



**apcotex industries limited**

**Annual Report 2013-14**



## APCOTEX INDUSTRIES LIMITED

### **BOARD OF DIRECTORS**

Atul C. Choksey	Chairman
Girish C. Choksey	Director
Amit C. Choksey	Director
Manubhai G. Patel	Director
Bipin V. Jhaveri	Director
Dr. S. Sivaram	Director
T. N. V. Ayyar (upto 31/03/2014)	Director
Shailesh S. Vaidya	Director
Kamlesh S. Vikamsey	Director
Abhiraj A. Choksey	Managing Director

### **AUDIT COMMITTEE**

Manubhai G. Patel	Chairman
Girish C. Choksey	Member
Bipin V. Jhaveri	Member
Kamlesh S. Vikamsey	Member

### **GM – ACCTS., FIN. AND COMPANY SECRETARY**

Anand V. Kumashi

### **AUDITORS**

Kalyaniwala & Mistry  
Chartered Accountants.

### **BANKERS**

State Bank of India  
Standard Chartered Bank

### **REGISTERED OFFICE & FACTORY**

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

### **CORPORATE OFFICE**

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

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

LINK INTIME INDIA PVT LTD.

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





## NOTICE

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of **apcotex industries limited** will be held at the Registered Office of the Company at **Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra** on **Thursday, the 31<sup>st</sup> day of July 2014** at **10.30 a.m** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Accounts for the year ended 31st March 2014 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Girish Champaklal Choksey (DIN00246196), who retires by rotation and, being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** M/s. Kalyaniwala & Mistry, Chartered Accountants (Firm Registration No.104607W) having their office at Kalpataru Heritage, 5th Floor, 127 M.G. Road, Mumbai 400 023, be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 2018 Annual General Meeting of the Company, subject to ratification at every annual general meeting, on such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

5. To consider appointment of Mr. Manubhai G. Patel (DIN 00001662) as an Independent Director and for this purpose to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or reenactment thereof for the time being in force), Mr. Manubhai G. Patel (DIN00001662) who was appointed as Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (Five) consecutive years for a term upto the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company in the calendar year 2019.”
6. To consider appointment of Mr. Bipin V. Jhaveri (DIN 00001648) as an Independent Director and for this purpose to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Section 149,152 read with Schedule IV and all other

applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or reenactment thereof for the time being in force), Mr. Bipin V. Jhaveri (DIN00001648) who was appointed as Director liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (Five) consecutive years for a term upto the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company in the calendar year 2019.”

7. To consider appointment of Dr. S. Sivaram (DIN 00009900) as an Independent Director and for this purpose to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or reenactment thereof for the time being in force), Dr. S. Sivaram (DIN00009900) who was appointed as Director liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (Five) consecutive years for a term upto the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company in the calendar year 2019.”

8. To consider appointment of Mr. Shailesh S. Vaidya (DIN 00002273) as an Independent Director and for this purpose to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or reenactment thereof for the time being in force), Mr. Shailesh S. Vaidya (DIN00002273) who was appointed as Director liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (Five) consecutive years for a term upto the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company in the calendar year 2019.”

9. To consider appointment of Mr. Kamlesh S. Vikamsey (DIN00059620) as an Independent Director and for this purpose to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:


“**RESOLVED THAT** pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or reenactment thereof for the time being in force), Mr. Kamlesh S. Vikamsey (DIN00059620) who was

appointed as Director liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (Five) consecutive years for a term upto the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company in the calendar year 2019.”

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

“**RESOLVED THAT** in supersession of the Ordinary Resolution passed at 25<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> July 2011 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or reenactments thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, such sums of monies as they may deem requisite for the purposes of business of the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) notwithstanding that such borrowings may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which the monies may be borrowed by the Board of Directors shall not exceed the sum of ₹ 120 crores (Rupee One Hundred Twenty Crores).”

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

  
**ANAND V. KUMASHI**  
GM – Accts., Fin. &  
Company Secretary

**Date: 26<sup>th</sup> April 2014**

**Registered Office:**

Plot no. 3/1, MIDC Industrial Area,  
Taloja - 410 208,  
Dist. Raigad, Maharashtra  
CIN: L99999MH1986PLC039199  
E-mail: redressal@apcotex.com

**NOTES:**

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A member entitled to attend and vote, is entitled to appoint a proxy to attend and, on a poll, vote instead of himself/ herself. A proxy need not be a member. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.

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

such person shall not act as a proxy for any other person or shareholder.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
4. The Register of Shareholders and Share Transfer Books of the Company will remain closed from **Wednesday, the 23<sup>rd</sup> day of July 2014 to Wednesday, the 30<sup>th</sup> day of July 2014** (inclusive of both days).
5. Shareholders are requested to notify the changes, if any, in their addresses to the Company's Registrars immediately.
6. Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature registered with the Company for admission to the meeting hall.
7. Dividend recommended by Directors, if approved by the shareholders at the Annual General Meeting, will be paid / dispatched on or after **1<sup>st</sup> August 2014** to those shareholders whose names appear on the Register of Shareholders as on **23<sup>rd</sup> July 2014**. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of **23<sup>rd</sup> July 2014**, as per the details furnished by National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
8. The company is using National Electronic Clearing Services (NECS) for dividend remittance. Shareholders holding shares in physical form are requested to notify/send to the Company's Registrar and Share Transfer Agent at: LINK INTIME INDIA PVT LTD., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078, immediately, details of any change in their address/mandate / bank details; and particulars of their bank account, in case the same have not been sent earlier.
9. Shareholders holding shares in the electronic form are requested to inform any change in address / bank mandate directly to their respective Depository Participants. The address / bank mandate as furnished to the Company by the respective Depositories viz. NSDL and CDSL will be printed on the dividend warrants.
10. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividends upto the financial year 2005-06 from time to time on due dates, to the Investors Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investors Education and Protection Fund (Uploading of Information regarding unpaid / unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28<sup>th</sup> June 2013 (date of last Annual General Meeting) on the website of the Company



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viz. [www.apcotex.com](http://www.apcotex.com), as also on the website of the Ministry of Corporate Affairs.

11. Members holding shares in the single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from Company's Registrars and Share Transfer agent viz. LINK INTIME INDIA PVT LTD
12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in security market. Shareholders holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Shareholders holding share in physical form can submit their PAN details to the Company.
13. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular nos. 17/2011 and 18/2011 dated 21<sup>st</sup> April 2011 and 29<sup>th</sup> April 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc to the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email address.

### ANNEXURE TO NOTICE

#### EXPLANATORY STATEMENT

(Pursuant to section 102(1) of the Companies Act, 2013)

##### Item No.5 to 9

Mr. Manubhai G. Patel, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. Mr. Bipin V. Jhaveri, Dr. S. Sivaram, are the independent directors of the Company, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. They are Independent Directors of the Company and have held the position as such for more than 10 years.

Mr. Shailesh S. Vaidya and Mr. Kamlesh S. Vikamsey are also Independent directors of the Company, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. They are also the Independent Directors of the Company but have held the position as such for less than 5 years.

It is proposed to appoint them as Independent Directors of the Company under Section 149 of the Companies Act, 2013 to hold the office for a period of 5 (Five) consecutive years i.e. for a term upto the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company in the calendar year 2019.

The Company has received the declarations from the said Directors stating that they meet all the criteria of Independence,

as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, the aforesaid Directors fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013.

The copy of the draft letters for respective appointments of Mr. Manubhai G. Patel, Mr. Bipin V. Jhaveri, Dr. S. Sivaram, Mr. Shailesh S. Vaidya and Mr. Kamlesh S. Vikamsey, as Independent Directors setting out the applicable terms and conditions, are available for inspection by members at the Registered office of the Company.

The particulars of the Independent Directors, nature of their expertise in specific functional area(s), names of companies in which they hold directorship, are provided in the Corporate Governance Report forming part of the Annual Report.

Each of Mr. Manubhai G. Patel, Mr. Bipin V. Jhaveri, Dr. S Sivaram, Mr. Shailesh S. Vaidya, and Mr. Kamlesh S. Vikamsey is interested in the respective resolution for his own appointment under Item nos. 5, 6, 7, 8 and 9 of the Notice. The relatives of the said Directors may be deemed to be interested in the resolutions set out respectively under Item nos. 5, 6, 7, 8 and 9 of the Notice to the extent of their respective shareholding in the Company.

Save and except the above, none of other Directors and Key Managerial Personnel of the Company and their respective relatives are in any way interested financially or otherwise, in the resolutions under Item nos. 5, 6, 7, 8, 9 of the Notice.


Your Directors commend the resolutions set out under Item nos. 5 to 9 of the Notice for the appointment of Independent Directors.

##### Item No.10

Pursuant to the provisions of clause (c) of sub-section(1) of Section 180 of the Companies Act, 2013, the Board of Directors can not borrow more than the aggregate amount of the paid-up share capital and free reserves of the Company, except with the consent of the shareholders of the Company. With a view to augment the funds required by the Company, the Board of Directors deems it advisable to raise long term finance by borrowing, whenever necessary. To obviate the need for the Company to obtain permission of shareholders every time before such transaction(s) take place, it is proposed to obtain a general sanction from the Shareholders by a Special Resolution.

None of the Directors is concerned or interested in the resolution under this item of the Notice.

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

  
**ANAND V. KUMASHI**  
GM – Accts., Fin. &  
Company Secretary

**Date: 26<sup>th</sup> April 2014**

**Registered Office:**

Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208,  
Dist. Raigad, Maharashtra  
CIN: L99999MH1986PLC039199  
E-mail: redressal@apcotex.com

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting to you the Twenty-Eighth Annual Report of the Company and the audited Statements of Accounts for the year ended 31<sup>st</sup> March 2014.

