



# APAR INDUSTRIES LTD.

**CORPORATE OFFICE :**  
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SEC/2505/2016

By Fax & Hand Del.

25<sup>th</sup> May, 2016.

National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051.	BSE Ltd. Corporate Relationship Department, 27 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.
<b>Scrip Symbol : APARINDS</b>	<b>Scrip Code : 532259</b>
<b><u>Kind Attn.: The Manager, Listing Dept.</u></b>	<b><u>Kind Attn. : Corporate Relationship Dept.</u></b>

Ref. : Our Letter No. SEC/0705/2016 dated 7<sup>th</sup> May, 2016

**Sub. : Outcome of Board Meeting - Approval of Annual Audited Accounts & Audited Financial Results of the Company for the financial year ended 31<sup>st</sup> March, 2016 (2015-16)**

**Regulation : Disclosure under Regulation 30 read with Para A(4) of Part A of Schedule III & all other applicable Regulations, if any, of the SEBI (LODR) Regulations, 2015.**

Dear Sir,

With reference to above, we have pleasure to inform the Exchanges that the Board of Directors of the Company at their Meeting held to-day (i.e. 25<sup>th</sup> May, 2016) have approved the Audited Annual Financial Results (both Standalone and Consolidated) for the Quarter and Financial Year ended 31<sup>st</sup> March, 2016 (2015-16).

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following :

- i) Statement showing the Audited Financial Results (both Standalone and Consolidated) of the Company for the Quarter and Financial Year ended 31<sup>st</sup> March, 2016 (2015-16) (**Annexure - 1**),
- ii) Form A for Audit Report with unmodified opinion, on Standalone and Consolidated Financial Results (**Annexure – 2(a) & 2(b)**).
- iii) Independent Auditors' Report on the Financial Statements (Standalone and Consolidated) as at 31<sup>st</sup> March, 2016 (**Annexure – 3(a) & 3(b)**).

The Interim Dividend @ Rs. 6.50 (65.00 %) per equity share of Rs. 10/- each declared by the Board of Directors at their meeting held on 16<sup>th</sup> March, 2016 has been considered as Dividend on the equity shares for the financial year ended 31<sup>st</sup> March, 2016 (2015-2016).

The Meeting of the Board of Directors concluded at 5.15 P.M.

You are requested to kindly take note of above and bring the same to the notice of investors and members.

Thanking you,

Yours faithfully,  
**For Apar Industries Ltd.**

  
**(Sanjaya Kunder)**  
**Company Secretary**

**Encl. : As above**



# APAR INDUSTRIES LIMITED

(AN ISO 9001:2000 COMPANY)

CIN : L91110GJ1989PLC012802

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

website: www.apar.com ; email : com\_sec@apar.com ; Tel : (91) (0265) 2339906, 2331935 ; Fax : (91) (0265) 2330309

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FOR THE YEAR ENDED 31ST MARCH,2016

