

36th

A

ANNUAL

REPORT

2009-2010

APM INDUSTRIES LIMITED

APM INDUSTRIES LIMITED

BOARD OF DIRECTORS

R K RAJGARHIA
Chairman & Managing Director

R L TOSHNIWAL

K R GUPTA

S G RAJGARHIA

R R BAGRI

H R SHARMA
Executive Director

AUDITORS

Chaturvedi & Co.

BANKERS

Punjab National Bank
State Bank of Bikaner & Jaipur

HEAD OFFICE

2-Brabourne Road
Kolkata - 700 001

CORPORATE OFFICE

910, Chiranjiv Tower,
43, Nehru Place,
New Delhi - 110 019

COMPANY SECRETARY

F C GOEL

REGISTERED OFFICE & WORKS

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

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 36th Annual General Meeting of the Members of APM Industries Limited will be held on **Saturday, the 25th day of September, 2010 at 11.30 A.M.**, at the Registered Office & Works of the Company at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri K R Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Chaturvedi & Co., Chartered Accountants, who are eligible for re-appointment as Auditors of the Company and to fix their remuneration.

Registered Office: By Order of the Board
SP-147, RIICO Industrial Area,
Bhiwadi, Dist. Alwar (Rajasthan)

New Delhi
August 3, 2010

F C GOEL
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from **September 20, 2010 (Monday) to September 22, 2010 (Wednesday)** (both days inclusive).
3. Pursuant to Section 205C by the Companies (Amendment) Act, 1999 the Company has already transferred all unclaimed dividends upto the Financial Year 2001 – 2002 to the General Revenue Account of the Central Government and the amount of dividend for the financial year ended 31st March, 2003 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government on due dates.

Members, who have not encashed the dividend warrants, so far for the financial year ended 31st March, 2003 or any subsequent financial years are requested to make their claims. **It may also be noted that once the unclaimed dividend is transferred to the Government, no claims shall lie in respect of such amount.**
4. The Company's share capital had been dematerialized under ISIN "INE170D01017", with both the Depository i.e. NSDL and CDSL. Shareholders who have not been dematerialized their shares may opt the same accordingly.

Details of the Director seeking reappointment in the forthcoming Annual General Meeting.

BRIEF RESUME OF DIRECTOR OFFERING FOR REAPPOINTMENT

Name of the Director : Shri K R Gupta
Date of Birth : 05.05.1934
Date of appointment : 20.11.1992
Qualification : M.Com
Expertise in specific functional area : Shri K R Gupta is associated with the company since 1992. After having worked in the Income Tax Department for about 35 years in various capacities, he retired as Member, Central Board of Direct Tax, New Delhi. Presently, he is working as a Tax Consultant.

List of other Directorship held : Sterling Tools Limited

Chairman/member of the Committee of the Board of Directors of the Company : - Audit Committee – Chairman.
Share holder/Investors Grievance Committee – Chairman.
- Remuneration Committee – Chairman.

Chairman/member of the committee of Directors of other companies : Sterling Tools Limited :-
- Audit Committee – Chairman.
- Remuneration Committee – Chairman.
- Share holder/Investors Grievance Committee – Member.

Registered Office: By Order of the Board
SP-147, RIICO Industrial Area,
Bhiwadi, Dist. Alwar (Rajasthan)

New Delhi
August 3, 2010

F C GOEL
Company Secretary

APM INDUSTRIES LIMITED

DIRECTORS' REPORT

TOTHE MEMBERS

Your Directors have pleasure in presenting the 36th Annual Report and Audited Accounts for the year ended on March 31, 2010.

FINANCIAL RESULTS

	(Rs. In lacs)	
	2009-2010	2008-2009
Gross Sales	19686	18399
Profit before depreciation and tax	1420	599
Less: Depreciation	455	439
Profit before income tax	965	160
Less: Income Tax	305	54
Net profit for the year	660	106
Add: Balance brought forward from the previous year	2717	2611
Amount available for appropriation	3377	2717
Appropriations:-		
• General reserve	1115	-
• Balance carried forward to Balance Sheet	2262	2717
	3377	2717

OPERATIONS

The performance of the company continues to be satisfactory. The net profit registered an increase of 523 percentage from Rs.106 lacs to Rs.660 lacs while the turnover grew by 7 percentage from Rs.18,399 lacs to Rs.19,686 lacs. The main contributors to the increase of profits was the product mix and a favourable market.

The earnings per share increased from Rs.2.46 to Rs.15.26 over the previous year

EXPORTS

Your Company's export turnover decreased marginally from previous year, from Rs.1996 Lacs to Rs.1970 Lacs.

EXPANSION AND MODERNIZATION

The Company continues to modernize its Plant and Machinery under Technology Upgradation Fund Scheme (TUFS). The company proposes to install some balancing equipments which would help manufacture more value added products. The total capacity of the company as on 31.03.2010 is 50336 spindles.

PROSPECTS

The Company expects to improve both sales and profitability in the current year as a result of expansion-cum-modernization programme and better market conditions.

DIVIDEND

In view of the need to conserve financial resources, no dividend has been recommended by the Board of Directors.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

The prescribed details as required under 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, are annexed as **Annexure – I** to this Report.

PARTICULARS OF EMPLOYEES

During the year under report, the relations between the company's management and its staff/workers continued to remain cordial. The Directors place on record their deep appreciation of the devoted services of the workers, staffs and executives.

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended), the particulars of employees of the company who were in receipt of remuneration of Rs.2,00,000/- (Rupees Two Lacs only) per month or more are annexed as **Annexure – II** to this Report.

DIRECTORS

Shri K R Gupta, retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment. A brief resume is given in the Notice to the Annual General Meeting. Your Directors recommend his re-appointment at the ensuing Annual General Meeting in the overall interest of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, your Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and Notes to the Accounts are self explanatory.
2. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That they have prepared the annual accounts on a going concern basis

AUDIT COMMITTEE

The Audit Committee meets at due intervals to conduct the required business. At present the committee comprises of Shri K R Gupta (Chairman) and Shri R R Bagri (Member) as independent Directors and Shri S G Rajgarhia (Member) as Non Executive Director.

The composition, role, functions and powers of the Audit Committee are in accordance with the applicable laws and the listing agreements with the Stock Exchange.

AUDITORS

M/s Chaturvedi & Co., Chartered Accountants, the auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A certificate under section 224(1B) of the Companies Act, 1956 confirming their eligibility has been obtained from them. Your Directors recommend that they be reappointed by the members at the 36th Annual General Meeting.

AUDITORS REPORT

The Auditors' Report read with notes to the financial statements is self-explanatory and does not call for any further explanations by the Board.

CORPORATE GOVERNANCE

A separate report on Corporate Governance and a certificate from the Auditors of the company regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges are annexed as **Annexure – III** to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis on the matters relating to the business performance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement in the Annual Report.

APPRECIATION

Your Directors gratefully acknowledge the whole hearted support given by the customers, suppliers, shareholders, employees, governments, financial institutions, banks, and we look forward to their continued cooperation and best wishes in our endeavour to steer your company towards greater heights.

For and on behalf of the Board

New Delhi
August 3, 2010

R K RAJGARHIA
Chairman & Managing Director

ANNEXURE – I TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

Energy Conservation Measures taken:

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

1. Replacement of 23 Nos. Ring Frame Motors of 22 MW with energy efficient Motors.
2. Installation of 4 Nos. Invertors in Hydro Extractors at Dye House, resulting which save of energy.
3. Replacement of 25 Nos. 11 KW Motors in Humidity Plant by energy efficient Motors.
4. Replacement of 7 Nos. 15 KW Motors in Humidity Plant with energy efficient Motors.
5. Installation of Electro Pneumatic energy efficient compressors of 1000 CFM.
6. Automation in Fuel Feeding System of 5 Tons Capacitor Boiler, which resulted reduction in fuel consumption & electricity.

7. Replacement of 2 Nos. 7.5 HP Pump by 1 No. 10 HP Pump in Autoclave.

8. Replacement of 2 Nos. 30 HP Submersible Pumps by 2 Nos 15 HP energy efficient Submersible pump

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans have been discussed under the head 'Exports' in Director's Report.

The information in respect of Foreign Exchange earning and outgo is contained in item 12 (f) & (g) in Schedule – 18 annexed to the Balance Sheet.