### COMPANY PERFORMANCE

#### FINANCIAL HIGHLIGHTS

Particulars	2013-14 (₹ In Lacs)	2012-13 (₹ In Lacs)	Growth %
GROSS SALES	<b>33035.43</b>	30262.47	9.16
Gross Profit Before Depreciation, Finance cost and Tax but after prior years' adjustments	<b>2756.42</b>	2350.27	17.28
Less: a) Depreciation	<b>676.81</b>	311.30	
b) Finance Cost	<b>414.49</b>	234.81	
Profit Before Tax	<b>1665.12</b>	1804.16	(7.71)
Less: a) Provision for Tax			
b) Adjustment for Deferred Tax Liability	<b>371.00</b> <b>(20.20)</b>	414.00 109.63	
Profit After Tax	<b>1314.32</b>	1280.53	2.64
Add: Balance brought forward from the Previous Year	<b>2560.10</b>	1953.53	
<b>Disposable Profit</b>	<b>3874.42</b>	3234.06	19.80
Recommended Appropriations:			
a) Dividend	<b>518.46</b>	466.60	
b) Tax on Dividend	<b>88.11</b>	79.30	
c) Transfer to General Reserve	<b>131.50</b>	128.05	
Balance carried forward to Balance Sheet	<b>3136.35</b> <b>3874.42</b>	2560.10 <b>3234.05</b>	

#### 1. a. DIVIDEND

Your Directors have recommended a dividend @ ₹ 5.00 (Rupees Five) per Equity Share of ₹5.00/- each, for the financial year 2013-14. Dividend, if approved, will absorb a sum of ₹606.57 lacs (including Dividend Distribution Tax of ₹88.11 lacs) out of the net profits after tax, as above and will be paid to those shareholders whose names appear on the Register of Members on **Wednesday 23<sup>rd</sup> July 2014**.

#### b. SUB-DIVISION OF SHARES:

The Board of Directors in their meeting held on 3<sup>rd</sup> August 2013, fixed 17<sup>th</sup> August as record date for the sub-division of the Equity Shares of the face value of ₹ 10.00/-each (Rupees Ten) into 2 equity shares of the face value of ₹ 5.00/- each (Rupees Five) pursuant to the resolution passed at the Annual General Meeting held on 28<sup>th</sup> June 2013. After the record date, 51,84,496 (Fifty One Lac Eighty Four Thousand Four Hundred Ninety Six

equity shares of the nominal value of ₹10.00/- each (Rupees Ten) were sub-divided into 1,03,68,992 (One Crore Three Lacs Sixty Eight Thousand Nine Hundred Ninety Two) Equity Shares of the nominal value of ₹5.00/-each (Rupee Five) and sub-divided new physical share certificates were issued to the concerned shareholders and the old share certificate were deemed to have been automatically cancelled, pursuant to the resolution passed at the above mentioned Annual General Meeting. In the case of the members who held the equity shares in dematerialized form, the sub-divided shares were credited to their respective beneficiary accounts.

### 2. MANAGEMENT DISCUSSION AND ANALYSIS

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

#### I. CURRENT SCENARIO.

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

The Company's major raw materials are petrochemical products and its business is vulnerable to high volatility in the prices of crude oil and its downstream products.

The Company had introduced a range of Acrylics products for Paper, Construction and Carpet segments three years earlier, which have been well received in the market.

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

Your company is recipient of Total Productive Maintenance (TPM) Excellence in Consistent TPM Commitment Award- Category A by the Japan Institute of Plant Maintenance (JIPM) during the year under review. TPM has helped the company significantly in improving efficiencies in plant and in operations and rationalizing costs. During the year, your Company has successfully completed re-certification of the integrated ISO 9001, ISO 14001 and OHSAS 18001.



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The Company has been continuously upgrading its own technology through in-house research and development efforts to meet the changing needs of its customers.

### II. OPERATIONS DURING THE FINANCIAL YEAR 2013-14.

During the year, the Company achieved Gross Value Sales of ₹ 33,035.43 lacs, registering a growth of **9.16%**, compared to that of the preceding year. The company exported its products worth ₹ 3,459 lacs compared to exports of ₹ 2,535 lacs during the previous year, a growth of 36%.

Overall, there was a satisfactory sales growth in the business of Synthetic Latexes. There was a sales de-growth in Synthetic Rubber business due to overall shrinking market witnessing competition from cheaper polymers as well as change in customer preferences.

There was a continuous thrust from the management to develop a strong research and development and technical service team to understand better the changing customer needs, improve product quality, and customer needs to improve product quality and introduce better controls, through technology up-gradation.

Profits before tax came-down by 7.7% to ₹ 1,665.12 lacs as compared to ₹ 1,804.16 lacs during the previous year due to higher interest and depreciation. However EBITDA increased by 17.3% from ₹ 2,350.27 lacs in the previous year to ₹ 2,756.42 lacs in FY 2014-15.

The profit after tax stood at ₹ 1,314.32 lacs as compared to ₹ 1,280.53 lacs in the previous year.

Your Directors consider Company's performance as satisfactory.

### III. OUTLOOK.

The Company expects the current year to be challenging one in terms of volatilities in prices of major inputs materials. Overall growth of the economy, introduction of new products, improving market share in the domestic market and export growth, are expected to augur well for the Company.

With company's continuous endeavour to enhance efficiencies at all levels and functions, your Directors view the prospects for the financial year 2014-15 with cautious optimism.

### IV. RISKS AND CONCERNS.

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

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

Major risks arise from two main raw materials viz. Styrene and Butadiene, downstream petrochemical products.

There is an availability risk associated with both since Styrene is not manufactured in the country and is 100% imported. Butadiene is manufactured by only two manufacturers in the country. No hedging instruments are available to hedge their availability and price volatility risk and therefore, the company manages the availability risks partly by monitoring overseas supplies and partly by varying inventory levels.

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

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

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

### V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

Internal checks and controls covering operations of the Company are in place and are constantly being improved upon. Adequate system exists to safeguard company's assets through insurance on reinstatement basis and maintenance of proper records. The company has well defined procedures to execute financial transactions. Internal Audit is being conducted by an Independent firm of Chartered Accountants. The Partners of both, Statutory and Internal Auditors attend almost all the Audit Committee meetings called for consideration of quarterly financial results and other operating and regulatory items on the agenda.

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

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

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

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

### CAUTIONARY STATEMENT.

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-



looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations include raw material availability and prices, cyclical demand, movements in company’s principal markets, changes in Government regulations, tax regimes, economic developments within and outside India and other incidental factors.

### 3. WIND POWER

The Wind Turbine Generator installed at Sadawaghapur, Taluka – Patan, District Satara, Maharashtra, has generated gross revenue of about ₹ 119.45 lacs during the financial year (previous year ₹118.90 lacs), and is shown under ‘Other Operating Income’.

### 4. STATUTORY DISCLOSURES

#### A. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information sought under the provisions of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure, forming part of this report.

#### B. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- iii. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That they have prepared the annual accounts on a going concern basis.

#### C. CORPORATE GOVERNANCE

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

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

### 5. FIXED DEPOSITS MATURED BUT NOT CLAIMED

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

### 6. INSURANCE

All insurable assets of the Company including inventories, buildings, plant and machinery etc., as also liability under legislative enactments, are insured on reinstatement basis after due valuation of assets by an external agency. The Company also holds a Loss of Profit Policy for the financial year 2013-2014.

### 7. ECOLOGY AND SAFETY

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

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

Consent has been obtained from Maharashtra Pollution Control Board to operate the plant at Taloja till **31st December 2014**.

### 8. PERSONNEL

Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, as amended, is not applicable to the Company as there are no employees drawing remuneration exceeding the prescribed limit.

The Board would like to place on record their appreciation of the contribution made by all employees of the Company during the year.

The industrial relations with the employees were cordial through-out the year.



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

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

### 10. BANKS

Your Directors wish to place on record their appreciation of the support received from the Company's Bankers, State Bank of India and Standard Chartered Bank.

### 11. DIRECTORS

Mr. Girish C. Choksey retires by rotation and being eligible, offer them-selves for reappointment.

Mr. T. N. V. Ayyar, the independent director of the company, resigned from the office of Director with effect from 31<sup>st</sup> March 2014 after serving the board for a period of about 17 years. Your Directors wish to place on record their appreciation for his service and contribution made during his tenure as an independent director.

Provision of Section 149(10) of Companies Act 2013 which was notified effective from 1st April 2014 requires that the **Independent Directors** of Company shall hold office for a period of 5 years and shall not be liable to retire by rotation. In compliance with the new Companies Act 2013, your directors propose to appoint S/s M. G. Patel, Bipin V. Jhaveri, Shailesh S. Vaidya, Kamlesh S. Vikamsey and Dr. S. Sivaram as Independent Directors of the Company, not liable to retire by rotation and to hold the office for 5 (Five) consecutive years for a term upto the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company in the calendar year 2019. Their consents for the purpose have been obtained by the Company.

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

### 12. COMMITTEES OF DIRECTORS:

Pursuant to provision of Section 135(1) of the Companies Act, 2013, your Directors have formed a Corporate Social Responsibility Committee of the Board of Directors, to formulate the Corporate Social Responsibility Policy of the Company and monitor the implementation of the same.

Pursuant to provision of Section 177(3) of the said Act, the Audit Committee of the Board of Directors has been reconstituted with terms of reference pursuant to various provisions of the Companies Act, 2013 and the amended listing agreement with the Stock Exchanges.

Pursuant to provision of Section 178(1) of the said Act, the Remuneration Committee of the Board of Directors, has been reconstituted and named as 'Nomination and Remuneration Committee', with terms of reference pursuant to various provisions of the Companies Act, 2013 and the amended listing agreement with the Stock Exchanges.

Pursuant to provision of Section 178(5) of the said Act, the Shareholders Grievances Committee of the Board of Directors, has been reconstituted and named as 'Stakeholders Relationship Committee', with terms of reference pursuant to various provisions of the Companies Act, 2013.

### 13. AUDITORS

Pursuant to provisions of Section 139(1) of the Companies Act, 2013, the Auditors of the Company shall be appointed for a period of 5 (five) years who will hold the office till the conclusion of the sixth annual general meeting after their appointment.

M/s. Kalyaniwala & Mistry, Chartered Accountants (Firm Registration no.104607W) were appointed as Statutory Auditors of the Company to hold the office till the conclusion of the ensuing annual general meeting.

Your Board recommends the appointment of the firm M/s. Kalyaniwala & Mistry, Chartered Accountants, Mumbai, as Statutory Auditors of the Company for a period of 5 years, including the financial year 2013-14, to hold the office till the conclusion of the Annual General Meeting of the financial year 2017-18.