PART I								(₹ in crore)	
Sr. No.	Particulars	Standalone				Consolidated			
		3 months ended		Financial year ended		Financial year ended			
		31.03.2016	31.12.2015	31.03.2016	31.03.2016	31.03.2015	31.03.2016	31.03.2015	
		Audited	Un-audited	Audited	Audited	Audited	Audited	Audited	
1	Income from operations								
	(a) Net sales/income from operations (net of excise duty)	1,316.82	1,179.68	1,323.79	4,978.32	4,968.68	5,046.83	5,078.83	
	(b) Other operating income	8.22	6.53	14.18	31.63	42.29	33.20	43.03	
	<b>Total Income from operations (net)</b>	<b>1,325.04</b>	<b>1,186.21</b>	<b>1,337.97</b>	<b>5,009.95</b>	<b>5,010.97</b>	<b>5,080.03</b>	<b>5,121.86</b>	
2	Expenses								
	(a) Cost of materials consumed	943.45	930.57	1,027.64	3,735.65	4,012.35	3,792.92	4,111.50	
	(b) Purchases of stock-in-trade	(20.19)	34.18	21.15	68.17	63.37	68.18	63.37	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	99.24	(86.48)	47.72	20.54	(89.79)	20.74	(89.79)	
	(d) Employee benefits expense	22.51	22.64	17.50	90.69	69.98	91.39	79.38	
	(e) Depreciation and amortisation expense	9.99	9.53	8.23	37.69	31.04	37.77	31.21	
	(f) Other expenses	189.53	203.38	179.56	739.74	713.83	744.00	705.38	
	<b>Total expenses</b>	<b>1,244.53</b>	<b>1,113.82</b>	<b>1,301.80</b>	<b>4,692.48</b>	<b>4,800.78</b>	<b>4,755.00</b>	<b>4,901.05</b>	
	Less: Transfer to capital assets	0.27	0.10	0.01	0.48	0.01	0.48	0.01	
	<b>Net Total expenses</b>	<b>1,244.26</b>	<b>1,113.72</b>	<b>1,301.79</b>	<b>4,692.00</b>	<b>4,800.77</b>	<b>4,754.52</b>	<b>4,901.04</b>	
3	Profit from operations before other income, finance costs and exceptional items (1-2)	80.78	72.49	36.18	317.95	210.20	325.51	220.82	
4	Other income	0.45	1.71	0.12	3.37	8.37	3.37	1.75	
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	81.23	74.20	36.30	321.32	218.57	328.88	222.57	
6	Finance costs (net)								
	Interest (net) and other borrowing costs	21.11	25.84	16.38	83.77	65.42	83.59	65.18	
	Applicable net loss on foreign currency transactions and translation	7.20	10.35	5.52	67.79	84.67	67.79	84.67	
	<b>Total</b>	<b>28.31</b>	<b>36.19</b>	<b>21.90</b>	<b>151.56</b>	<b>150.09</b>	<b>151.38</b>	<b>149.85</b>	
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	52.92	38.01	14.40	169.76	68.48	177.50	72.72	
8	Exceptional items- Expense/(Income)	0.00	(43.15)	0.25	(43.15)	0.25	(43.15)	0.25	
9	Profit from ordinary activities before tax (7-8)	52.92	81.16	14.15	212.91	68.23	220.65	72.47	
10	Tax expense	16.04	13.14	4.95	55.93	20.37	57.10	23.06	
11	Net Profit from ordinary activities after tax (9-10)	36.88	68.02	9.20	156.98	47.86	163.55	49.41	
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-	
13	Net Profit for the period/year (11-12)	36.88	68.02	9.20	156.98	47.86	163.55	49.41	
14	Minority interest (profit)/loss	-	-	-	-	-	(0.76)	0.10	
15	Net Profit after taxes, minority interest (13+14)	36.88	68.02	9.20	156.98	47.86	162.79	49.51	
16	Paid-up equity share capital (Face value of the share ₹ 10 each)	38.50	38.50	38.50	38.50	38.50	38.50	38.50	
17	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year				725.96	598.42	820.77	691.31	
18	Earnings Per Share (EPS) (₹) (before and after extraordinary items) - Basic and Diluted (not annualised)	9.58	17.67	2.39	40.78	12.44	42.29	12.87	



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**AUDITED SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER REGULATION 33 OF THE LISTING REGULATIONS  
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2016**

(₹ in crore)