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

A	Unit	2009-2010	2008-2009
POWER AND FUEL CONSUMPTION			
1 Electricity			
Purchased unit	Unit in lacs	422.93	440.78
Total amount	Rs. In lacs	1835.51	1844.57
Rate	Rs./Unit	4.34	4.18
2 Own Generation			
a) Through Diesel Generator	Unit in lacs	9.40	0.99
Unit per Litre of Diesel	Unit	3.68	3.29
Cost	Rs./Unit	8.82	9.44
b) Through HFO Generator	Unit in lacs	31.39	6.33
Unit per Litre of Diesel/HFO	Unit	3.95	3.83
Cost	Rs./Unit	5.93	4.49
3 Coal (Grade B, C, D & E)/Petcock			
Quantity	MT	2201.39	2284.83
Total cost	Rs. in lacs	154.63	174.74
Average rate	Rs./MT	7024.11	7647.65
4 Diesel			
Quantity	Ltrs. In lacs	2.88	0.67
Total cost	Rs. In lacs	89.93	20.27
Average rate	Rs./Ltr.	31.18	30.42
5 Furnace Oil			
Quantity	Ltrs. In lacs	7.61	1.29
Total cost	Rs. In lacs	171.02	24.58
Average rate	Rs./Ltr.	22.44	19.04
B. CONSUMPTION PER UNIT OF PRODUCTION*			
1 Electricity		326.00	337.00
2 Coal B, C, D & E Grade/Pet coke		15.49	17.17
* Production unit, per 100 kgs.			

FORM 'B'
RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

A. Research & Development:

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

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

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

Product improvement, cost reduction and improvement in customer satisfaction.

• **Future course of action:**

To develop new varieties and shades as per market requirements.

• **Expenditure on R&D:**

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

B. Technology Absorption, Adaptation and Innovation:

• **Efforts made:**

The indigenous technology available is continuously being upgraded.

• **Benefit derived:**

Improvement in the overall performance of the Company.

• **Particulars of imported technology:**

Not applicable

For and on behalf of the Board

New Delhi
August 3, 2010

R K RAJGARHIA
Chairman & Managing Director

APM INDUSTRIES LIMITED

ANNEXURE – II TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956

Name	Age	Remuneration (Rs.)	Designation/Nature of duties	Qualification & experience	Date of commencement of employment	Last employment
R.K. Rajgarhia	72	36,67,452	Chairman & Managing Director, Overall Management	B.Com 50 years	01.08.1994	N.A.

NOTES : 1. Remuneration as above includes salary, commission, allowances, monetary value of perquisites etc.
2. Shri R K Rajgarhia is related to Shri S G Rajgarhia, a Director of the company.

ANNEXURE – III TO DIRECTORS' REPORT

CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance

The Company strongly believes in fair, efficient and transparent business operations, fairness to all stakeholders in the Company, proper disclosure of relevant financial and non-financial information and enhancing shareholder value on a continuing basis.

2. Board of Directors

As on March 31, 2010, the Board is comprised of 6 Members. The composition of the Board of Directors meets with the requirements of Listing Agreement. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors.

During the year 2009 – 10 five Board meetings were held on 26.05.2009, 31.07.2009, 17.09.2009, 31.10.2009, 28.01.2010.

The composition of the Board of Directors and the attendance at the Board meeting during the year are as under: -

Sl. No.	Name of the Directors	Category of Directors	No. of Board Meetings		No. of Director Ships in other public companies	Committee		Last AGM Attended
			Held	Attended		Member-Ships	Chairman-Ships	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Shri R K Rajgarhia	Chairman & Managing Director	5	5	4	-	1	Yes
2	Shri R L Toshniwal	Non Executive & Independent	5	1	3	1	-	No
3	Shri K R Gupta	Non Executive & Independent	5	5	1	1	5	Yes
4	Shri S G Rajgarhia	Non Executive	5	5	4	1	-	Yes
5	Shri R R Bagri	Non Executive & Independent	5	5	4	4	-	Yes
6	Shri H R Sharma	Executive	5	5	-	1	-	Yes

The non-executive directors, except Shri S G Rajgarhia do not have any material pecuniary relationship with the company. Shri S G Rajgarhia's pecuniary relationship to the company is limited to the extent of his shareholding in it and the sitting fees received by him. He may also be deemed to have some pecuniary interest with respect to transactions of sale and purchase of materials with the Companies in which he is a director, brief details of which are disclosed in the notes to the financial statements under the head "related party disclosures" under Schedule 18 of the Annual Report.

Shareholding of non-executive directors in the company as on the date of report is:

Name of the Director	No. of shares	Percentage
Shri S G Rajgarhia	114770	2.66

3. Audit Committee

The broad terms of reference of the Audit Committee are:-

- to review the unaudited financial results and the internal audit reports
- to suggest internal control measures after discussion with the internal auditors
- to oversee their implementation
- to review financial statements with the management
- to recommend appointment of auditors and
- other matters as provided in the clause 49 of the listing agreement.

The scope and activities of the audit committee include the areas prescribed under clause 49 II (D) of the listing agreement with the Stock Exchanges. The audit committee has been granted powers as prescribed under the clause 49 II (C).

During the year 2009 – 10 four Audit Committee meetings were held on 26.05.2009, 31.07.2009, 31.10.2009, 28.01.2010.

The constitution of the committee and the attendance of the members are as under:-

Sl.No.	Name	Category	No. of Meetings	
			Held	Attended
1	Shri K R Gupta	Non Executive & Independent	4	4
2	Shri S G Rajgarhia	Non Executive	4	4
3	Shri R R Bagri	Non Executive & Independent	4	4

Shri K R Gupta, is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee. The meetings were also attended by the representatives of Statutory and Internal Auditors.

4. Remuneration Committee

The remuneration committee was constituted in the year 2008 comprising of Shri K R Gupta (Chairman), Shri R R Bagri and Shri R L Toshniwal, all being independent and non-executive directors. During the year 2009 – 2010, the committee met once on 31.07.2009 to approve the remuneration of Shri R K Rajgarhia.

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

The details of remuneration paid to Chairman & Managing Director and Executive Director during 2009 – 2010 are as under.

Sl. No.	Name of the Directors	Salary	Perquisites and other benefits	Total
1	Shri R K Rajgarhia	26,30,199	10,37,253	36,67,452
2	Shri H R Sharma	15,08,280	99,094	16,07,374

The details of sitting fee paid to the other Directors during 2009 – 2010 are as under :-

Sl. No.	Name of the Directors	Sitting Fee	Total
1	Shri R L Toshniwal	10,000	10,000
2	Shri K R Gupta	95,000	95,000
3	Shri S G Rajgarhia	80,000	80,000
4	Shri R R Bagri	95,000	95,000

5. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee of Directors is headed by Shri K R Gupta, Non-Executive & Independent Director. The other members of the Committee are Shri R R Bagri and Shri H R Sharma.

Name, designation and address of Compliance Officer.

Shri V K Singhal
 Dy. Company Secretary
 APM Industries Limited
 910 – Chiranjiv Tower
 43 – Nehru Place
 New Delhi – 110 019
 Ph No. 011-26441022
 Fax No.011-26441018

9 Shareholders' complaints were received during the year 2009 – 2010 and all of them have been resolved.

There were no pending share transfers as on 31.03.2010.

6. General Body Meeting's

Location and time, where last three Annual General Meetings were held and particulars of special resolution, if any are as under.

Year	Location	Date	Time
2009	SP-147 RIICO Industrial Area,	26.09.2009	11.30 A.M.
2008	Bhiwadi	30.09.2008	11.30 A.M.
2007	Dist. Alwar (Rajasthan)	29.09.2007	11.30 A.M.

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

7. Code of Conduct

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

8. CEO/CFO Certification

Shri R K Rajgarhia, Chairman & Managing Director and Shri H R Sharma, Executive Director have given the above certificate pertaining to financial year 2009 – 10 to the Board of Directors which was taken note of at the Board meeting.

9. Disclosures

- There are no materially significant related party transactions, which may have potential conflict with the interests of the Company at large.
- The company's financial statements are prepared as per the Accounting Standards and the accounting principles generally accepted in India.
- The risk assessment and minimization is an on going process within the company. The company has laid down the procedures to inform Board members about the risk assessment and minimization procedures. The audit committee/board reviews the risk assessment and control process in the company periodically.
- The company has not raised any money through Public Issue, Rights Issue or Preferential Issue etc.
- There have been no penalties/strictures imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority for non-compliance of any matter relating to capital markets, during the last three years.
- There is no pecuniary relationship or transaction with the Non-Executive independent Directors.
- The management discussion and analysis report is given as a separate statement in the Annual Reports and forms part of the Directors Report.