**FOR AND ON BEHALF OF THE BOARD**

**ATUL C. CHOKSEY  
CHAIRMAN**

Mumbai: 26<sup>th</sup> April 2014

**ANNEXURE TO DIRECTORS' REPORT**

**FORM A**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:**

**A. POWER AND FUEL CONSUMPTION**

Electricity:

	2013-14	2012-13
a) Purchased Units ('000 KWH)	6914.21	7571.04
Total amount (₹ In lacs)	548.50	577.82
Rate/Unit (₹)	7.93	7.63
b) Own Generation:		
• Through Wind Turbine Generator at Sadawaghapur, Near Satara, Maharashtra.	1355.50	1482.12
• Through Diesel generator Units ('000 KWH)	17.53	7.07
Units per ltr. of diesel oil	2.30	2.30
Cost/Unit (₹)	27.72	30.83

**B. CONSUMPTION PER UNIT OF PRODUCTION**

	2013-14	2012-13
Synthetic Rubber including Latices Electricity (KWH/MT)	190	235

**FORM B**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:**

**RESEARCH AND DEVELOPMENT (R&D)**

1. Specific areas in which R & D is carried out by the Company:

The R & D activities of the Company pertain to:

- i. Development of new products to meet changing customer needs.
- ii. Modification of existing products for up-gradation of performance.
- iii. Evaluation of alternative raw materials and identifying sources for cost reduction and flexibility in the input materials management.
- iv. Absorption of imported technology, if any.
- v. Improvement in process technology.

2. Benefits derived as a result of the above R & D.

- i. Company has commercialized a range of latices for paper/board coating industry, construction and carpet industry.
- ii. Improvement in quality consistency of products.
- iii. Customers are less dependent on imported products.

3. Further plan of action:

- i. Continued efforts towards identifying additional end uses for existing products.
- ii. Develop new products and upgrade existing products as per market requirement.

4. Expenditure on R & D during the Financial Year is as follows:

(₹ in lacs)

Particulars	2013-14	2012-13
Capital	10.94	41.86
Recurring	175.10	204.61
Total	186.04	246.47
Total R & D expenditure as a percentage of Total Revenue	0.63%	0.91%

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

No new technology has been acquired requiring the above.

**IMPORTED TECHNOLOGY**

No technology import has been made in the recent past.

**OTHERS**

Necessary application for renewal of recognition of the in-house R & D facilities of the company has been made to the Department of Scientific & Industrial Research.

**FOREIGN EXCHANGE EARNINGS & OUTGO**

The Company is currently assessing export potential for its products in various markets. Details of foreign exchange earnings and outgo are given in Note 34 & 35 to the accounts.

**FOR AND ON BEHALF OF THE BOARD**

*Atul Chopsey*

**ATUL C. CHOKSEY  
CHAIRMAN**

Mumbai: 26<sup>th</sup> April 2014



**CORPORATE GOVERNANCE**

**I. Company’s Philosophy on Code of Corporate Governance:**

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

**II. Board of Directors:**

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

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

The Board of Directors of the Company consists of persons of eminence, having good experience in business management, polymers technology, finance, accountancy and laws. The Board of Directors meets as often as required but not less than four times a year i.e. once in a calendar quarter. The Directors receive minutes of all the meetings of the Board of Directors and of the respective Committee meetings wherever they are members namely, Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee. During the financial year 2013-14, four meetings of the Board of Directors were held on **a) 25<sup>th</sup> April 2013, b) 3<sup>rd</sup> August 2013, c) 31<sup>st</sup> October 2013, and d) 30<sup>th</sup> January 2014.**

Particulars of the Directors on the Board, and its committee(s) as on 31<sup>st</sup> March 2014 and attendance at the Board Meetings of the Company are given below:

<b>Name of Director(s)</b>	<b>Designation/Category of Directorship</b>	<b>Board Meetings attended</b>	<b>Attendance at last AGM</b>	<b>No. of other Directorships held</b>	<b>No. of Committees of which Member / Chairman*</b>
Atul C. Choksey	Non- Executive Chairman Promoter	4	Yes	8	--
Abhiraj A. Choksey	Managing Director	4	Yes	3	--
Girish C. Choksey	Non-Executive	2	No	5	1/1
Amit C. Choksey	Non-Executive	4	No	5	-/2
Manubhai G. Patel	Non-Executive, Independent	4	No	3	2/-
Bipin V. Jhaveri	Non-Executive, Independent	4	Yes	5	3/-
Dr. S. Sivaram	Non-Executive, Independent	4	Yes	2	2/-
Shailesh S. Vaidya	Non-Executive, Independent	3	No	3	2/-
Kamlesh S. Vikamsey	Non-Executive, Independent	3	Yes	7	4/4

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

b) \*Only Membership / Chairmanship in a) Audit Committee, b) Investors’ Grievance Committee c) Remuneration Committee are considered.

**III. Board Committees:**

**A) Audit Committee**

The Audit Committee was constituted in April 2000. During the year under review five meetings of the Committee were held on **a) 25<sup>th</sup> April 2013, b) 3<sup>rd</sup> August 2013, c) 31<sup>st</sup> October 2013, d) 30<sup>th</sup> January 2014 and e) 8<sup>th</sup> March 2014.**

Pursuant to provisions of Section 177 of the Companies Act, 2013 and other applicable provisions, the Audit Committee has been reconstituted with revised terms of reference prescribed therein in the Board meeting held on 26<sup>th</sup> April 2014.

The Audit Committee comprises of four directors viz. Mr. M. G.Patel as the Chairman, and Mr. Bipin V. Jhaveri, Mr. Girish C. Choksey, Mr. Kamlesh S. Vikamsey as members. Mr. M. G. Patel, Mr. Bipin V. Jhaveri, Mr. Kamlesh S. Vikamsey are Non- Executive Independent Directors.

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

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

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

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



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### B) Shareholders / Investors Grievances Committee:

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

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

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

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

The details of correspondences / grievances received and redressed during the financial year 2013-14 by the Company through the Registrars, LINK INTIME INDIA PVT LTD, are as under;

Source		Correspondences	
		Received	Redressed / Attended
<b>A</b>	<b>Complaints</b>		
	Directly from Shareholders	63	63
	Stock Exchanges	1	1
	<b>Total (A)</b>	<b>64</b>	<b>64</b>
<b>B</b>	<b>Type of Requests from Shareholders</b>		
	Request for change of address	105	105
	Request for procedure of transfer/transmission of shares /deletion of name	54	54
	Request for change/correction of Bank details/mandate /Ecs details	70	70
	Request for revalidation/issue of fresh demand drafts	120	120
	Issue of Duplicate share certificates	4	4
	Change of Signature	2	2
	Request for stop transfer removal	1	1
	Request for stop transfer / procedure for duplicate	5	5
	Confirmation of details	6	6
	Exchange of Shares	43	43
	Dematerialisation of Shares	3	3
	<b>Total (B)</b>	<b>413</b>	<b>413</b>
	<b>Grand Total (A+B)</b>	<b>477</b>	<b>477</b>

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

There are no pending legal matters, in which the Company has been made a party, before any Court(s) / Consumer Forum(s), SEBI, Department of Company Affairs relating to Investors' grievances / complaints.

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

## Details of Service contacts with Directors':

Managing Director	Service Contract and Period	Severance Fees
Mr. Abhiraj A. Choksey	Agreement dt. 01-05-2013: Period:01-05-2013 to 30-04-2016	Nil

The Remuneration paid to the Directors of the Company during the financial year, 2013-14 are as under:

Name of Director	Sitting Fees	Commis- sion	Salary	Allowances	Contribution to Statutory Funds	Perquisites	Total
<b>Executive Director (s)</b>							
Mr. Abhiraj A. Choksey	-	-	19,00,000	40,61,089	5,13,000	2,56,268	67,30,357
<b>Non-Executive Director(s)</b>							
Mr. Atul C. Choksey	40,000	11,40,000	-	-	-	-	11,80,000
Mr. Girish C. Choksey	40,000	-	-	-	-	-	40,000
Mr. Amit C. Choksey	40,000	-	-	-	-	-	40,000
Mr. M.G.Patel	1,00,000	90,000	-	-	-	-	1,90,000
Mr. Bipin V. Jhaveri	1,00,000	90,000	-	-	-	-	1,90,000
Dr. S. Sivaram	50,000	90,000	-	-	-	-	1,40,000
Mr. T. N. V. Ayyar (upto 31/03/2014)	-	-	-	-	-	-	-
Mr. Shailesh S. Vaidya	30,000	90,000	-	-	-	-	1,20,000
Mr. Kamlesh S. Vikamsey	70,000	90,000	-	-	-	-	1,60,000

Statement showing number of Equity Shares of ₹ 5/- each of the company held by the present Executive and Non Executive Directors as on 31st March 2014:

Name of Director(s)	Executive or Non Executive Director	No. of Shares	% to paid up capital
Atul C. Choksey	Non Executive Director	6,67,700	5.464
Abhiraj A. Choksey	Executive Director	2,59,808	2.506
Girish C. Choksey	Non Executive Director	8,900	0.086
Amit C. Choksey	Non Executive Director	55,025	0.531
Manubhai G. Patel	Non Executive Director	274	0.003
Bipin V. Jhaveri	Non Executive Director	--	--
Dr. S. Sivaram	Non Executive Director	--	--
T.N.V. Ayyar (upto 31/03/2014)	Non Executive Director	--	--
Shailesh S. Vaidya	Non Executive Director	--	--
Kamlesh S. Vikamsey	Non Executive Director	--	--

## Code of Conduct

The Company has a Code of Conduct for Directors and members of Senior Management. The Code is available on the Company's Website. All Board members and senior management personnel have affirmed compliance with the code. A declaration to that effect signed by Mr. Abhiraj A. Choksey, Managing Director is appearing in the Annual Report.

## Particulars of Directors retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

### 1) Name: **MR. GIRISH C. CHOKSEY.**

Age: 71 years

Educational Qualification: Undergraduate

Experience: He has over four decades experience in managing the industries dealing with various types of minerals and chemicals. He is past president of Mineral Merchants Association and Pesticides Formulators Association of India.

The Board of Directors had appointed Mr. Girish C. Choksey as an Additional Director of the Company, liable to retire by rotation with effect from 25th November 1992. He was appointed as Director of the Company in the Annual General Meeting held on 13th August 1993. Mr. Girish C. Choksey is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.



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Mr. Girish C. Choksey holds 8,900 shares in the share capital of the Company.

He is a director on the Board of Directors of the following Public Limited Companies, as at 31st March 2014.

Company	Position	Committee Membership
Cons Holdings Ltd	Director	Nil
Colortek (India) Limited	Director	Nil
Hindustan Mineral Products Company Ltd	Director	Nil
Sammelan Investments and Trading Ltd	Director	Nil
Dhoot Industrial Finance Ltd	Director	Audit Committee (Chairman) Remuneration Committee (Chairman) Investor Grievance Committee (Member)

### Particulars of Independent Directors to be appointed at the ensuing Annual General Meeting for a period of 5 years effective from 1<sup>st</sup> April 2014 who are not liable to retire by rotation:

1) Name: **MR. MANUBHAI G. PATEL.**

Age: 79 years

Educational Qualification: Chartered Accountant

Experience: More than four decades of experience in the field of accounts, finance and taxation. He was a member of Central Council of the Institute of Chartered Accountants of India (ICAI), New Delhi from 1980 to 1988 and active member of various standing and non-standing committees of the ICAI. He was the President of Income Tax Appellate Tribunal Bar Association, Ahmedabad from 1997-98 to 2000-01 and was a Member of Central Direct Tax Advisory Committee, New Delhi from 1986-90.