Particulars	Standalone					Consolidated	
	3 months ended			Financial year ended		Financial year ended	
	31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Audited	Un-audited	Audited	Audited	Audited	Audited	Audited
<b>Segment Revenue (net of excise duty)</b>							
Conductors	714.95	542.01	674.55	2,550.48	2,320.12	2,550.48	2,320.12
Transformer and Speciality Oils	415.22	434.77	487.33	1,770.57	2,115.22	1,840.64	2,251.01
Power/Telecom Cable	195.04	205.91	171.89	674.73	560.07	674.73	560.07
Others/Unallocated	5.59	7.11	5.80	28.39	23.38	28.39	23.38
<b>Total</b>	<b>1,330.80</b>	<b>1,189.80</b>	<b>1,339.57</b>	<b>5,024.17</b>	<b>5,018.79</b>	<b>5,094.24</b>	<b>5,154.58</b>
Less: Inter-Segment Revenue	5.76	3.59	1.60	14.22	7.82	14.22	32.72
<b>Net Sales/ Income from operations</b>	<b>1,325.04</b>	<b>1,186.21</b>	<b>1,337.97</b>	<b>5,009.95</b>	<b>5,010.97</b>	<b>5,080.02</b>	<b>5,121.86</b>
<b>Segment Results before finance costs and tax</b>							
Conductors	45.64	25.09	13.98	130.90	117.41	130.90	117.41
Transformer and Speciality Oils	36.97	41.38	20.31	187.20	98.08	194.76	102.08
Power/Telecom Cable	5.41	13.46	6.29	27.70	20.05	27.70	20.05
Others	0.66	0.59	0.50	2.27	2.08	2.27	2.08
<b>Total</b>	<b>88.68</b>	<b>80.52</b>	<b>41.08</b>	<b>348.07</b>	<b>237.62</b>	<b>355.63</b>	<b>241.62</b>
Less : Finance costs (net)	28.31	36.18	21.90	151.56	150.09	151.38	149.85
: Unallocable expenditure (net of income)	7.45	(36.82)	5.03	(16.40)	19.30	(16.40)	19.30
<b>Profit before tax</b>	<b>52.92</b>	<b>81.16</b>	<b>14.15</b>	<b>212.91</b>	<b>68.23</b>	<b>220.65</b>	<b>72.47</b>
<b>Capital Employed</b> (Segment Assets - Segment Liabilities)							
Conductors	517.82	506.06	319.48	517.82	319.48	517.82	319.48
Transformer and Speciality Oils	265.88	313.34	354.65	265.88	354.65	386.18	448.72
Power/Telecom Cable	209.48	279.19	297.88	209.48	297.88	209.48	297.88
Others/Unallocated	140.77	38.61	50.54	140.77	50.54	140.20	50.39
<b>Total</b>	<b>1,133.95</b>	<b>1,137.20</b>	<b>1,022.55</b>	<b>1,133.95</b>	<b>1,022.55</b>	<b>1,253.68</b>	<b>1,116.47</b>

Notes:-  
1) The above audited financial results were reviewed by the Audit Committee of Directors and approved by the Board of Directors at their meetings held on 25th May, 2016. The Statutory auditors have issued an unqualified audit opinion on the financial results. The audit report has been filed with the stock exchanges and is also available on the Company's website.

2) At the hearing held on 23rd October, 2015, the Honorable High Court of Gujarat at Judicature at Ahmedabad have sanctioned the Scheme of Amalgamation of Apar Lubricants Limited (ALL) (wholly-owned subsidiary of the Company) with Apar Industries Limited (AIL) w.e.f. 1st January, 2015 (being the appointed date). The effective date of the Scheme is 10th November, 2015, being the date on which Certified Copy of the High Court Order and the Scheme filed with Registrar of Companies, Gujarat.

Pursuant to the Scheme :

(i) The Authorised Share Capital of AIL enhanced by Rs 10 crore and now stands at Rs. 1,019,987,500 divided into 101,998,750 Equity Shares of Rs. 10 each;

(ii) The ALL stand dissolved without winding-up;

(iii) The Scheme has accordingly been given effect to in the financial statements with effect from the Appointed date. All the assets and liabilities excluding fixed assets of ALL have been transferred to the Company at the book value as recorded in books of Transferor Company. Fixed assets have been recorded at its estimated market value. The Company has followed 'Purchase Method' of accounting as per the Accounting Standard (AS) 14 'Accounting for Amalgamations' notified under Section 211 (3C) of the Companies Act, 1956 and as per the Scheme approved by the Honourable High Court of Gujarat.