10. Compliance with mandatory/Non-mandatory Requirements

The company has complied with all the applicable mandatory requirements given in the listing agreement.

11. Means of Communication

The quarterly Financial Statements are normally published in Financial Express (Delhi Edition) and Seema Sandesh (Jaipur Edition).

12. General Shareholder Information

A. Annual General Meeting: -

Date : September 25, 2010 (Saturday)
 Time : 11.30 A.M.
 Venue : SP - 147 RIICO Industrial Area, Bhiwadi Dist. Alwar (Rajasthan)

APM INDUSTRIES LIMITED

B. Financial Calendar for 2010-11

Adoption of Quarterly Results Ended	In the Month of
30 th June, 2010	August 15, 2010
30 th September, 2010	November 15, 2010
31 st December, 2010	February 15, 2011
31 st March, 2011 (Audited Annual Accounts)	May 15, 2011 (May 30, 2011)

C. Date of Book Closure

From **September 20, 2010** to **September 22, 2010** (both days inclusive).

D. Listing on Stock Exchange at: -

Bombay Stock Exchange Limited
Scrip Code 523537
The Listing fees for the year 2010 – 2011 have been paid to the above Stock Exchange.
Demat ISIN No. in NSDL and CDSL for equity shares INE-170D01017

E. Shareholding Pattern of the Company as on 31st March, 2010.

Category	No. of Shares held	%age of share-holding
a) Promoters/persons acting in concern	2707532	62.64
b) Banks, Financial Institutions, Insurance Companies	250	0.01
c) NRIs/OCBs	4479	0.10
d) Other Corporate bodies	216801	5.02
e) Indian Public	1393210	32.23
Total	4322272	100.00

F. Distribution of shareholding as on 31st March, 2010.

Range No. of shares	Shareholders		Shares	
	Number	% to Total Holders	Number	% to Total Capital
Upto 500	10476	96.80	750449	17.36
501 1000	180	1.67	146167	3.38
1001 2000	70	0.65	108821	2.52
2001 3000	27	0.25	66385	1.54
3001 4000	8	0.07	28805	0.67
4001 5000	8	0.07	37421	0.87
5001 10000	13	0.12	97293	2.25
10001 And above	40	0.37	3086931	71.41
Total	10822	100.00	4322272	100.00

G. Share Transfer System

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

H. Dematerialization of shares

The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

I. Share Dematerialized record

The following data indicates the extent of dematerialization of Company's shares as on 31st March, 2010.

No. of shares dematerialized 1806101 41.79% of the total share capital
No. of shareholders in D-mat Form 3221 29.76% of the total No. of shareholders

J. Market Share Price Data (Rs.)

Month		Bombay Stock Exchange Limited	
		High	Low
April	2009	12.90	9.06
May	2009	19.10	11.80
June	2009	21.15	16.25
July	2009	21.95	15.30
August	2009	24.30	19.40
September	2009	26.40	19.90
October	2009	28.95	20.35
November	2009	34.50	23.00
December	2009	45.60	22.70
January	2010	51.60	37.10
February	2010	51.55	33.10
March	2010	54.30	40.00

K. Registered Office and Plant Location of the Company

APM Industries Limited
SP-147 RIICO Industrial Area
Bhiwadi
Dist. Alwar (Rajasthan) – 301 019
Tel. : 01493 – 220433
Fax : 01493 – 220228
Email : os.bhiwadi@orient syntex.com

L. Investors Correspondence

Shareholders can make correspondence at the following addresses both for Demat and Physical transfer work and other grievances, if any:

1. Corporate office

APM Industries Limited
910 – Chiranjiv Tower
43 – Nehru Place
New Delhi – 110 019
Tel : 011 – 26441015 – 17
Fax : 011 – 26441018
E-mail : orientapm@bol.net.in
os.delhi@orient syntex.com

2. Registrars and Share Transfer Agent

M/s Skyline Financial Services Pvt. Limited
246, 1st Floor
Sant Nagar, East of Kailash
New Delhi – 110 065
Tel : 011 – 26292682 – 83
Fax : 011 – 26292681
E-mail : admin@skylinerta.com

AUDITORS' CERTIFICATE

To

The Shareholders of
APM Industries Limited

We have examined the compliance of conditions of Corporate Governance by APM Industries Limited for the year ended March 31, 2010, as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

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

For Chaturvedi & Co.
Chartered Accountants
Registration No. : 302137E

(Pankaj Chaturvedi)
Partner
Membership No. 091239

New Delhi
August 3, 2010

APM INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

The core business of the Company is manufacturing and marketing of synthetic blended yarn. The management discussion and analysis is given below:

a) **Industry structure and development**

Large numbers of textile manufacturers in India have expanded their production capacity due to Technology Upgradation Fund Scheme (TUFS), which allowed interest subsidy. With the growth in the domestic market, thus capacity expansion has started paying yield. The world economy has also shown initial indications of recovery and with the Rupee once again becoming attractive; the Indian Industry has started looking up and is full of enthusiasm in expectation of increased profitability.

Textile is the 2nd largest employment generating industry in the country. Therefore, the Government is continuously extending support for growth of this segment.

b) **Opportunities, threats/risks and concerns**

The stable political climate, trade friendly economic laws and growing economy of India inspires consumer confidence in the market. Comparatively low cost of labour in India and other Asian countries should attract more and more textile business from developed countries to this region. Also, the availability of dyed viscose in the country enables the industry to offer more varieties of the products.

The threats to the Industry are fluctuation in foreign exchange rates, unpredictable demand and supply of textile products, change in the Government Regulations, volatile crude oil and coal prices, non-availability of trained manpower.

c) **Segment-wise performance**

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

d) **Outlook**

The company continues to concentrate on modernization-cum-balancing of equipments. This would result in higher production and help in producing more value added products. Coupled with expected better market condition, this would increase the sales and profitability of the company.

e) **Internal control system**

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

f) **Discussion on financial performance with respect to operating performance**

The operating performance of the Company has been discussed in Directors Report under the head Financial Results, Operations and Prospects.

g) **Developments in human resources and industrial relations**

Your Company's progress is a reflection and outcome of the human resources it has. Your company has fostered a culture of ownership, accountability and self evaluation that encourages employees to continuously improve on their efficiency. The industrial relations remained cordial thought the year.

h) **Cautionary Statement**

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

For and on behalf of the Board

New Delhi
August 3, 2010

R K RAJGARHIA
Chairman & Managing Director

AUDITORS' REPORT

**To The Members of
APM INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of **APM INDUSTRIES LIMITED**, as at March 31, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR CHATURVEDI & CO.
Chartered Accountants
Registration No. 302137E
(PANKAJ CHATURVEDI)
Partner
Membership No. 091239

New Delhi
May 26, 2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. A major portion of the fixed assets has been physically verified by the management during the year pursuant to a programme for physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
- ii.
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account.
- iii.
 - a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of the clause (iii) (b), (iii)(c) and (iii)(d) Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
 - b. The Company has taken unsecured loan from two directors and three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 76,346,741 and year end balance was Rs. 21,585,000.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest of loans taken is not prima facie prejudicial to the interest of the Company.
 - d. The Company is regular in repaying the principal amount and interest thereon, wherever stipulated/ on demand.

- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weaknesses in internal control system of the Company.
- v.
 - a. In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b. In our opinion according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under. No order against the Company 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.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we are neither required to nor have we carried out any detailed examination of such accounts and records.
- ix.
 - a. According to the information and explanations given to us, the Company is regular in depositing with the appropriate authorities 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 applicable to it.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears as at March 31, 2010 for a period of more than six months from the date they became payable.
 - c. According to information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute excepting those mentioned hereunder:

S. No	Name of the Statute	Nature of Dues	Amount in Rs.	Forum where dispute is pending
1.	Entry Tax, Rajasthan	Entry Tax	7,147,807	Rajasthan High Court.
- x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xi. In our opinion and according to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date. The Company has not issued any debentures.
- xii. In our opinion and 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.
- xiii. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 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. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. In our opinion, and according to the information and explanations given to us, term loans have been applied for the purposes for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on a short-term basis have been used for long-term investment.
- 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 Act during the year. Accordingly, the provisions of clause 4 (xviii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

New Delhi
May 26, 2010

FOR CHATURVEDI & CO.
Chartered Accountants
Registration No. 302137E
(PANKAJ CHATURVEDI)
Partner
Membership No. 091239

APM INDUSTRIES LIMITED

BALANCE SHEET

AS AT MARCH 31, 2010

Particulars	Schedule Nos.	As At		As At	
		Rs.	March 31, 2010 Rs.	Rs.	March 31, 2009 Rs.
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	43,222,720		43,222,720	
Reserves and Surplus	2	<u>1,099,952,899</u>	1,143,175,619	<u>1,044,973,680</u>	1,088,196,400
LOAN FUNDS					
Secured Loans	3	570,338,811		569,333,782	
Unsecured Loans	4	<u>30,085,000</u>	600,423,811	<u>70,846,741</u>	640,180,523
DEFERRED TAX LIABILITY (NET)					
(Refer Note 7 of Schedule 18)			66,951,000		44,405,000
			<u>1,810,550,430</u>		<u>1,772,781,923</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5	1,933,525,995		1,895,121,134	
Less : Depreciation		<u>660,341,119</u>		<u>617,329,446</u>	
Net Block		1,273,184,876		1,277,791,688	
Add : Capital Work-in-progress		<u>7,892,580</u>	1,281,077,456	-	1,277,791,688
INVESTMENTS					
	6		17,597,416		17,597,416
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	7	266,337,762		230,254,218	
Sundry Debtors		212,460,717		190,733,707	
Cash and Bank Balances		6,977,338		6,378,570	
Other Current Assets		17,688,561		9,014,856	
Loans & Advances		<u>132,600,423</u>		<u>137,135,910</u>	
		<u>636,064,801</u>		<u>573,517,261</u>	
LESS: CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	8	105,673,152		78,104,176	
Provisions		<u>18,516,091</u>		<u>18,020,266</u>	
		<u>124,189,243</u>		<u>96,124,442</u>	
NET CURRENT ASSETS					
			511,875,558		477,392,819
			<u>1,810,550,430</u>		<u>1,772,781,923</u>
ACCOUNTING POLICIES					
	17				
NOTES TO ACCOUNTS					
	18				

As per our report of even date annexed

for and on behalf of the Board

For CHATURVEDI & CO.

FRN : 302137E

Chartered Accountants

(PANKAJ CHATURVEDI)

Partner

Membership No. 091239

F C GOEL

Company Secretary

H R SHARMA

Executive Director

K R GUPTA

Director

R K RAJGARHIA

Chairman & Managing Director

Place : New Delhi

Date : May 26, 2010

APM INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT				
FOR THE YEAR ENDED MARCH 31, 2010				
Particulars	Schedule Nos	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.	
INCOME				
Sales	9	1,968,629,106	1,839,940,822	
Less: Excise Duty		<u>7,884,536</u>	<u>10,976,338</u>	
Net Sales		1,960,744,570	1,828,964,484	
Other Income	10	3,638,236	12,394,652	
Increase / (Decrease) in stocks	11	<u>(2,745,507)</u>	<u>(63,443,253)</u>	
		<u>1,961,637,299</u>	<u>1,777,915,883</u>	
EXPENDITURE				
Raw material consumed	12	1,243,840,396	1,168,784,393	
Manufacturing and operating expenses	13	311,841,892	274,923,761	
Personnel expenses	14	171,450,642	164,320,645	
Financial expenses	15	40,809,341	50,130,994	
Administrative and selling expenses	16	51,627,820	59,828,749	
Depreciation- Gross	56,515,806		52,855,950	
Less: Charged to Revaluation Reserve	<u>10,990,646</u>	<u>45,525,160</u>	<u>8,992,346</u>	<u>43,863,604</u>
		<u>1,865,095,251</u>	<u>1,761,852,146</u>	
PROFIT BEFORE TAXATION				
		96,542,048	16,063,737	
Provision for Taxation				
- Current Tax		16,400,000	1,800,000	
- Deferred Tax		22,546,000	3,068,034	
- Fringe Benefit Tax		-	539,342	
- Wealth Tax		14,560	14,300	
- Income Tax related to earlier years		(3,388,377)	-	
MAT Credit Entitlement		<u>(5,000,000)</u>	<u>-</u>	
PROFIT AFTER TAXATION				
		65,969,865	10,642,061	
Balance brought forward		<u>271,699,827</u>	<u>261,057,766</u>	
Balance available for Appropriation		<u>337,669,692</u>	<u>271,699,827</u>	
APPROPRIATION				
Transfer to General Reserve		111,464,418	-	
Balance Carried to Balance Sheet		<u>226,205,274</u>	<u>271,699,827</u>	
		<u>337,669,692</u>	<u>271,699,827</u>	
Earning Per Share (In Rs.)		15.26	2.46	
Basic and diluted				
ACCOUNTING POLICIES				
	17			
NOTES TO ACCOUNTS				
	18			
As per our report of even date annexed		for and on behalf of the Board		
For CHATURVEDI & CO.				
FRN : 302137E				
Chartered Accountants				
(PANKAJ CHATURVEDI) Partner Membership No. 091239	F C GOEL Company Secretary	H R SHARMA Executive Director	K R GUPTA Director	R K RAJGARHIA Chairman & Managing Director
Place : New Delhi				
Date : May 26, 2010				

APM INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET				
	As at March 31, 2010 Rs.		As at March 31, 2009 Rs.	
<u>SCHEDULE 1 : SHARE CAPITAL</u>				
Authorised				
70,00,000 Equity Shares of Rs. 10/- each	70,000,000		70,000,000	
3,00,000 Preference Shares of Rs. 100/- each	30,000,000		30,000,000	
	<u>100,000,000</u>		<u>100,000,000</u>	
Issued				
44,43,416 Equity shares of Rs.10/- each	44,434,160		44,434,160	
Subscribed and Paid up				
43,22,272 Equity shares of Rs.10/- each	43,222,720		43,222,720	
	<u>43,222,720</u>		<u>43,222,720</u>	
Note				
1,50,000 Equity shares were allotted in earlier years to the promoters of the Company for consideration other than cash pursuant to clause at page 2 of the Memorandum of Association for taking over of business undertaking.				
<u>SCHEDULE 2: RESERVES & SURPLUS</u>				
Share Premium Account	24,311,925		24,311,925	
Capital Reserve	31,000		31,000	
Revaution Reserve	710,395,346		719,387,692	
Less : Depreciation	<u>10,990,646</u>	699,404,700	<u>8,992,346</u>	710,395,346
General Reserve	150,000,000		38,535,582	
Profit and Loss Account	226,205,274		271,699,827	
	<u>1,099,952,899</u>		<u>1,044,973,680</u>	
<u>SCHEDULE: 3 SECURED LOANS</u>				
Term Loans (under TUF Scheme)				
IDBI Bank Ltd.	97,200,000		77,653,340	
State Bank of Bikaner & Jaipur	166,079,280		184,613,093	
Punjab National Bank Ltd.	56,503,484		70,626,650	
Working Capital Loans (Banks)				
Rupee Loan	162,599,091		205,866,594	
Export Packing Credit	30,854,290		15,232,989	
Bill Discounting	50,757,185		14,589,381	
Other Loans				
Vehicle Loans from Banks	5,604,963		-	
Vehicle Loans from Others	740,518		751,735	
	<u>570,338,811</u>		<u>569,333,782</u>	
Notes:				
1. Term loans are secured by joint mortgage by deposit of title deeds of the Company's immovable properties situated at Bhiwadi and charge on all immovable and movable assets, both present and future ,except book debts subject to prior charge created on specified movable assets in favour of Company's bankers ranking pari-passu for working capital facilities and guaranteed by Chairman & Managing Director of the Company.				
2. Working capital loans are secured by hypothecation of inventories, book debts, receivables and other movable assets and also by second charge on Company's immovable properties situated at Bhiwadi ranking pari-passu between the Banks/ Financial Institutions and guaranteed by Chairman & Managing Director of the Company.				
3. Vehicle Loans are secured by hypothecation/ Lien of the respective vehicles.				
4. Term loans repayable within one year Rs. 53,404,000/- (Rs. 56,233,340/-)				
5. Vehicle Loans repayable within one year Rs. 2,033,615 (Rs. 575,193)				
<u>SCHEDULE:4 UNSECURED LOANS</u>				
From Director	-		15,857,244	
From Bodies Corporate	30,085,000		54,989,497	
	<u>30,085,000</u>		<u>70,846,741</u>	