The Board of Directors had appointed Mr. Manubhai G. Patel as an Additional Director of the Company, liable to retire by rotation with effect from 31st July 1992. He was appointed as Director of the Company in the Annual General Meeting held on 23rd September 1992.

Mr. M. G. Patel holds 274 shares in the share capital of the Company.

He is a director on the Board of Directors of the following Public Limited Companies, as at 31st March 2014.

Company	Position	Committee Membership
Gujarat State Financial Services Ltd	Director	Audit Committee - Chairman Investment committee - Member
Aeonian Investments Co. Ltd	Director	Audit Committee - Chairman

2) Name: **MR. BIPIN V. JHAVERI.**

Age: 75 years

Educational Qualification: B.A, B.Com, FCA and FCS.

Experience: Mr. Bipin V. Jhaveri has over five decades of experience in the field of accounts, corporate finance, taxation and general management. He has been a member of Bhagwati Committee setup by SEBI to suggest changes in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 1997, representing Assochem. He has been serving on various Committees of Assochem, Bombay Chamber of Commerce and Industries and Indian Merchant Chambers.

The Board of Directors had appointed Mr. Bipin V. Jhaveri as an Additional Director of the Company, liable to retire by rotation with effect from 25th November 1992. He was appointed as Director of the Company in the Annual General Meeting held on 13th August 1993.

Mr. Bipin V. Jhaveri does not hold any shares in the share capital of the Company.

He is a director on the Board of Directors of the following Public Limited Companies, as at 31st March 2014.

Company	Position	Committee Membership
Balasesh Leafin Limited	Director	Nil
Mazda Colours Limited	Director	Remuneration Committee- Member
Shyamal Finvest (India) Limited	Director	Nil
Aeonian Investments Co. Ltd	Director	Audit Committee – Member



3) Name: **MR. SHAILESH S. VAIDYA**

Age: 56 years

Educational Qualification: LLB, Solicitor.

Mr. Shailesh S. Vaidya is a law graduate from Government Law College and became Solicitor in the year 1983. Since then he has been practicing as Advocate and Solicitor. He has been partner of M/s. Kanga & Company, a firm of Advocate's and Solicitors, since 1983.

He is presently serving as Member of the Managing Committee of Indian Merchant Chamber and as Chairman of Law, Review, Reforms and Rationalization Committee.

He has expertise in various Laws, including laws and regulations relating to real estate and corporate matters. He is also associated with the Government Law College of Mumbai University and serves on the Board of Directors of various reputed companies as Independent Director.

Your Directors are of the opinion that the Company will immensely benefit from Mr. Shailesh S. Vaidya's expertise in various laws and commend his appointment.

He is a director on the Board of Directors of the following Companies, as at 31st March 2014.

Company	Position	Committee Membership
Premier Limited	Director	Nil
Siyaram Silk Mills Limited	Director	Nil
Avighna India Limited	Director	Nil
Prabhukripa Overseas Limited	Director	Nil

4) Name: **MR. KAMLESH S. VIKAMSEY**

Age: 53 years

Educational Qualification: Chartered Accountant.

Mr. Kamlesh S. Vikamsey completed his graduation from Mumbai University in 1981 and became a Chartered Accountant in the year 1982 and joined the reputed firm of Khimji Kunverji & Co., Chartered Accountants, Mumbai. He is presently a Senior Partner of the said firm.

Mr. Kamlesh S. Vikamsey was elected to the Central Council of The Institute of Chartered Accountants of India (ICAI) in 1998 and remained as Councils Member till 2007. He was Vice President of ICAI in year 2004 and became its President in the year 2005.

In past, he was also associated with the following organizations':

- The Confederation of Asia & Pacific Accountants as Vice President and President
- International Federation of Accountants as Board Member;
- United Nations as Steering Committee Member;
- IRDA as member of Standing Committee on Accounting Issues;

He is also Trustee of:

- Global Vipasana Foundation
- World Opportunity Foundation
- Dnyana Sadhana Trust etc.

He is a director on the Board of Directors of the following Companies, as at 31st March 2014.

Company	Position	Committee Membership
Navneet Education Ltd.	Director	Remuneration Committee -Member
Man Infrastructure Ltd.	Director	Audit Committee -Member
Ramky Infrastructure Ltd.	Director	Remuneration Committee -Chairman
Tribhovandas Bhimji Zaveri Ltd.	Director	Audit Committee -Chairman
		Remuneration Committee -Member
Aditya Birla Retail Ltd.	Director	Audit Committee -Member
		Remuneration Committee -Member
		ESOP Compensation Committee –Member
Neptune Developers Ltd.	Director	IPO Committee - Member
		Remuneration Committee -Chairman
		Audit Committee -Chairman
		Shareholder Grievance Committee- Member
GIC Housing Finance Ltd.	Director	Audit Committee -Member



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5) Name: **DR. S. SIVARAM**

Age: 67 years

Educational Qualification: M.Sc.- Indian Institute of Technology, PHD – Purdue University, W. Lafayette, USA and Research Associate – The Institute of Polymer Science - Akron, USA.

Experience: Dr. S. Sivaram is presently working with National Chemical Laboratory (NCL) as its Director and has over 30 years of experience in research on polymer synthesis, high performance polymers and surface chemistry of polymers. He has to his credit various awards like Silver Medal (2002) from Chemical Research Society of India, Millennium Medal from the Indian Science Congress Association (2000), Distinguished Alumnus Award from I.I.T, Kanpur (1998). He has been conferred PADMA SHRI by President of India (2006).

He is a member of various national and International institutes and visiting faculty in several institutes / universities in India and abroad.

The Board of Directors had appointed Dr. S. Sivaram as an Additional Director of the Company, liable to retire by rotation with effect from 27th March 1996. He was appointed as Director of the Company in the Annual General Meeting held on 23rd September 1996.

Dr.S.Sivaram does not hold any shares in the share capital of the Company.

He is a director on the Board of Directors of the following Public Limited Companies, as at 31st March 2014.

COMPANY	POSITION	COMMITTEE MEMBERSHIP
GMM Pfadler Ltd.	Director	Audit Committee - Member
Asian Paints Ltd.	Director	Nil
Deepak Nitrite Ltd.	Director	Corporate Social Responsibility Committee - Member

### General Body Meetings

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

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

Year	Date	Time	Special resolution/s passed
2012-13	28 <sup>th</sup> June 2013	11.30 a.m.	Yes (Two)*
2011-12	5 <sup>th</sup> July 2012	11.30 a.m.	Yes (One)*
2010-11	30 <sup>th</sup> July 2011	11.30 a.m.	Nil

### \*Special Resolution/s passed:

#### 2012-13:

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

#### 2011-12:

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

### Special Resolution passed through postal ballot

No special resolution was passed thorough postal ballot during the financial year 2013-14. None of the business proposed to be transacted in the ensuing Annual General meeting require passing a special resolution through postal ballot.

### Disclosures:

#### Related Party Transactions:

The company has received consent from the Ministry of Corporate Affairs under Section 297 of the Companies Act, 1956 to transact business with the related party viz. Choksey Chemicals Pvt Ltd, for supply of construction chemicals for an estimated value of ₹500 lacs per annum for a period of three years. Accordingly, during the financial year 2013-14, the Company supplied 163.86 MT of construction chemicals worth ₹146.41 lacs at the prevailing market price.

Except the above transaction, there has not been any materially significant related party transaction(s) between the Company and its Directors, promoters etc., that may have potential conflict with the interest of the Company at large. Details of all related party transactions are set out in the notes to Financial Statements as required by Accounting Standard - 18

#### Risk Management:

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

#### MD and CFO Certification:

Certificate from Mr. Abhiraj Choksey, Managing Director and Mr. Anand V Kumashi, GM – Accts., Fin. and Company Secretary, in terms of clause 49(V) of the Listing Agreement entered into with Stock Exchanges, was placed before the Board of Directors of the Company in its meeting held on 26<sup>th</sup> April 2014.

#### Compliances:

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

#### Means of Communication:

The quarterly, half yearly and annual results of the Company's financial performances were published in two newspapers viz. 'Free Press Journal' and 'Navshakti', and displayed on Company's website: [www.apcotex.com](http://www.apcotex.com)

Management Discussion and Analysis forms part of the Directors Report.

#### Green Initiative by MCA

The Ministry of Corporate Affairs has taken a green initiative in the Corporate Governance by allowing paperless compliances by companies vide circular no. 17/95/2011 CL-V dated 21<sup>st</sup> April 2011, clarifying that the company would have complied with Section 53 of the Companies Act, 1956, if the service of the relevant documents to the shareholders of the Company have been made through electronic mode, provided the company has obtained the email addresses of its members for serving notices/ documents through email by giving an advance notice to every shareholders to register their email address and changes therein from time to time with the company.

Shareholders, who have not done so, are requested to register their e-mail address with the Company's Registrar and Share Transfer Agents or the Compliance officer, in case they wish to get the soft copy of the Annual Report through e-mail, by sending the form duly filled in as given in this annual report. The hard copy of Annual Reports will be provided to them on request.