The net loss Rs.0.00 crore of the Transferor Company from the appointed date i.e. 1st January, 2015 till 31st March, 2015 has been transferred to the surplus in Statement of profit and loss in the books of the Company, thereby adjusting opening reserves. This loss has been arrived at after charging amortisation of Goodwill of Rs 0.44 crore (net of tax) for the relevant period.

On Amalgamation, the Goodwill of Rs.13.42 crore, being the excess of investment made in ALL over the net assets of ALL has been accounted. Goodwill is being amortised over a period of five years. Accordingly, amortisation of Goodwill has been charged to the relevant periods; and

(iv) In view of amalgamation, current year figures are not strictly comparable to those of the previous year.

3) During the year, ALL Benefit Trust (beneficiary: Company) has sold entire 16,35,387 Equity shares for a average price of Rs 436 per share in the open market through stock exchanges, aggregating to consideration of Rs 71.30 crore. Profit of Rs 43.15 crore on the above sale of shares has been shown under exceptional items.

4) In line with Notification No G.S.R. 914(E) dated 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India in respect of 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, ₹ 3.13 crore (Previous year ₹ 4.76 crore) have been capitalised to Plant and machinery. The unamortised amount of such exchange differences, as on 31st March, 2015 is ₹ 12.08 crore (Previous year ₹ 10.58 crore).

5) The Board of Directors of the Company at its meeting held on 16th March, 2016 have declared an Interim Dividend @ Rs. 6.50 (65.00 %) (including Special Dividend @ Re. 1.00 (10.00 %) on account of 100th Birth Anniversary of late Shri Dharmsinh D. Desai, Founder of the Company) per Equity share for the financial year 2015 - 16. No final Dividend has been recommended by the Board and accordingly, the Interim Dividend declared and paid by the Company in March, 2016 is to be considered as Interim-cum-Final Dividend for the financial year 2015-16.

6) The figures for the last quarter are the balancing figures between audited figures in respect of the full financial year upto 31st March, 2016 and the unaudited published year to date figures upto 31st December, 2015 being the date of the end of the third quarter of the financial year, which were subjected to limited review by the statutory auditors.

7) Statement of assets and liabilities are as under :

**APAR INDUSTRIES LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES**

(₹ in crore)

Sr.No	Particulars	Standalone		Consolidated	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders' funds</b>				
	(a) Share capital	38.50	38.50	38.50	38.50
	(b) Reserves and surplus	725.96	598.42	820.77	691.31
	<b>Sub-total- Shareholders' funds</b>	<b>764.46</b>	<b>636.92</b>	<b>859.27</b>	<b>729.81</b>
<b>2</b>	<b>Minority interest</b>	-	-	1.71	1.21
<b>3</b>	<b>Non-current liabilities</b>				
	(a) Long-term borrowings	60.51	94.79	83.70	94.79
	(b) Deferred tax liabilities (net)	31.27	27.55	31.27	27.44
	(c) Other long-term liabilities	2.28	2.19	2.28	2.19
	(d) Long-term provisions	3.54	3.70	3.54	4.01
	<b>Sub-total- Non-current liabilities</b>	<b>97.60</b>	<b>128.23</b>	<b>120.79</b>	<b>128.43</b>
<b>4</b>	<b>Current liabilities</b>				
	(a) Short-term borrowings	263.80	386.67	263.80	386.67
	(b) Trade payables	1,399.03	1,561.15	1,405.51	1,573.01
	(c) Other current liabilities	122.08	120.39	139.10	121.03
	(d) Short-term provisions	0.85	15.69	2.39	15.76
	<b>Sub-total- Current liabilities</b>	<b>1,785.75</b>	<b>2,083.90</b>	<b>1,810.80</b>	<b>2,096.47</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>2,647.82</b>	<b>2,849.05</b>	<b>2,792.57</b>	<b>2,955.92</b>
<b>B</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	(a) Fixed assets	408.34	382.10	443.89	383.08
	(b) Goodwill on amalgamation	10.08	-	10.08	-
	(c) Goodwill on consolidation	-	-	-	21.72
	(d) Non-current investments	0.26	29.93	-	-
	(e) Long-term loans and advances	45.66	43.34	76.55	44.79
	<b>Sub-total-Non- current assets</b>	<b>464.34</b>	<b>455.38</b>	<b>530.52</b>	<b>449.59</b>
<b>2</b>	<b>Current assets</b>				
	(a) Current investments	109.07	0.72	109.07	5.26
	(b) Inventories	764.59	929.39	774.89	944.25
	(c) Trade receivables	1,071.60	1,239.17	1,088.84	1,267.00
	(d) Cash and cash equivalents	89.45	37.76	136.96	100.47
	(e) Short-term loans and advances	143.65	148.02	147.17	150.73
	(f) Other current assets	5.12	38.62	5.12	38.62
	<b>Sub-total-Current assets</b>	<b>2,183.48</b>	<b>2,393.68</b>	<b>2,262.05</b>	<b>2,506.33</b>
	<b>TOTAL - ASSETS</b>	<b>2,647.82</b>	<b>2,849.05</b>	<b>2,792.57</b>	<b>2,955.92</b>