SCHEDULE 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at April 1, 2009 (At Cost)	Additions 31.03.2010	Addition on account of revaluation	sales/adjust ments	Total As At March 31,2010 (At Cost)	Up to March 31, 2009	For the year	sales/ adjustments	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009
	(Rs.)	(Rs.)		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Lease hold Land	720,000,000	-	-	-	720,000,000	9,117,531	10,996,829	-	20,114,360	699,885,640	710,882,469
Building											
- Spinning Division	105,909,983	786,880		-	106,696,863	2,615,733	3,039,233	-	29,189,966	77,506,897	79,759,250
- Power Plant Division I	2,309,095	-		-	2,309,095	739,492	77,124	-	816,616	1,492,479	1,569,603
- Power Plant Division II	1,995,607	-			1,995,607	332,717	66,653		399,370	1,596,237	1,662,890
	110,214,685	786,880	-	-	111,001,565	27,222,942	3,183,010	-	30,405,952	80,595,613	82,991,743
Plant & Machinery											
- Spinning Division	907,037,642	42,156,028	-	13,677,970	935,515,700	516,584,708	32,891,840	11,614,743	537,861,805	397,653,895	390,452,934
- Power Plant Division I	58,561,612	688,500		-	59,250,112	29,409,352	3,117,052	-	32,526,404	26,723,708	29,152,260
- Power Plant Division II	67,324,735	-			67,324,735	17,704,859	3,554,746		21,259,605	46,065,130	49,619,876
	1,032,923,989	42,844,528	-	13,677,970	1,062,090,547	563,698,919	39,563,638	11,614,743	591,647,814	470,442,733	469,225,070
Furniture & Fixtures	10,389,895	595,455		-	10,985,350	6,645,564	640,475	-	7,286,039	3,699,311	3,744,331
Office Equipments	14,063,921	1,472,592		75,000	15,461,513	7,642,324	1,255,133	71,250	8,826,207	6,635,306	6,421,597
Vehicles	7,528,644	9,464,943		3,006,567	13,987,020	3,002,166	876,721	1,818,140	2,060,747	11,926,273	4,526,478
	1,895,121,134	55,164,398	-	16,759,537	1,933,525,995	617,329,446	56,515,806	13,504,133	660,341,119	1,273,184,876	1,277,791,688
For previous year	1,157,632,621	25,764,888	719,387,692	7,664,067	1,895,121,134	570,576,847	52,855,950	6,103,351	617,329,446	127,779,1688	
Capital work-in-progress:											
Building										4418570	-
Plant & Machinery										3474010	-
Total										7892580	-
GRAND TOTAL										1281077456	1277791688

Note

- Fixed Assets / Capital Work in Progress include borrowing cost of Rs. 1,479,111 (Previous Year Rs 635,616) capitalised during the year.
- (a) Lease hold land was revaluated as on 12-05-2008 by government approved professional valuer.
(b) Depreciation for the year Rs. 56,515,806 includes Amortisation on revalued lease hold land Rs. 10,990,646.

APM INDUSTRIES LIMITED

				As At March 31, 2010 Rs.	As At March 31, 2009 Rs.
SCHEDULE 6 : INVESTMENT					
PARTICULARS	Closing Quantity	Opening Quantity	Face Value		
LONG TERM INVESTMENTS OTHER THAN TRADE					
In Government securities					
i. National Saving Certificates (Pledged with Sales Tax Department)				16,000	16,000
ii. Post Office Saving Bank (Pledged with Excise Department)				<u>31,110</u>	<u>31,110</u>
				<u>47,110</u>	<u>47,110</u>
In Fully paid equity shares (Quoted)					
i. Bhilwara Spinners Ltd.	100	(100)	10	508	508
ii. Deepak Spinners Ltd.	100	(100)	10	765	765
iii. G.S.L. (India) Ltd.	50	(50)	10	1,819	1,819
iv. Hind Syntex Ltd.	100	(100)	10	2,642	2,642
v. Indo Rama Synthetics (I) Ltd.	10	(10)	10	76	76
vi. Spentex industries Ltd.	9	(9)	10	77	77
vii. Rajasthan Spng. & Wvg. Mills. Ltd.	195	(195)	10	1,831	1,831
viii. Sangam India Ltd.	158	(158)	10	1,951	1,951
ix. Shree Rajasthan Syntex Ltd.	50	(50)	10	1,043	1,043
x. State Bank of Bikaner & Jaipur	8600	(8600)	10	464,400	464,400
xi. Visaka Industries Ltd.	10	(10)	10	194	194
xii. GVK Power & Infrastructure Ltd.	5000	(5000)	1	155,000	155,000
				<u>630,306</u>	<u>630,306</u>
LONG TERM INVESTMENT TRADE					
In Fully paid equity share (Unquoted)					
V.S. Lignite Power Private Ltd.	577778	(577778)	10	5,777,780	5,777,780
In Fully paid redeemable preference shares (Unquoted)					
V.S. Lignite Power Private Ltd. (0.01% cumulative redeemable preference shares)	1114222	(1114222)	10	11,142,220	11,142,220
				<u>16,920,000</u>	<u>16,920,000</u>
Total Investments				<u>17,597,416</u>	<u>17,597,416</u>
Market value of quoted equity shares				<u>4,162,378</u>	<u>1,811,943</u>
SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES					
CURRENT ASSETS					
Inventories					
Raw Materials [Including Goods in Transit Rs. (3,792,573)]				113,075,381	78,240,168
Finished Goods				96,749,257	112,258,673
Stock In Process				43,448,012	30,851,108
Stores and Spares				12,406,439	8,412,601
Waste Material				658,673	491,668
				<u>266,337,762</u>	<u>230,254,218</u>
SUNDRY DEBTORS					
(Unsecured, considered good unless otherwise stated)					
Debts outstanding for a period exceeding six months:					
- Considered Good				935,379	4,996,022
- Considered Doubtful				182,400	661,200
Other Debts				<u>211,525,338</u>	<u>185,737,685</u>
				<u>212,643,117</u>	<u>191,394,907</u>
Less : Provision for Doubtful Debts				182,400	661,200
				<u>212,460,717</u>	<u>190,733,707</u>

APM INDUSTRIES LIMITED

	As At March 31, 2010 Rs.	As At March 31, 2009 Rs.
CASH AND BANK BALANCES		
Cash in Hand	257,386	1,61,951
Balance with Scheduled Banks:		
- In Current Account	272,270	115,338
- In Fixed Deposit Account	5,848,506	5,598,715
- Unclaimed Dividend Account	392,676	460,866
Remittance in Transit	206,500	41,700
	6,977,338	6,378,570
OTHER CURRENT ASSETS		
Claims & other Receivable	12,931,730	5,579,914
DEPB RECEIVABLE	4,756,831	3,434,942
	17,688,561	9,014,856
LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
For Purchase of Capital Assets	5,778,458	5,506,554
Other Advances	23,307,179	21,547,546
Deposits	17,961,427	15,408,260
Interest Receivable	1,459,014	777,196
Balance With Excise Department	72,160,659	84,597,213
Advance Tax/Income Tax deducted at source (Net of provisions)	6,403,686	8,769,141
MAT Credit Entitlement	5,530,000	530,000
	132,600,423	137,135,910
GRAND TOTAL	636,064,801	573,517,261
<u>SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS</u>		
CURRENT LIABILITIES		
Sundry Creditors		
Total outstanding due to Micro, Small & Medium Enterprises: (Refer Note 3 of schedule 18)	90,627	-
Total outstanding due to creditors other than Micro, Small & Medium Enterprises:		
Due to suppliers of materials:	50,154,893	27,704,110
Due to others	37,199,618	34,136,951
Other Liabilities	15,941,948	15,438,398
Investors Education and Protection Fund (#)		
Not Due- Unclaimed dividends	392,676	460,866
Security deposits	436,868	363,851
Interest accrued but not due	1,456,522	-
	105,673,152	78,104,176
(#) The figure do not include any amounts, due and outstanding to be credited to Investor Education and Protection Fund.		
PROVISIONS		
Employee Benefits	17,408,766	14,095,742
Fringe Benefit Tax (Net of Advances)	100,000	100,000
Wealth Tax	14,560	14,300
Income Tax	992,765	3,810,224
	18,516,091	18,020,266
GRAND TOTAL	124,189,243	96,124,442