#### Compliance:

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

#### General Shareholders Information:

- a) 28<sup>th</sup> Annual General Meeting will be held on **Thursday, 31<sup>st</sup> day of July 2014** at 10.30 a.m. at Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra
- b) The Company's financial Year is 1<sup>st</sup> April to 31<sup>st</sup> March
- c) Dates of book closure: **Wednesday, 23<sup>rd</sup> day of July 2014** to **Wednesday, 30<sup>th</sup> day of July 2014** (both days inclusive) for the Purpose of Annual General meeting and payment of dividend.
- d) Dividend payment date: on or after **1<sup>st</sup> August 2014**
- e) Listing on Stock Exchanges: The Company's equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Ltd, Mumbai. The Annual Listing fees have been paid and there is no outstanding payment towards the stock exchanges, as on date
- f) Stock Code: Bombay Stock Exchange Limited - 523694  
Symbol : National Stock Exchange of India Ltd. – APCOTEXIND
- g) ISIN allotted to Equity Shares is INE116A01024



## apcotex industries limited

### Market Price Data:

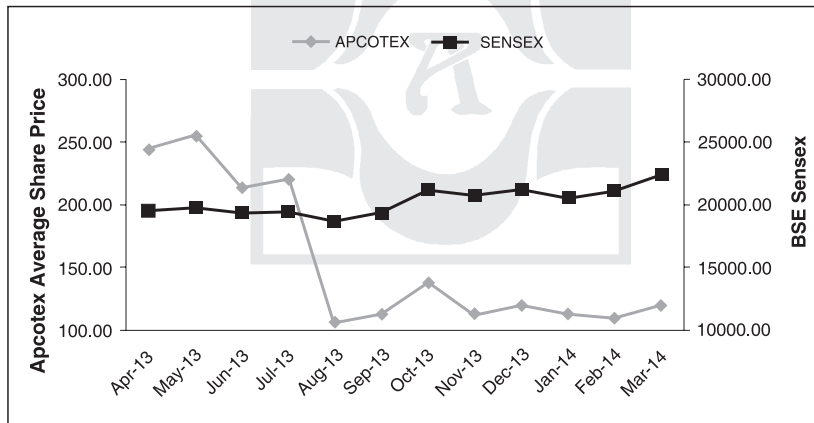
Monthly high and low prices of equity shares of the company quoted at Bombay Stock Exchange and National Stock Exchange during the year 2013-14

(Amount in ₹)

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
<b>Face value of ₹10/- each</b>				
April	263.40	200.00	259.80	198.15
May	274.50	231.15	274.90	225.00
June	259.90	210.00	274.90	201.85
July	246.00	212.00	245.00	213.10
Upto 13 August	231.90	208.15	238.90	207.40
*From 14 August	118.95	102.00	124.70	100.95
September	116.75	102.50	123.45	101.40
October	154.95	105.00	155.20	110.25
November	134.00	112.60	134.75	112.00
December	124.95	112.00	124.40	112.10
January	133.15	111.25	134.90	111.45
February	116.00	103.65	115.35	103.25
March	122.60	108.35	124.90	109.00

\*Each Equity shares of ₹10/- each, fully paid, were sub-divided into 2 Equity Shares of the face value of ₹5/-each, fully paid, pursuant to the resolution passed at the Annual General Meeting held on 28th June 2013.

### Stock Performance Index :



### Registrars and Share Transfer Agents:

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

#### LINK INTIME INDIA PVT LTD

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

## Share Transfer System:

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

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

**Distribution of Share:** Distribution of shareholding as on 31st March 2014.

Category	No. of Shareholders	% to total No. of Shareholders	No. of shares	% to total Shares
1 - 500	19,070	93.98	17,13,213	16.52
501 - 1000	640	3.15	4,98,830	4.81
1001 - 2000	284	1.40	4,35,689	4.20
2001 - 3000	90	0.44	2,24,644	2.17
3001 - 4000	49	0.24	1,76,906	1.71
4001 - 5000	33	0.16	1,49,009	1.44
5001 - 10000	62	0.31	4,16,813	4.02
Above 10001	64	0.32	67,53,888	65.14
<b>Total</b>	<b>20292</b>	<b>100.00</b>	<b>1,03,68,992</b>	<b>100.00</b>

## Categories of Shareholding as on 31<sup>st</sup> March 2014:

Sr. No.	Category	No. of Shares	% of shareholding
1.	<b>Promoters' Holding</b> Indian Promoters	59,68,776	57.56
2.	<b>Non promoters' Holding</b> Mutual Funds/Trusts/clearing members	27,251	0.26
	Insurance companies/Banks/Financial Institution	1,090	0.01
	Indian Public	40,05,910	38.63
	Directors/Relatives	274	0.00
	Hindu Undivided Family	5,676	0.05
	Non Resident Indians	1,64,621	1.59
	Other Corporate Bodies	1,95,394	1.88
	<b>Total</b>	<b>1,03,68,992</b>	<b>100.00</b>

## Dematerialisation of Shares:

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

Equity Shares of the company are to be compulsorily traded in the dematerialised form. As on 31st March 2014, 96,33,388 Equity Shares comprising of 92.91% of paid up capital of the company, have been dematerialised by the investors and bulk of transfers take place in the demat segment.

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

## Other Information:

**Corporate Identification Number (CIN No.):** L99999MH1986PLC039199

## Plant Location:

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



## apcotex industries limited

### Investors Correspondence:

Investor correspondence may be addressed to any of the following:

Registered Office and Plant	Registrar & Share Transfer Agents
Plot No.3/1, MIDC Industrial Area, Taloja – 410 208, Dist. Raigad, Maharashtra CIN: L99999MH1986PLC039199 Telephone : (022) 2740 3500 Fax : (022) 2741 2052	<b>LINK INTIME INDIA PVT LTD</b> <b>(formerly Intime Spectrum Registry Ltd)</b> C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078 Tel. No. : (022) 2596 3838 Fax : (022) 2594 6969
Website : <a href="http://www.apcotex.com">www.apcotex.com</a> E-mail : <a href="mailto:redressal@apcotex.com">redressal@apcotex.com</a>	Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> E-mail : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

### Unclaimed Dividend

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

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

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

### Declaration – Code of Conduct

The Board has laid down the code of conduct for the all the Board Members and Senior Management of the company, which is posted on the Company's Website. All the Board Members and Senior Management personnel of the company, for the financial year ended 31<sup>st</sup> March 2014, have affirmed compliance with code of conduct.

For Apcotex Industries Limited

Place : Taloja

Dated : 26<sup>th</sup> April 2014

**Abhiraj Choksey**  
**Managing Director**

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON  
CORPORATE GOVERNANCE**

To the **Members of Apcotex Industries Limited**

Taloja, Dist. Raigad, Maharashtra.

I have examined the compliance of conditions of **Corporate Governance** by **Apcotex Industries Limited** for the financial year **2013-14**, as stipulated in Clause 49 of the Listing Agreement entered into by the said Company with the stock exchange(s).

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

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

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

**Mahesh Hurgat**

**Practicing company secretary  
C.P. No. 2498**

Mumbai: 26<sup>th</sup> April 2014





**apcotex industries limited**

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
APCOTEX INDUSTRIES LIMITED**

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

We have audited the accompanying financial statements of **APCOTEX INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, 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 purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e) on the basis of the written representations received from the Directors as on March 31, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For KALYANIWALLA & MISTRY  
CHARTERED ACCOUNTANTS  
Firm Registration Number - 104607W**

**ERMIN K. IRANI  
PARTNER**  
Membership Number: 35646  
Place: Mumbai  
Dated: 26<sup>th</sup> April 2014



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph (1) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date,

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and physical inventory were noticed for the assets verified during the year.  
(c) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
- 2) (a) The Management has conducted physical verification of inventory at reasonable intervals.  
(b) In our opinion, the procedures for physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- 3) (a) 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.  
(b) Consequently, the question of commenting on the rates of interest and the other terms and conditions of the loans granted being prejudicial to the interests of the Company, receipt of regular principal and interest and reasonable steps taken for recovery of principal and interest does not arise.  
(c) The Company has not taken any loan, secured or unsecured from Companies, firms and other parties covered in the register maintained under section 301 of the Act.  
(d) Consequently, the question of commenting on the rates of interest and the other terms and conditions of the loans taken being prejudicial to the interests of the Company, payment of regular principal and interest and reasonable steps taken for payment of principal and interest does not arise.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed a continuing failure to correct major weakness in the internal controls.
- 5) (a) Based on the audit procedures applied by us according to the information and explanations provided by the Management, we are of the opinion that the particulars of contracts and arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the Register required to be maintained under that section.  
(b) The transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. 5 lakh with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where comparable market prices exist.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the provisions of section 58A, 58AA or any other provision of the Companies Act, 1956, read with the rules framed there under are not applicable to the Company.
- 7) In our opinion and according to the information and explanations given to us, the internal audit system is commensurate with the size of the Company and nature of its business.
- 8) We have broadly reviewed the books of accounts maintained by the company in respect of the manufacture of the products where, pursuant to the rules made by the Central Government in respect of the manufacture of cost records has been



## apcotex industries limited

prescribed 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 generally been made and maintained. We have not, however, made a detailed examination of records with the view to determine whether they are accurate or complete.

- 9) (a) According to the information and explanations given to us and on the basis of our examination of books of account, during the year, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Value Added Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at March 31, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues outstanding of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty or cess on account of any dispute other than the following:

Sr. No.	Name of the Statute	Nature of Dues	Amount (₹ lakhs)	Period	Forum where dispute is pending
1.	Income Tax Act	Income tax penalty	3.75	2002-03	CIT (A)
		Tax, interest	36.53	2005-06	ITAT
		Tax, Interest	3.77	2006-07	ITAT
		Tax, Interest	208.33	2007-08	CIT(A)
2	PF	PF	36.45	2009 – 2011	EPFAT
3	MVAT Act	VAT	1.70	2006-07	Bombay High Court
		VAT	17.71	2008-09	Joint Commissioner Appeals
4.	Customs Act	Customs Duty & Penalty	142.10	August 2000 to July 2004	Supreme Court
5.	Excise Act	Excise and Penalty	13.59	2003-04 to 2007 – 08	Joint Commissioner
		Excise and Penalty	0.13	2007-08	Tribunal
		Excise and Penalty	4.36	2007 – 08 & 2008 -09	Assistant Commissioner
		Excise and Penalty	2.25	2008 – 09	Assistant Commissioner
		Excise and Penalty	1.59	2008 – 09	Deputy Commissioner
		Excise and Penalty	3.30	2010 -11	Assistant Commissioner, Service Tax
6	Finance Act 1994	Service Tax & Interest	16.12	2005-06 to 2009 - 2010	Assistant Commissioner, Service Tax

- 10) The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses in the current year and the immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- 12) According to the information and explanations given to us and based on the documents and records produced 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.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.

- 14) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities and other investments and timely entries have been made therein. All the shares, securities and other investments have been held by the company in its own name.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) According to information and explanations given to us and based on the documents and records produced to us, the term loans were applied for the purpose for which the loans were obtained.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long term investments.
- 18) The Company has not made any preferential allotment of shares during the year.
- 19) The Company did not issue any debentures during the current year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For KALYANIWALLA & MISTRY**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration Number: 104607W**

**ERMIN K. IRANI**  
**PARTNER**  
**Membership Number: 35646**

Place: Mumbai  
Dated: 26<sup>th</sup> April 2014





**apcotex industries limited**

**BALANCE SHEET AS ON 31ST MARCH 2014**

(₹ In Lacs)

	Notes	As at 31st March 2014	As at 31st March 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	522.35	522.35
Reserves and Surplus	3	8005.18	7297.44
		<u>8527.53</u>	<u>7819.79</u>
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings	4	1669.99	2175.60
Deferred Tax Liability (Net)	5	637.75	657.97
Other Long Term Liabilities	6	102.10	102.23
Long Term Provisions	7	164.13	108.54
		<u>2573.97</u>	<u>3044.34</u>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	8	2294.17	2064.27
Trade Payables	9	2501.25	1936.79
Other Current Liabilities	10	1742.78	1688.47
Short Term Provisions	7	723.22	624.73
		<u>7261.42</u>	<u>6314.26</u>
<b>TOTAL</b>		<u><b>18362.92</b></u>	<u><b>17178.39</b></u>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	11 A	6768.54	6494.28
Intangible Assets	11 B	10.62	4.63
Capital work-in-progress		112.75	136.62
		<u>6891.91</u>	<u>6635.53</u>
Non-current Investments	12	2444.95	2251.55
Long Term Loans and Advances	13	593.68	563.87
Other Non Current Assets	14	100.93	84.79
<b>CURRENT ASSETS</b>			
Inventories	15	1710.04	1079.28
Trade Receivables	16	5170.54	4718.43
Cash and Bank balances	17	612.15	1539.56
Short Term Loans and Advances	13	468.81	266.47
Other Current Assets	18	369.91	38.91
		<u>8331.45</u>	<u>7642.65</u>
<b>TOTAL</b>		<u><b>18362.92</b></u>	<u><b>17178.39</b></u>
<b>Significant Accounting Policies</b>	1		

The accompanying Notes 1 to 43 are an integral part of the Financial Statements

As per our Report of even date

**For KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Registration Number: 104607W

**ERMIN K. IRANI**

Partner

Membership Number: 35646

Mumbai : 26th April 2014

For and on behalf of Board of Directors

**ATUL C. CHOKSEY**

Chairman

**ABHIRAJ A. CHOKSEY**

Managing Director

**MANUBHAI G. PATEL**

(Chairman - Audit Committee)

**ANAND V. KUMASHI**

GM – Accts., Fin. &  
Company Secretary

Mumbai : 26th April 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ In Lacs)

	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>INCOME</b>			
Revenue from Operations	19A	33035.43	30262.47
Less: Excise duty		<u>3497.62</u>	<u>3049.84</u>
<b>Revenue from Operations (Net of excise duty)</b>		<b>29537.81</b>	<b>27212.63</b>
Other Operating Revenue	19B	237.88	127.51
Other Income	20	<u>243.41</u>	<u>(1.71)</u>
<b>TOTAL REVENUE</b>		<b>30019.10</b>	<b>27338.43</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21A	23019.21	20441.75
Changes in Inventories of Finished Goods and Work in Progress	21B	(355.54)	186.38
Employee Benefit Expenses	22	1158.82	1078.11
Other Expenses	23	<u>3440.19</u>	<u>3281.92</u>
<b>TOTAL EXPENSES</b>		<b><u>27262.68</u></b>	<b><u>24988.16</u></b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>		<b>2756.42</b>	<b>2350.27</b>
Depreciation and Amortization Expense	24	676.81	311.30
Finance Cost	25	<u>414.49</u>	<u>234.81</u>
<b>PROFIT BEFORE TAX</b>		<b><u>1665.12</u></b>	<b><u>1804.16</u></b>
Less : Tax Expenses			
Current Tax		371.00	414.00
Deferred Tax	5	<u>(20.20)</u>	<u>109.63</u>
Total Tax Expenses		<b>350.80</b>	<b>523.63</b>
<b>PROFIT AFTER TAX</b>		<b><u>1314.32</u></b>	<b><u>1280.53</u></b>
Basic and Diluted Earnings per Equity Share of ₹5/- each	41	<b>12.68</b>	<b>12.35</b>
The accompanying Notes 1 to 43 are an integral part of the Financial Statements			

As per our Report of even date

**For KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Registration Number: 104607W

**ERMIN K. IRANI**

Partner

Membership Number: 35646

Mumbai : 26th April 2014

For and on behalf of Board of Directors

**ATUL C. CHOKSEY**

**ABHIRAJ A. CHOKSEY**

**MANUBHAI G. PATEL**

Chairman

Managing Director

(Chairman - Audit Committee)

**ANAND V. KUMASHI**

GM – Accts., Fin. &  
Company Secretary

Mumbai : 26th April 2014



**apcotex industries limited**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(₹ in lacs)

		For the Year ended 31st March 2014	For the Year ended 31st March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
<b>Profit Before Tax</b>		<b>1,665.12</b>	1,804.14
Adjustments for :			
Depreciation and Amortization Expense		<b>676.81</b>	311.30
Finance Cost		<b>414.49</b>	234.81
Fixed Assets Written off		<b>14.98</b>	-
Loss on Sale of Assets		<b>3.44</b>	0.40
Bad Debts Written Off		<b>0.77</b>	-
Provision for Bad and Doubtful Debts		<b>9.33</b>	1.64
(Loss) / Surplus on Sale of Investment		<b>(117.37)</b>	96.59
Dividend Income		<b>(30.02)</b>	(66.85)
Interest received		<b>(21.32)</b>	(9.48)
Income from Investment Property		<b>(22.52)</b>	-
Excess Provision Written back		<b>(70.34)</b>	(10.26)
<b>Operating Profit Before Working Capital Changes</b>		<b>2,523.37</b>	2,362.29
Adjustments for :			
Increase / (Decrease) in Non Current Liabilities		<b>4.35</b>	67.63
Increase / (Decrease) in Current Liabilities		<b>405.54</b>	835.17
(Increase) / Decrease in Non Current Assets		<b>(20.81)</b>	151.45
(Increase) / Decrease in Current Assets		<b>(1,616.21)</b>	(150.73)
<b>Cash Flow Generated from Operations</b>		<b>1,296.24</b>	3,265.81
Direct taxes paid		<b>(306.08)</b>	(474.40)
<b>Net Cash Flow from Operating Activities</b>	<b>(a)</b>	<b>990.16</b>	2,791.41
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed assets		<b>(578.23)</b>	(2,572.83)
Sale of Fixed Assets		<b>2.89</b>	-
Purchase of Investments		<b>(2,538.16)</b>	(6,462.01)
Sale of Investments		<b>2,473.06</b>	6,153.70
Dividend Income		<b>30.02</b>	66.85
Interest received		<b>21.32</b>	9.48
Income from Investment Property		<b>22.52</b>	-
<b>Net Cash Used in Investing Activities</b>	<b>(b)</b>	<b>(566.58)</b>	(2,804.81)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds / (Repayment) of Short Term Borrowings (Net)		<b>229.90</b>	(1,173.67)
Repayment of Long Term Borrowings		<b>(616.83)</b>	-
Finance Cost paid		<b>(431.21)</b>	(230.64)
Dividends paid		<b>(453.55)</b>	(408.54)
Dividend Distribution Tax paid		<b>(79.30)</b>	(67.29)
<b>Net Cash Used in Financing Activities</b>	<b>(c)</b>	<b>(1,350.99)</b>	(1,880.14)
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(a+b+c)</b>	<b>(927.41)</b>	(1,893.54)
Cash and cash equivalents as at 1st April 2013		<b>1,539.56</b>	3,433.10
Cash and cash equivalents as at 31st March 2014		<b>612.15</b>	1,539.56
		<b>927.41</b>	1,893.54
1	The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on Cash Flow Statement and presents cash flows by operating , investing and financing activities		
2	Figures in the Bracket are outflows / deductions		
3	Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current year presentation.		

As per our Report of even date

**For KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Registration Number: 104607W

**ERMIN K. IRANI**

Partner

Membership Number: 35646

Mumbai : 26th April 2014

For and on behalf of Board of Directors

**ATUL C. CHOKSEY**

**ABHIRAJ A. CHOKSEY**

**MANUBHAI G. PATEL**

Chairman

Managing Director

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**ANAND V. KUMASHI**

GM – Accts., Fin. &

Company Secretary

Mumbai : 26th April 2014

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

**Corporate Information note on business activity**

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

**NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES**

**(i) Basis of Accounting:**

The financial statements have been prepared under the historical cost conventions and on the 'going concern' basis, with revenue recognized and expenses accounted on their accrual in accordance with Generally Accepted Accounting Principles (GAAP) in India and are in compliance with the applicable Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15 / 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 other relevant provisions of Companies Act 1956.

The classification of assets and liabilities of the Company into current or non-current is based on the criterion specified in the Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**(ii) Use of Estimates:**

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

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

**a. Fixed Assets**

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

Profit or Loss on disposal of tangible assets is recognized in the Statement of Profit and Loss.

**b. Depreciation & Amortisation**

**On Tangible Assets:**

The Company has provided depreciation :

- i. On all additions up to 31.03.1994 under Written Down Value Method and at rates specified under Schedule XIV of the Companies Act, 1956.
- ii. On all additions after 31.03.1994 under Straight Line Method and at rates specified under Schedule XIV of the Companies Act, 1956.

**On Intangible Assets:**

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

- i. Computer Software – Written off over a period of three years
- ii. Technical Know - how

In respect of all additions during the year depreciation is provided pro-rata on monthly basis.

**c. Impairment**

The carrying amounts of the Company's tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.



## **apcotex industries limited**

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

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

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

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

### **(v) Investments**

Non-current investments are valued at cost less provision for diminution in value, if the diminution is other than temporary. Current Investments are stated at lower of cost and fair value.

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

### **(vi) Inventory**

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

Raw and Packing Materials are valued at cost or market value, whichever is lower, computed on FIFO basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes, which are subsequently recoverable from the taxing authorities.

The finished goods inventory is valued at cost, or net realizable value whichever is lower. Cost includes material cost, conversion, appropriate factory overheads, any tax or duties and other costs incurred in bringing the inventories to their present location and condition.

Work-in-Process is valued at material cost and cost of conversion appropriate to their location in the manufacturing cycle.

Stores, Spares and consumables are valued at cost, computed on FIFO basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable from the taxing authorities, if any.

Damaged, unserviceable and inert stocks are adequately provided wherever considered necessary.

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

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

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

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

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

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

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

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

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

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



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

The company uses forward exchange contracts to hedge its foreign exchange exposures relating to the underlying transactions and firm commitments. The premium on forward contracts taken for purchase of fixed assets are capitalized as the cost of the asset and the premium on other contracts is recognized over the life of the contract in the Statement of Profit or Loss.

**(x) Employees' Benefits**

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

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

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

**Defined contribution plans :**

Defined contribution plans are Employee State Insurance Scheme for eligible employees and Government administered Pension Fund Scheme for all employees, Provident Fund Scheme administered by Government, and Superannuation Scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

**Defined benefit plans**

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

**Other long-term employee benefits**

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

**(xi) Research and Development**

- (a) Capital expenditure is shown separately under respective heads of fixed assets.
- (b) Revenue expenses are included under the respective heads of expenses.

**(xii) Taxes on Income**

Tax expense comprises current and deferred tax.

Current tax is measured at the amount expected to be paid in accordance with the Income-tax Act, 1961.

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

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

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

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

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

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



## **apcotex industries limited**

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

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

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

A provision is recognized when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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

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

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

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

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

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 2 : SHARE CAPITAL</b>		
<b>Authorised</b>		
2,99,40,000 Equity Shares of ₹ 5/- each ( 1,49,70,000 Equity Shares of ₹ 10/- each)	<b>1497.00</b>	1497.00
500 Preference Shares of ₹ 100/- each (500 Preference Shares of ₹ 100/- each)	<b>0.50</b>	0.50
50,000 Unclassified Shares of ₹ 5/- each (25,000 Unclassified Shares of ₹ 10/- each)	<b>2.50</b>	2.50
	<u><b>1500.00</b></u>	<u>1500.00</u>
<b>Issued, Subscribed and Paid up capital</b>		
1,03,68,992 Equity Shares of ₹ 5/- (51,84,496 Equity Shares of ₹ 10/-) each fully paid. (Including ₹ 3.90 lacs towards 78,051 shares forfeited at ₹ 5/- each)	<b>522.35</b>	522.35
<b>Total</b>	<u><b>522.35</b></u>	<u>522.35</u>

Note:

- a) The Company had vide resolution passed at AGM of the Company on 28th June 2013, approved the subdivision of each equity share of the company having face value of ₹ 10/- each fully paid into 2 equity shares of Face Value of ₹ 5 only on 17th August 2013 (Record Date). The authorised equity share capital was also subdivided in 2,99,40,000/- equity shares of ₹ 5 each.
- b) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year

Equity Shares	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
<b>At the beginning of the year</b>	<b>5,184,496</b>	<b>522.35</b>	5,184,496	522.35
Add : Increase in the no. of shares on subdivision of each share of ₹ 10 each into 2 equity share of ₹ 5 each during the year	<b>5,184,496</b>	-	-	-
<b>Outstanding at the end of the year</b>	<u><b>10,368,992</b></u>	<u><b>522.35</b></u>	<u>5,184,496</u>	<u>522.35</u>

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

Equity Shares	As at 31st March 2014		As at 31st March 2013	
	No of Shares Face Value of ₹5 Each	% Holding	No of Shares Face Value of ₹10 Each	% Holding
Trivikram Investment & Trading Company Ltd.	<b>1,973,336</b>	<b>19.03</b>	986,668	19.03
Dhumraketu Investment & Trading Company Pvt. Ltd	<b>1,658,952</b>	<b>16.00</b>	829,476	16.00
Atul Champaklal Choksey	<b>667,700</b>	<b>6.44</b>	333,850	6.44
Saldhar Investment & Trading Company Pvt. Ltd	<b>566,544</b>	<b>5.46</b>	282,372	5.45

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

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



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

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

Financial Year 2009-10	As at 31st March 2014	As at 31st March 2013
No of Equity Shares	342,856	342,856
Face Value per Share bought	10	10
Total Face Value (₹in Lacs)	34.29	34.29
Premium per Share	78.89	78.89
Total Premium (₹in Lacs)	270.49	270.49
Grand Total (₹in Lacs)	304.78	304.78

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 3 : RESERVES AND SURPLUS</b>		
<b>(a) Capital Redemption Reserve</b>	34.30	34.30
<b>(b) Share Premium</b>	3084.11	3084.11
<b>(c) General Reserve</b>		
As per last Balance Sheet	1618.93	1490.88
Add : Transfer from Statement of Profit and Loss	131.50	128.05
	1750.43	1618.93
<b>(d) Surplus in Statement of Profit and Loss</b>		
As per last Balance Sheet	2560.10	1953.53
Add : Net profit after tax transferred from Statement of Profit and Loss	1314.32	1280.53
	3874.42	3234.06
Amount available for appropriation	3874.42	3234.06
Less: Appropriations		
Dividend on Equity shares:		
- Proposed Dividend [ ₹5 per share of ₹5 each, (Previous year ₹ 9 per share of ₹10 each)]	518.46	466.60
Dividend Distribution Tax	88.11	79.30
Transfer to General Reserve	131.50	128.05
	3136.35	2560.10
<b>Total</b>	<b>8005.18</b>	<b>7297.44</b>

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 4 : LONG TERM BORROWINGS</b>		
<b>Term Loan</b>		
<b>Secured</b>		
From Bank	1669.99	2175.60
	1669.99	2175.60

**Notes:**

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

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

2. Repayment schedule of Term Loan:		<b>(₹ In Lacs)</b>
<b>Financial Year</b>	<b>Amount</b>	<b>Amount</b>
2014-15	-	725.20
2015-16	833.43	725.20
2016-17	836.56	725.20
3. Default in terms of repayment of principal and interest – NIL;		
4. Foreign currency loan due for Repayment during the next Twelve months considered in Other Current Liabilities is ₹ 833.43 lacs ( Previous Year ₹543.90 lacs )		

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

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

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31st March, 2014 are as follows:

	<b>(₹ In Lacs)</b>	
	<b>As at</b>	<b>As at</b>
	<b>31st March 2014</b>	<b>31st March 2013</b>
<b>Deferred tax liabilities</b>		
Depreciation on Fixed Assets (other than Scientific Research Assets)	<b>621.32</b>	674.01
Depreciation on Scientific Research Assets	<b>61.75</b>	37.09
Others	-	60.10
<b>Total deferred tax liabilities</b>	<b>683.07</b>	771.20
<b>Deferred tax assets</b>		
Provision for leave encashment	<b>35.49</b>	55.48
Provision for doubtful debts	<b>3.17</b>	-
Provision for bonus	<b>6.66</b>	-
Others	-	57.75
<b>Total deferred tax assets</b>	<b>45.32</b>	113.23
<b>Net Deferred tax liability/(assets)</b>	<b>637.75</b>	657.97

	<b>(₹ In Lacs)</b>	
	<b>As at</b>	<b>As at</b>
	<b>31st March 2014</b>	<b>31st March 2013</b>
<b>Note 6: OTHER LONG TERM LIABILITIES</b>		
<b>Unsecured</b>		
Security Deposits	<b>102.10</b>	102.23
	<b>102.10</b>	102.23

**Note:**

Sundry deposits includes refundable Security Deposits accepted from Dealer's, carrying interest rate of 9% p.a.



## apcotex industries limited

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ In Lacs)

	Long -Term		Short -Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>NOTE 7. PROVISIONS</b>				
Employee liabilities				
Leave Encashment	69.82	65.35	16.22	13.91
Proposed Dividend	-	-	518.45	466.60
Provision for Dividend Distribution Tax	-	-	88.11	79.30
Income Tax	94.31	43.19	100.44	64.92
	<u>164.13</u>	<u>108.54</u>	<u>723.22</u>	<u>624.73</u>

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 8 : SHORT TERM BORROWINGS</b>		
<b>Loan repayable on demand from banks</b>		
<b>Secured</b>		
Cash Credit/Working Capital Demand Loan	2294.17	2064.27
	<u>2294.17</u>	<u>2064.27</u>

**Note :**

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

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 9. TRADE PAYABLES</b>		
<b>Unsecured</b>		
Trade Payables (Refer note 42 (for Details of due to Small, Medium Enterprises))	2501.25	1936.79
	<u>2501.25</u>	<u>1936.79</u>
<b>Note: Amount due to Related Parties:</b>		
Apco Enterprises Limited	12.12	5.85
Trivikram Investment & Trading Co. Ltd	-	1.62

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 10. OTHER CURRENT LIABILITIES</b>		
<b>Other Payables</b>		
Current Maturities of Long-term debt	<b>833.43</b>	543.90
Interest accrued but not due on borrowings	<b>28.09</b>	52.60
Statutory Payables:		
Central Sales Tax and VAT	<b>0.20</b>	3.40
Service Tax	-	(4.24)
Excise duty on Closing Stock	<b>54.54</b>	30.06
TDS under Income tax	<b>23.22</b>	20.81
Providend Fund, Profession Tax and ESIC	<b>8.93</b>	8.77
Payable to Employees:		
Salaries & Wages	<b>77.91</b>	68.43
Bonus	<b>21.09</b>	23.91
Incentives	<b>18.00</b>	60.41
Gratuity	<b>18.38</b>	42.67
Unpaid/ Unclaimed dividend	<b>34.59</b>	21.53
Unclaimed Fixed Deposits and Interest thereon	<b>0.70</b>	0.76
Other Liabilities:		
Payable for Expenses	<b>121.83</b>	182.85
Payable for Capital Goods	<b>78.16</b>	136.18
Commission to Non Exe. Directors	<b>16.00</b>	20.00
Advances received from Customers	<b>110.09</b>	3.64
Outstanding Expenses	<b>297.62</b>	472.79
	<b>1742.78</b>	1688.47

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



## apcotex industries limited

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

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

(₹ in lacs)