8) The financial results of the Company are being forwarded to the Stock Exchanges (BSE and NSE) for uploading on their respective websites and the same are also made available on the Company's website viz., www.apar.com.

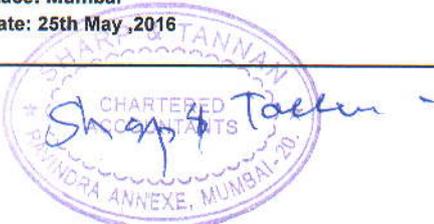
9) During the period under review, the Company has appointed Link Intime India Private Limited as Registrar and Transfer Agent in place of MCS Share Transfer Services Private Limited, w.e.f. 3rd March, 2016.

10) Figures for previous periods / year have been regrouped, wherever necessary.

For Apar Industries Limited

(Kushal N. Desai)  
Managing Director  
DIN : 00008084

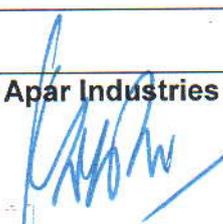
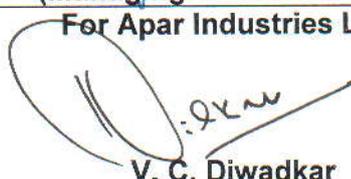
Place: Mumbai  
Date: 25th May, 2016



**FORM A**

(For Audit Report with unmodified opinion)

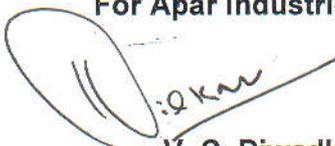
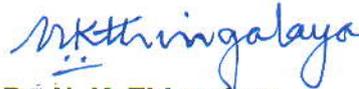
**REGULATION 33(3)(d) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

1.	Name of the Company	:	Apar Industries Limited Scrip Code / Symbol : BSE - 532259 NSE - APARINDS
2.	Annual Financial Statements for the year ended	:	31 <sup>st</sup> March, 2016 (2015 - 2016) (Standalone)
3.	Type of Audit Observation	:	Unmodified
4.	Frequency of Observation	:	Not Applicable
5.	To be signed by	:	
	CEO / Managing Director	:	For Apar Industries Ltd.  Kushal N. Desai (Managing Director & CEO)
	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.  Dr. N. K. Thingalaya (Chairman - Audit Committee)

**FORM A**

(For Audit Report with unmodified opinion)

**REGULATION 33(3)(d) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

1.	Name of the Company	:	Apar Industries Limited Scrip Code / Symbol : BSE – 532259 NSE – APARINDS
2.	Annual Financial Statements for the year ended	:	31 <sup>st</sup> March, 2016 (2015 - 2016) (Consolidated)
3.	Type of Audit Observation	:	Unmodified
4.	Frequency of Observation	:	Not Applicable
5.	To be signed by	:	
	CEO / Managing Director	:	For Apar Industries Ltd.  Kushal N. Desai (Managing Director & CEO)
	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.  Dr. N. K. Thingalaya (Chairman – Audit Committee)



**INDEPENDENT AUDITOR'S REPORT**  
**To the Members of Apar Industries Limited**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Apar Industries Limited** (the 'Company'), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that gives 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 reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;



(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 31 of the financial statements);
- (2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (3) there has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.



SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

MILIND P. PHADKE  
Partner

Membership No. 033013

Mumbai, 25<sup>th</sup> May, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) 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. The discrepancies noticed on such verification, which were not material, have been properly dealt with in the books of account.
- (iii) According to the information and explanations give to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us and the records examined by us, the Company has not accepted deposits during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account and records maintained by the Company specified by the Central Government for the maintenance of cost records under Section 148(1) of the Act 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.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, to 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 became payable.
- (b) According to the information and explanations given to us and the records examined by us, the particulars of income tax, sales tax, service tax, duty of customs, duty of excise, and value added tax as at 31<sup>st</sup> March, 2016 which have not been deposited on account of a dispute pending, are as under:



Name of the Statute	Nature of the disputed dues	Amount Rs. 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	0.13	1998-99 2001-02 2003-04 2004-05 2010-11	Commercial Tax Officer
		0.09	2011-12 to 2013-14	Deputy Commissioner
		6.69	2002-03 to 2004-05 2006-07 2007-08 2009-10 2011-12	Commissioner VAT
		5.34	1998-89 2006-07 2008-09	Tribunal
		0.15	2009-10	High Court
The Central Excise Act, 1944, the Customs Act, 1962 and Service Tax under the Finance Act, 1994	Duty, Service Tax, Interest and Penalty	1.77	2004-05 to 2011-12	Commissionerate (Appeals)
		4.19	1997-98 to 2000-01 2004-05 to 2009-10  2011-12 to 2012-13	CESTAT/Tribunal
		2.46	1993-94 1998-89 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)



LETTER NO: \_\_\_\_\_

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from Government. The Company has not issued any debentures.
- (ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, on an overall basis, the term loans were applied for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, compliance with the provisions of Section 192 of the Act is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

MILIND P. PHADKE  
Partner  
Membership No.033013

Mumbai, 25th May, 2016

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

(Referred to in paragraph 2(f) of our report of even date)

We have audited the internal financial controls over financial reporting of **Apar Industries Limited** (the 'Company') as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

**Auditors' Responsibility**

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

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

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



**Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.



Mumbai, 25<sup>th</sup> May, 2016

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

MILIND P. PHADKE  
Partner  
Membership No. 033013



**INDEPENDENT AUDITORS' REPORT**  
**To the Members of Apar Industries Limited**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Apar Industries Limited** (the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary constitute the 'Group'), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, 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').

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the 'Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.

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Ramnath D. Kare  
Thirtharaj A. Khot

Ashwin B. Chopra  
Pavan K. Aggarwal

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs.151.49 crore as at 31st March, 2016, total revenues of Rs. 87.15 crore and net cash outflows amounting to Rs. 14.63 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms Section 143(11) (3) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

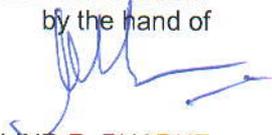


- (e) on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'**; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- 1) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 29 of the consolidated financial statements);
  - 2) the Group did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
  - 3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.



Mumbai, 25<sup>th</sup> May, 2016

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No.109982W  
by the hand of

  
MILIND P. PHADKE  
Partner  
Membership No.033013

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

(Referred to in paragraph 1(f) of our report of even date)

We have audited the internal financial controls over financial reporting of **Apar Industries Limited** (the 'Company') as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

The Holding Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

**Auditors' Responsibility**

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

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

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



**Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

**Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.



Mumbai, 25<sup>th</sup> May, 2016

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

MILIND P. PHADKE  
Partner

Membership No. 033013