APM INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT				
	For the year ended March 31, 2010		For the year ended March 31, 2009	
	Rs.	Rs.	Rs.	Rs.
<u>SCHEDULE 9: SALES</u>				
Finished goods		1,926,865,694		1,800,727,510
Export Benefit		21,824,160		20,688,420
Waste/Scrap		19,939,252		18,524,892
		<u>1,968,629,106</u>		<u>1,839,940,822</u>
<u>SCHEDULE 10: OTHER INCOME</u>				
Miscellaneous receipts		17,503		26,754
Dividend		103,270		86,040
Job Work		304,242		–
Surplus on sale of fixed assets (Net)		2,187,446		9,506,599
Excess provisions / Balances written back		1,025,775		2,775,259
		<u>3,638,236</u>		<u>12,394,652</u>
<u>SCHEDULE:11 INCREASE/(DECREASE) IN STOCK</u>				
STOCK INTRADE (Closing)				
Stock in process	43,448,012		30,851,108	
Finished goods	96,749,257		112,258,673	
Waste material	658,673	140,855,942	<u>491,668</u>	143,601,449
STOCK INTRADE (Opening)				
Stock in process	30,851,108		50,338,071	
Finished goods	112,258,673		156,438,645	
Waste material	491,668	143,601,449	<u>267,986</u>	<u>207,044,702</u>
		<u>(2,745,507)</u>		<u>(63,443,253)</u>
<u>SCHEDULE 12: RAW MATERIAL CONSUMED</u>				
Opening Stock		78,240,168		76,793,433
Purchases		1,279,234,952		<u>1,171,710,390</u>
		1,357,475,120		1,248,503,823
Sales/Adjustments (Refer Note 12 of Schedule 18)		559,343		1,479,262
Closing Stock		113,075,381		78,240,168
		<u>1,243,840,396</u>		<u>1,168,784,393</u>
<u>SCHEDULE:13 MANUFACTURING AND OPERATING EXPENSES</u>				
Stores and spares consumed		29,498,197		22,095,865
Packing material consumed		22,531,336		21,826,146
Power and fuel		225,921,898		205,711,138
Variation in Excise duty on Finished Goods stock		3,007,004		2,418,820
Repairs to:				
- Building	1,919,109		1,033,688	
- Plant & Machinery	28,620,577		20,582,052	
- Others	343,771	30,883,457	<u>1,256,052</u>	<u>22,871,792</u>
		<u>311,841,892</u>		<u>274,923,761</u>

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	For the year ended March 31, 2010		For the year ended March 31, 2009	
	Rs.	Rs.	Rs.	Rs.
<u>SCHEDULE 14 : PERSONNEL EXPENSES</u>				
Salary, Wages and Bonus		149,144,349		143,406,571
Employees Welfare		7,473,779		6,759,680
Contribution to Provident & Other Funds		14,832,514		14,154,394
		171,450,642		164,320,645
<u>SCHEDULE 15 : FINANCIAL EXPENSES</u>				
Interest				
On Term Loans		19,192,315		21,942,638
On Others		31,715,338		40,994,921
		50,907,653		62,937,559
Less:Interest Earned				
From Banks [Tax deducted at source Rs. 52,379 (Rs. 58,329)]		(463,574)		(477,479)
From Customers [Tax deducted at source Rs. 1,979,612 (Rs 2,967,911)]		(13,271,108)		(16,490,630)
		37,172,971		45,969,450
Finance /Bank Charges		3,636,370		4,161,544
		40,809,341		50,130,994
<u>SCHEDULE 16: ADMINISTRATIVE & SELLING EXPENSES</u>				
Administrative Expenses				
Rent		1,079,910		1,018,470
Rates & Taxes		438,915		780,286
Insurance charges (Net of claims & receipt)		808,382		2,347,140
Auditors' Remuneration (Refer to note no. 9 of schedule no. 18)		525,250		408,801
Miscellaneous Expenses		11,139,487		11,230,280
Charity & Donation		7,351		14,714
Directors Remuneration (Refer to Note 8 of Schedule no. 18)		5,168,813		3,014,162
Directors sitting fee		280,000		183,000
Foreign Exchange Fluctuation		1,634,018		128,156
	Total (A)	21,082,126		19,125,009
Selling Expenses				
Freight,delivery,octroi & handling charges		13,356,602		13,149,283
Commission on sale		8,303,079		9,169,640
Bad Debts Written Off	298088	-		1,062,788
Less :- provision for Bad Debts	298088			
Brokerage and cash discount		7,011,992		14,798,469
Rebate, claims & other selling expenses		1,874,021		2,523,560
	Total (B)	30,545,694		40,703,740
	Grand Total (A+B)	51,627,820		59,828,749

APM INDUSTRIES LIMITED

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of Accounting**

- i) The Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and notified u/s 211(3c) of the Companies Act, 1956.
- ii) The Company follows the mercantile system of accounting & recognizes the income & expenditure on accrual basis. Claims for interest on customers for delayed payments which is accounted for on acceptance basis as the exact quantum, in respect thereof, cannot be ascertained with reasonable accuracy. This accounting policy has been consistently applied by the company.

b) **Fixed Assets**

Fixed assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and borrowing costs related to such acquisition or construction.

c) **Depreciation**

- i) Depreciation on fixed assets is provided for on the Straight Line method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions/disposals are provided on pro-rata basis.
- ii) Cost of leasehold Land is being amortized over the period of lease of 99 years.
- iii) In case of revalued lease hold land, amortization is calculated on revalued cost based on remaining period of lease and the portion related to the revalued quantum is adjusted against revaluation reserve.
- iv) The Plant & Machinery of spinning unit & Power Plant division is considered as continuous process plant, hence depreciation is provided accordingly.
- v) Assets costing less than Rs. 5000 individually are fully depreciated at the end of the year

d) **Investments**

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are valued at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

e) **Inventories**

Inventories have been valued at lower of cost or net realizable value. For ascertaining the cost, following method has been adopted-

Raw materials	At weighted average cost
Stores and spares	At weighted average cost
Stocks in Process	At estimated cost
Finished Goods	At actual cost
Waste Materials	At net realizable value

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

f) **Revenue Recognition**

- i) Revenue from sales is recognized on despatch of goods from the factory/depot. Sales are inclusive of excise duty but exclusive of sales tax.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. In case of claim of interest on customers for delayed payments, it is recognized on acceptance of the claim by the customers.
- iii) Dividend income is recognized when company's right to receive dividend is established.

g) **Foreign Currency Transactions**

- i) Transactions denominated in the foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies, other than those covered by forward exchange contracts, are translated in to rupee equivalent at the rates of exchange prevailing on the Balance Sheet date. In the case of forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract.
- iii) All exchange differences arising on settlement /conversion of foreign currency transactions are recognized as income or as expenses in the profit and loss account, except in cases where they relate to the acquisition of fixed assets, in which case they are adjusted in the carrying cost of the asset.

h) **Employee Benefits**

- i) The contribution towards Provident Fund is made to the Statutory Authorities and is charged to the profit and loss account.
- ii) Liability towards unavailed earned leaves to employees is provided on the basis of actuarial valuation performed by an independent actuary at the year end.
- iii) In accordance with the payment of Gratuity Act 1972, the company provides for gratuity covering eligible employees on the basis of an actuarial valuation as at the year end and funded with gratuity fund administered by the group gratuity scheme with the Life Insurance Corporation of India ('LIC')

i) **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of the qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue in the period in which they are incurred. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Assets that are ready for their intended use when acquired are not considered as qualifying assets.

j) **Segment Reporting**

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

k) **Leases**

Finance leases or similar arrangement, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed as leased assets. Finance charges are charged directly against income.

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a basis, which reflect the time pattern of such payment appropriately

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

SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE 18 : NOTES TO ACCOUNTS

1 Contingent liabilities not provided for:-

Particulars	Year ended	
	March 31, 2010 Rupees	March 31, 2009 Rupees
Unexpired letters of credit [Net of margins Rs.5,848,506 (Previous year Rs. 5,584,540)]	35,651,494	10,415,460
Bills discounted	50,757,185	14,589,381
Service Tax	7,725	Nil
Excise Duty	806,204	806,204
Sales Tax	6,842,285	Nil

2. Estimated amount of contracts remaining to be executed on capital account [Net of advances **Rs.5,778,458** (Previous Year Rs.5,506,554)] not provided for **Rs.41,953,885**. (Rs. 55,423,885).

3. There are no Micro, Small and Medium Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2010. This information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

4. Related party disclosures

a) The following are the related parties of the company

Companies under common control with whom transactions have taken place during the year:	Orient Abrasives Limited Perfectpac Limited Rajgarhia Leasing &- Financial Services Private Limited. AJR Fiscal Private Limited Faridabad Paper Mills Limited
Companies under common control with whom no transactions have taken place during the year:	Axis Cottex Private Limited Essvee Fiscal Private Limited
Key Management Personnel & their relatives	R.K.Rajgarhia, Chairman and Managing Director H.R.Sharma, Executive Director S.G. Rajgarhia Ajay Rajgarhia Prabha Rajgarhia Aditi Rajgarhia R.K.Rajgarhia & sons (HUF)

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b) Related Party Transactions

No amount pertaining to related parties which have been provided for as doubtful debts or written off in respect of related parties
Related party relationship is as identified by the Company and relied upon by the Auditors.

Particulars	Year	Company under common control	Key Management Personnel	Total
Income/Expense				
Sales (Net of Indirect Taxes)	2009-10	-	-	-
	2008-09	1,576,057	-	1,576,057
Purchases	2009-10	5,529,181	-	5,529,181
	2008-09	5,807,613	-	5,807,613
Interest paid	2009-10	2,725,836	1,486,850	4,212,686
	2008-09	3,388,568	1,281,373	4,669,941
Payment made by the Company for				
Rent	2009-10	-	1,069,200	1,069,200
	2008-09	-	1,008,960	1,008,960
Finance				
Loans Repayment	2009-10	104,941,639	28,907,244	133,848,883
	2008-09	57,125,000	3600,000	60,725,000
Finance				
Loans/ Advances Taken	2009-10	82,775,000	13,050,000	95,825,000
	2008-09	61,150,000	7,725,000	68,875,000
Remuneration to key Management personnel	2009-10	-	5,274,820	5,274,820
	2008-09	-	3,023,522	3023,522
Remuneration to Others	2009-10	-	330,840	330,840
	2008-09	-	197,280	197,280
Balances with related parties				
Advances Taken	2009-10	21,584,900	-	21,584,900
	2008-09	32,166,639	15,857,244	48,023,883
Purchases	2009-10	706,788	-	706,788
	2008-09	125,369	-	125,369

Disclosure of Material Transactions with Related parties

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Purchases		
Perfectpac Limited	5,448,361	5,791,522
Orient Abrasives Limited	-	16,091
Interest Paid		
Shri S.G.Rajgarhia	611,780	0
Shri R.K.Rajgarhia	875,070	1,281,373
Faridabad Paper Mills Ltd	885,428	496,031
Rajgarhia Leasing and Finacial Services (P) Ltd	1,545,887	2,892,537
Rent Paid		
Smt Prabha Rajgarhia	530,640	482,400
Smt Aditi Rajgarhia	132,000	120,000
Rajendra Kumar Rajgarhia & Sons (HUF)	406,560	406,560

5. In accordance with Accounting Standard 22 "Accounting for Taxes on Income" (AS-22) issued by the ICAI, the Company has accounted for deferred taxes during the year. Following are the major components of deferred tax assets / (liabilities):

Component	Deferred tax Asset/ (liability) as at April 1, 2009	Current year charge / (credit)	Deferred tax Asset/ (liability) as at March 31, 2010
(i) Difference in depreciation between Accounting books and Tax Return	(71,047,704)	(6,426,296)	(77,474,000)
(ii) Provision for employees benefits/ Doubtful debts	8,978,781	1,544,219	10,523,000
(iii) Losses carried forward	17,663,923	(17,663,923)	NIL
Total (Net)	(44,405,000)	(22,546,000)	(66,951,000)

6. Managerial Remuneration

Managerial Remuneration under section 198 of the Companies Act, 1956 paid /payable during the financial year to the Chairman & Managing Director and Executive Director.

	Chairman & Managing Director		Executive Director	
	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2009
Salary & allowances	2,630,199	1,757,416	1,508,280	1,256,746
Contribution to Provident Fund	-	-	9,360	9,360
Perquisites	57,253	-	89,734	-
Commission	980,000	-	-	-
Total	3,667,452	1,757,416	1,607,374	1,266,106

In schedule 16, Directors' Remuneration does not include Monetary value of perquisites and contribution to provident fund.

Computation of Managaerial Remuneration:

Particulars	Year ended	
	March 31, 2010	
Net Profit and Loss	96,542,048	
Depreciation	45,525,160	
MD's Remuneration	3,610,199	
Directors Remuneration	1,558,614	
Directors Sitting Fee	280,000	
Charity and Donation	7,351	
Sub Total (A)	147,523,372	
LESS:-		
Depreciation	45,525,160	
Profit on Sale of Fixed Assets	2,187,446	
Provision for Doubtful Debts Written Back	239,912	
Sub Total (B)	47,952,518	
Profit as per Sec 349 for the year(A-B)	99,570,854	
1% Commission of Profits	995,709	
Commission paid	980,000	

7. Auditors Remuneration :-

	Year ended	
	March 31, 2010	Year ended March 31, 2009
Payment to Statutory Auditors		
Audit fee	275,750	193,577
Tax Audit fee	82,725	47,584
Limited Review of Results	49,635	33,708
In other capacity		
(a) For Company Law Matter	-	38,605
(b) For Taxation Matters	49,635	34,193
(c) For certification work	8,824	1,655
Reimbursement of expenses	25,051	27,319
Total (A)	491,620	376,641
Payment to Cost Auditors		
(a) Audit Fee	29,000	29,000
(b) Reimbursement of expenses	4,630	3,160
Total	33,630	32,160
Grand Total (A+B)	525,250	408,801

8. Employee Benefit:

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

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

	For the Year ended March 31, 2010	
	Gratuity	Leave encashment / Compensated Absences
Obligations at year beginning	19,342,688	4,538,675
Service Cost - Current	2,679,029	879,654
Interest Cost	1,450,702	340,401
Actuarial (gain) / loss	2,146,082	932,410
Benefit Paid	(1,915,382)	(992,947)
Obligations at year end	23,703,119	5,698,193
Change in plan assets		
Plan assets at year beginning, at fair value	9,785,621	-
Expected return on plan assets	895,384	-
Actuarial gain / (loss)	(81,552)	-
Contributions	3,308,475	-
Benefits paid	(1,915,382)	-
Plan assets at year end , at fair value	11,992,546	-
Reconciliation of present value of the obligation and the fair value of the plan assets		
Present value of the defined benefit obligations at the end of the year	23,703,119	5,698,193
Fair value of the plan assets at the end of the year	11,992,546	-
Liability recognised in the Balance Sheet	11,710,573	5,698,193
Defined benefit obligations cost for the year		
Service Cost - Current	2,679,029	879,654
Interest Cost	1,450,702	340,401
Expected return on plan assets	(895,384)	-
Actuarial (gain) / loss	2,227,634	932,410
Net defined benefit obligations cost	5461981	2,152,465

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

	Gratuity %	Leave Encashment %
Discount Rate	7.50	7.50
Future salary increases	5.00	5.00
Expected return on plan assets	9.15	0

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9. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part-II of Schedule VI to the Companies Act, 1956:

a. Particulars in respect of Production, Sales and Stocks:

Class of goods	Unit	Licenced capacity	Installed capacity (Spindles)	Production	Opening Stock		Closing Stock	
					Qty (kgs)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)
Man-Made Fiber's Spun Yarn	Kgs	NA	50,336	14,214,432	1,004,688	112,258,673	791,222	96,749,257
			(48,320)	(13,303,493)	(1,252,518)	(156,438,645)	(1,004,688)	(112,258,673)

b. Raw Material Consumption:

Class of Goods	Unit	*Qty. (In Kgs.) year ended		Value (In Rupees) year ended	
		March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
1. Viscose Staple Fibre	Kgs	2,399,583	2,679,295	309,018,758	311,665,047
2. Polyester Fibre	Kgs	11,191,031	9,787,024	732,844,275	650,956,457
3. Acrylic Fibre	Kgs	1,323,086	1,190,720	144,435,936	142,338,586
4. Cotton Waste	Kgs	0	2,888	0	159,939
5. Polyester Filament Yarn	Kgs	1,608	31,579	129,741	2,589,385
6. Dyes and Chemicals	Kgs			57,411,686	61,074,979
				1,243,840,396	1,168,784,393

* Figures are net of sale of raw material

c. Turnover of Products:

Class of Goods	Unit	*Qty. (In Kgs.)		Value (In Rupees)	
		year ended March 31, 2010	year ended March 31, 2009	year ended March 31, 2010	year ended March 31, 2009
Man Made Fibres Spun Yarn	Kgs	14,427,611	13,549,672*	1,926,865,694	1,800,727,510

*Excluding shrotage/ Wastage & loss by theft of 287 kgs (1651 kgs)

d. Value of imported & indigenous Raw Materials and stores & spares and packing Material consumed and percentage of each of the total consumption.

Particulars	year ended March 31, 2010		year ended March 31, 2009	
	Value	%	Value	%
1. Raw Material				
Imported	-	-	-	-
Indigenous	1,243,840,396	100	1,168,784,393	100
Total	1,243,840,396	100	1,168,784,393	100
2. Stores, Spares & Packing Material				
Imported	2,141,549	4.12	950,734	2.16
Indigenous	49,887,984	95.88	42,971,277	97.84
Total	52,029,533	100.00	43,922,011	100.00

e. C I F Value of Imports

	Year ended March 31, 2010	Year ended March 31, 2009
(i) Stores and spares and Packing Materials	1,903,673	811,362
Total	1,903,673	811,362

f. Expenditure in Foreign Currency (On Payment Basis)

(i) Commission	1,504,022	Nil
(ii) Foreign Traveling Expenses	Nil	163,863

g. Earning in Foreign Exchange :

168,739,950	146,272,375
-------------	-------------

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

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

12. Schedules 1 to 18 form an integral part of the accounts and have duly been authenticated.

As per our report of even date annexed

for and on behalf of the Board

For CHATURVEDI & CO.

FRN : 302137E

Chartered Accountants

(PANKAJ CHATURVEDI)

Partner

Membership No. 091239

F C GOEL

Company Secretary

H R SHARMA

Executive Director

K R GUPTA

Director

R K RAJGARHIA

Chairman & Managing Director

Place : New Delhi

Date : May 26, 2010

13. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I) Registration Details

- Registration Number	L21015RJ1973PLCO15819
- State Code	17 (Rajasthan)
- Balance Sheet Date	31 st March, 2010

II) Capital raised during the year

(Amount in thousand)

a) Public Issue	Nil
b) Right Issue	Nil

III) Position of mobilization and deployment of Funds:-

a) Total Liabilities	1810550
b) Total assets	1810550

Source of Funds

a) Paid-up Capital	43223
b) Reserves & Surplus	1099953
c) Secured Loans	570338
d) Unsecured Loans	30085
e) Deferred Tax Liabilities	66951
	1810550

Application of Funds:-

a) Net Fixed Assets	1281077
b) Investments	17597
c) Net Current Assets	511876
d) Accumulated Losses	Nil
	1810550

IV) Performance of Company:

a) Turnover (Gross)	1961637
b) Total Expenditure	1865095
c) Profit / Loss before Tax	96542
d) Profit /Loss after Tax	65970
e) Earning per share in Rs.	15.26
f) Dividend Rate (%)	Nil

V) Generic Name of three principal

(Products/Services of Company)

(As per monetary terms)

Item Code No.(ITC Code)

550912

Product description :

Man Made Fibres Spun Yarn

Signature on schedule 1 to 18

As per our report of even date annexed

for and on behalf of the Board

For CHATURVEDI & CO.

FRN : 302137E

Chartered Accountants

(PANKAJ CHATURVEDI)

Partner

Membership No. 091239

F C GOEL

Company Secretary

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K R GUPTA

Director

R K RAJGARHIA

Chairman & Managing Director

Place : New Delhi

Date : May 26, 2010

APM INDUSTRIES LIMITED

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS AT MARCH 31, 2010

	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
Cash Flows from Operating Activities:-		
Profit for the year before Taxation	96,542,048	16,063,737
Adjustments for		
Depreciation and amortisation	45,525,160	43,863,604
Excess Provision Written Back	(1,025,775)	(2,775,259)
Profit on Sale of Fixed Assets	(2,187,446)	(9,506,599)
Interest & Finance Charges	40,809,341	50,130,994
Dividend Income	(103,270)	(86,040)
Bad debts written Off		1,062,788
Operating profit before working capital changes	179,560,058	98,753,225
Changes in assets and liabilities		
(Increase)/Decrease in Inventories	(36,083,544)	65,935,673
(Increase)/Decrease in Sundry Debtors	(21,727,010)	25,734,081
(Increase)/Decrease in Loans and Advances	(1,231,769)	-
Increase/(Decrease) in Current Liabilities	30,519,443	(85,238,690)
Cash generated from operations activities	151,037,178	105,184,289
Taxes Paid	13,477,927	4,183,289
Net cash provided by operating activities	137,559,251	101,001,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(63,328,882)	(18,045,204)
Sale of Fixed Assets	5,442,850	11,067,315
Dividend received	103,270	86,040
Interest Received	-	-
Net cash used in investing activities	(57,782,762)	(6,891,849)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in Long Term borrowings	(13,110,319)	(41,893,799)
Increase/(decrease) in Working Capital and other borrowings	(32,240,139)	(736,150)
Dividend Paid	(68,190)	(104,656)
Vehicle Loans	5,593,746	-
Interest and finance charges paid	(39,352,819)	(51,292,101)
Net cash provided by financing activities	(79,177,721)	(94,026,706)
Net (decrease)/ increase in cash and cash equivalents during the year	598,768	82,445
Cash and cash equivalents at the beginning of the year	6,378,570	6,296,125
Cash and cash equivalents at the end of the year	6,977,338	6,378,570

Notes

- The Cash Flow Statement has been prepared under the indirect method, as set out, in the Accounting standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outflow.
- previous year figures have been regrouped and recast wherever necessary to conform to current year classification.
- Cash & Cash Equivalents

	March 31, 2010	March 31, 2009
Cash in Hand	257,386	161,951
Cheques in Hand	-	-
Balances with Scheduled Banks		
- In Current Accounts	272,270	115,338
- In Fixed Deposits	5,848,506	5,598,715
- In Unclaimed Dividend Account	392,676	460,866
Remittance in transit	206,500	41,700
	6,977,338	6,378,570

As per our report of even date annexed

for and on behalf of the Board

For CHATURVEDI & CO.

FRN : 302137E

Chartered Accountants

(PANKAJ CHATURVEDI)

Partner

Membership No. 091239

F C GOEL

Company Secretary

H R SHARMA

Executive Director

K R GUPTA

Director

R K RAJGARHIA

Chairman & Managing Director

Place : New Delhi

Date : May 26, 2010

APM INDUSTRIES LIMITED

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

PROXY FORM

I/We of
..... in the district of
..... being member/s of the
above named company hereby appoint
of in the district of
or failing him of in the
district of as my/our proxy to attend and vote for me/us and on my/our behalf at the **36th**
Annual General Meeting of the Company to be held on **Saturday, the 25th day of September, 2010 at 11.30 A.M.** at
SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) and at any adjournment thereof.

Signed this day of 2010

Signature

Folio No./ DP ID No. and Client ID No.

No. of Shares held

Affix Revenue Stamp

NOTE : The proxy must be returned so as to reach the registered office of the company not less than 48 hours before the time fixed for holding the aforesaid meeting.

----- TEAR HERE -----

APM INDUSTRIES LIMITED

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

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Hall.
--

I hereby record my presence at the **36th** Annual General Meeting of the Company held on **Saturday, the 25th day of September, 2010, at 11.30 A.M.** at **SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)**.

Full Name of the Member (in Block Letters)

Full Name of Proxy, if applicable

Folio No. / DP ID No. and Client ID No.

No. of Shares held

Signatures of Member /Proxy

BOOK-POST

Vijayalakshmi Printing Works Pvt. Ltd., B-117, Sector-5, Noida

If undelivered please return to:

APM INDUSTRIES LIMITED

910, CHIRANJIV TOWER,
43, NEHRU PLACE,
NEW DELHI - 110 019