	Gross Block				Depreciation			Net Block Value		
	As at 01.04.2013	Additions	Deletions/ Adjustments	As at 31.03.2014	Upto 01.04.2013	For the Period	Deletions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>A. Tangible Assets :</b>										
Leasehold Land	7.64	-	-	7.64	2.56	0.10	-	2.67	4.98	5.08
Buildings	2493.44	49.66	(30.98)	2512.12	705.28	66.42	(20.75)	750.95	1761.17	1788.16
Plant and Equipment	5902.21	765.12	(185.68)	6481.65	3244.25	381.24	(191.99)	3433.50	3048.15	2657.99
Scientific Research Equipments	294.50	10.94	-	305.44	110.14	13.58	-	123.72	181.72	184.35
Furnitures & office equipments	164.93	30.85	3.33	199.11	94.64	10.73	2.96	108.33	90.79	70.28
Vehicles	180.75	30.81	(14.76)	196.80	63.27	18.29	(8.52)	73.04	123.76	117.48
Electric & Pipe Fittings	1660.89	155.52	(166.16)	1650.25	505.66	152.14	(82.15)	575.65	1074.60	1155.23
Wind Turbine Generator	612.79	-	-	612.79	97.08	32.36	(0.01)	129.42	483.37	515.72
<b>Total tangible assets</b>	<b>11317.16</b>	<b>1042.90</b>	<b>(394.25)</b>	<b>11965.82</b>	<b>4822.88</b>	<b>674.86</b>	<b>(300.47)</b>	<b>5197.28</b>	<b>6768.54</b>	<b>6494.28</b>
<b>B. Intangible Assets :</b>										
Computer Softwares	54.36	7.86	-	62.22	49.73	1.87	-	51.60	10.62	4.63
<b>Total intangible assets</b>	<b>54.36</b>	<b>7.86</b>	<b>0.00</b>	<b>62.22</b>	<b>49.73</b>	<b>1.87</b>	<b>-</b>	<b>51.60</b>	<b>10.62</b>	<b>4.63</b>
<b>Total (A+B)</b>	<b>11371.52</b>	<b>1050.77</b>	<b>(394.25)</b>	<b>12028.04</b>	<b>4872.61</b>	<b>676.73</b>	<b>(300.47)</b>	<b>5248.87</b>	<b>6779.16</b>	<b>-</b>
Previous year	7739.67	3631.83	-	11371.51	4561.31	311.30	-	4872.61	-	6498.91
<b>Capital Work-in-progress</b>									<b>112.75</b>	<b>136.62</b>
									<b>6891.91</b>	<b>6635.53</b>

(₹ in lacs)

		As at 31st March 2014	As at 31st March 2013
<b>NOTE 12: NON CURRENT INVESTMENTS</b>			
<b>(A)</b>	<b>INVESTMENT PROPERTY (at cost less accumulated depreciation)</b>		
	<b>Buildings given on Operating Lease:</b>		
	Opening Gross Block	-	-
	Add: Transfer from Fixed Assets during the year	<b>30.86</b>	-
	Closing Gross Block	<b>30.86</b>	-
	Less:		
	Opening Accumulated Depreciation	-	-
	Add: Transfer from Accumulated depreciation during the year	<b>19.86</b>	-
	Add: Depreciation for the year	<b>0.08</b>	-
	Closing Accumulated Depreciation	<b>19.93</b>	-
	<b>Net Block (a)</b>	<b>10.93</b>	-



**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ in lacs)

		As at 31st March 2014	As at 31st March 2013
<b>(B)</b>	<b>LONG TERM INVESTMENTS</b>		
<b>1)</b>	<b>UNQUOTED</b>		
<b>i)</b>	<b>TRADE INVESTMENTS</b>		
	1 333 Ordinary Shares of Bombay Mercantile Co-op. Bank Ltd., Mumbai of the face value of ₹30/- fully paid	0.10	0.10
		<u>0.10</u>	<u>0.10</u>
<b>ii)</b>	<b>NON-TRADE INVESTMENTS</b>		
	1 120000 (P.Y. 120000) Equity Shares of Cybele Paradise Pvt Ltd. of the face value of ₹10/- fully paid	16.00	16.00
		<u>16.00</u>	<u>16.00</u>
<b>iii)</b>	<b>INVESTMENTS IN MUTUAL FUNDS</b>		
	1 197101.984 Units (P. Y. 197101.984 Units) Birla Sun Life Frontline Equity Fund - Growth	125.38	125.38
	2 400000 Units (P. Y. Nil Units) Birla Sun Life Fixed Term Plan - Corp Bond Series A (1170 days)	40.00	-
	3 Nil Units (P. Y. 382542.167 Units) DSP BlackRock Micro Cap Fund-Regular Plan	-	66.00
	4 Nil Units (P. Y. 58645.707 Units) HDFC Top 200 Fund (G)	-	112.50
	5 Nil Units (P. Y. 423919.327 Units) HDFC Mid-Cap Opportunities Growth	-	66.00
	6 1020385.797 Units (P. Y. 824499.411 Units) ICICI Prudential Focused Bluechip Eq Fund - Retail (G)	180.00	140.00
	7 1294054.87 Units (P. Y. 1294054.87 Units) ICICI Prudential Income Opportunities Fund - Reg Plan (G)	194.00	194.00
	8 2748674.592 Units (P. Y. 1981214.884 units) of DWS Gilt Fund - Regular Growth	350.00	250.00
	9 370000 Units (P. Y. Nil units) of UTI Fixed Term Income Fund Series XVI-VII (366 Days) (GR)	37.00	-
	10 450.0288 Units (P. Y. Nil units) of Kotak Floater Short Term - Daily Div	4.55	-
	11 575721.811 Units (P. Y. Nil units) of JPMorgan US Value Equity Offshore Fund (G)	60.00	-
	12 16928.446 Units (P. Y. Nil units) of Franklin India Prima Fund (G)	60.00	-
	13 333172.3 Units (P. Y. Nil units) of SBI Bluechip Fund - Regular Plan (GR)	60.00	-
	14 141333.434 Units (P. Y. Nil units) of IDFC Sterling Equity Fund (GR)	30.00	-
		<u>1140.93</u>	<u>953.88</u>



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

		(₹ in lacs)	
		As at 31st March 2014	As at 31st March 2013
2)	<b>QUOTED</b>		
	i) <b>NON-TRADE INVESTMENTS</b>		
	1 40800 (P. Y. 4080) Equity Shares of Asian Paints Ltd of the face value of ₹ 1/- fully paid <i>(Includes Stock Split 1:10)</i>	4.99	4.99
	2 Nil (P. Y. 10000) Equity Shares of Tata Motors Ltd of the face value of ₹ 2/- fully paid	-	1.52
	3 1000 (P. Y. 1000) Equity Shares of Axis Bank of the face value of ₹ 10/- fully paid	-	-
	4 Nil (P. Y. 100) Equity Shares of Cable Corporation Of India Ltd of the face value of ₹ 10/- fully paid	-	-
	5 Nil (P. Y. 299) Equity Shares of Dish TV of the face value of ₹ 1/- fully paid	-	-
	6 Nil (P. Y. 8) Equity Shares of Infosys Ltd of the face value of ₹ 5/- fully paid	-	-
	7 300 (P. Y. 300) Equity Shares of Kesoram Industries Ltd of the face value of ₹ 10/- fully paid	-	-
	8 Nil (P. Y. 800) Equity Shares of Oswal Chemical & Fertilizer of the face value of ₹ 10/- fully paid	-	-
	9 Nil (P. Y. 1100) Equity Shares of Pentamedia Graphics of the face value of ₹ 1/- fully paid	-	-
	10 Nil (P. Y. 80) Equity Shares of Ranbaxy Laboratories of the face value of ₹ 5/- fully paid	-	-
	11 Nil (P. Y. 200) Equity Shares of Usha Martin Education & Solution of the face value of ₹ 1/- fully paid	-	-
	12 Nil (P. Y. 260) Equity Shares of Siti Cable Network Ltd of the face value of ₹ 1/- fully paid	-	-
	13 100 (P. Y. 100) Equity Shares of Computech International Ltd of the face value of ₹ 5/- fully paid	-	-
	14 1000 (P. Y. 1000) Equity Shares of Consortex Karl Doelitz (India) Ltd of the face value of ₹ 10/- fully paid	-	-
	15 1000 (P. Y. 1000) Equity Shares of Skylid Telecom Equipments Ltd of the face value of ₹ 10/- fully paid	-	-
	16 Nil (P. Y. 18250) Equity Shares of Exide Industries Ltd of the face value of ₹ 1/- fully paid	-	21.63
	17 Nil (P. Y. 26950) Equity Shares of Opto Circuits India Ltd of the face value of ₹ 10/- fully paid	-	38.95

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ in lacs)

	<b>As at 31st March 2014</b>	As at 31st March 2013
18 Nil (P. Y. 900) Equity Shares of Oracle Financial Services Software Ltd of the face value of ₹ 5/- fully paid	-	19.97
19 6350 (P. Y. 7000) Equity Shares of Lupin Ltd of the face value of ₹ 2/- fully paid	<b>47.74</b>	21.42
20 Nil (P. Y. 9150) Equity Shares of Mahindra Holidays & Resorts India Ltd of the face value of ₹ 10/- fully paid	<b>0.00</b>	41.64
21 3200 (P. Y. 3850) Equity Shares of Jammu & Kashmir Bank Ltd of the face value of ₹ 10/- fully paid	<b>28.15</b>	33.53
22 18550 (P. Y. 17500) Equity Shares of Sun TV Network Ltd of the face value of ₹ 5/- fully paid	<b>66.67</b>	63.20
23 4950 (P. Y. 4700) Equity Shares of Axis Bank Ltd. of the face value of ₹ 10/- fully paid	<b>49.03</b>	51.40
24 28650 (P. Y. 28650) Equity Shares of United Phosphorous Ltd. of the face value of ₹ 2/- fully paid	<b>43.78</b>	43.83
25 Nil (P. Y. 22700) Equity Shares of Muthoot Finance Ltd. of the face value of ₹ 10/- fully paid	-	36.62
26 Nil (P. Y. 20600) Equity Shares of Cox & Kings Ltd. of the face value of ₹ 5/- fully paid	-	41.47
27 7400 (P. Y. 13670) Equity Shares of ING Vysya Bank Ltd. of the face value of ₹ 10/- fully paid	<b>46.26</b>	50.66
28 Nil (P. Y. 39450) Equity Shares of Jain Irrigation Systems Ltd. of the face value of ₹ 2/- fully paid	-	38.62
29 17200 (P. Y. 23200) Equity Shares of Kajaria Ceramics Ltd. of the face value of ₹ 2/- fully paid	<b>44.83</b>	60.53
30 10350 (P. Y. 10350) Equity Shares of IPCA Laboratories Ltd. of the face value of ₹ 2/- fully paid	<b>33.90</b>	33.90
31 22800 (P. Y. 24000) Equity Shares of Mahindra & Mahindra Financial Services Ltd. of the face value of ₹ 2/- fully paid	<b>58.08</b>	34.70
32 24500 (P. Y. 24500) Equity Shares of KPIT Cummins Infosystems Ltd. of the face value of ₹ 2/- fully paid	<b>25.39</b>	25.39
33 2000 (P. Y. 3700) Equity Shares of Mindtree Ltd. of the face value of ₹ 10/- fully paid	<b>13.77</b>	24.47
34 8025 (P. Y. 3600) Equity Shares of Cadila Healthcare Ltd. of the face value of ₹ 5/- fully paid	<b>67.95</b>	32.90
35 Nil (P. Y. 26100) Equity Shares of Sterlite Inds (Ind) Ltd of the face value of ₹ 1/- fully paid	-	26.67
36 6725 (P. