit after tax						74.10
Capital employed						
Segment assets	735.31	1,723.03	279.51	3.77	-	2,741.62
Unallocable corporate and other assets						91.71
Total Assets						2,833.33
Segment liabilities	624.07	1,356.67	75.89	1.01	-	2,057.64
Unallocable corporate and other liabilities						28.60
Total liabilities						2,086.23
Capital expenditure	4.99	10.78	25.71	-	-	41.48
Capital expenditure -Unallocable						3.02
Depreciation and Amortisation	7.43	4.36	8.26	-	-	20.05
Depreciation and Amortisation- Unallocable						1.72



Notes Accompanying to the Consolidated Financial Statements

NOTE 34 SEGMENT INFORMATION (contd.) (₹ in crore)

b. Secondary Segments (Geographical Segments)

	March 31, 2013	March 31, 2012
Segment Revenue		
- Within India*	3,250.90	2,569.46
- Outside India	1,399.80	1,025.43
Total	4,650.70	3,594.89

* Include deemed exports ₹ 0.09 crore (Previous year ₹ 69.84 crore)

Segment Assets		
- Within India	2,841.94	2,596.13
- Outside India	416.50	237.20
Total	3,258.44	2,833.33

- The Company's tangible fixed assets are located entirely in India.

c. Segment revenue and results

The expenses which are not directly attributable to the business segment are shown as unallocable corporate/other expenses (net of miscellaneous income).

Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally of fixed assets, debtors and inventories.

Segment liabilities primarily include creditors and other liabilities.

Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocable corporate assets and liabilities respectively.

NOTE 35

₹ '0 'indicate amount less than ₹ 50,000

NOTE 36

As per the Accounting Standard (AS), 28 Impairment of Assets, the Company has reviewed the potential generation of economic benefit from its fixed assets and accordingly, necessary impairment loss has been provided in the financial statements.

SHARP & TANNAN

Chartered Accountants

Registration No. 109982W

by the hand of

Milind P. Phadke
Partner
Membership No. 033013
Mumbai, 31st May, 2013

Kushal N. Desai
Managing Director &
Chief Executive Officer

H. N. Shah
Director

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

For and on behalf of the Board of Directors

Mumbai, 31st May, 2013



**APAR INDUSTRIES LIMITED**

Regd. Office : 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007.

24TH ANNUAL GENERAL MEETING – 8TH AUGUST, 2013**PROXY FORM**

Folio No.		DP Id No.	
Client Id No.		No. of Shares	

I / We, _____ of _____ being Equity Shareholder(s) of Apar Industries Limited hereby appoint _____ of _____ or failing him/her _____ of _____ as my / our Proxy to attend and vote for me / us and on my / our behalf at the 24th Annual General Meeting of the Equity Shareholders of the Company to be held on Thursday, 8th August, 2013 at 2.30 P.M. at the Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 and at any adjournment thereof.

As witness my / our hand(s) this _____ day of _____ 2013.

Affix
Re. 1
Revenue
Stamp

Signature (s) of Shareholder (s)

N. B. This Proxy Form must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting. The Proxy need not be a Shareholder of the Company.

**APAR INDUSTRIES LIMITED**

Regd. Office : 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007.

24TH ANNUAL GENERAL MEETING – 8TH AUGUST, 2013**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting Venue)

Folio No.		DP Id No.	
Client Id No.		No. of Shares	

Name of the attending member (in block letters) _____

Name of proxy (in block letters) _____
(to be filled by the proxy attending instead of the member)

I hereby record my presence at the 24th Annual General Meeting to be held on Thursday, 8th August, 2013 at 2.30 P.M. at the Auditorium of Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 .

Member's / Proxy's Signature

Notes : 1) Interested joint members may obtain attendance slip from the Regd. Office of the Company.
2) Members /Joint members / Proxies are requested to bring attendance slip with them. Duplicate slips will not be issued at the entrance of the Auditorium.

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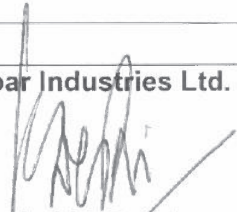
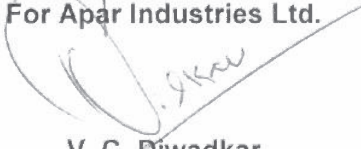
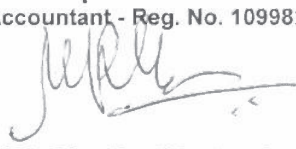
APAR INDUSTRIES LTD.

301, Panorama Complex, R. C. Dutt Road

Vadodara - 390007

www.apar.com

FORM A**ANNUAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2013**

1.	Name of the Company	:	Apar Industries Limited Scrip Code / Symbol : BSE – 532259 NSE – APARINDS
2.	Annual Financial Statements for the year ended	:	31 st March, 2013 (2012-2013)
3.	Type of Audit Observation	:	Unqualified
4.	Frequency of Observation a. Whether appeared first time b. Repetitive c. Since how long period	:	Not Applicable : --- : --- : ---
5.	To be signed by	:	
	CEO / Managing Director	:	For Apar Industries Ltd.  Kushal N. Desai (CEO & Managing Director)
	CFO	:	For Apar Industries Ltd.  V. C. Diwadkar (Chief Financial Officer)
	Auditor of the Company	:	For Sharp & Tannan (Chartered Accountant - Reg. No. 109982W)  Milind P. Phadke (Partner) Membership No. 033013
	Audit Committee Chairman	:	For Apar Industries Ltd.  H. N. Shah (Chairman – Audit Committee)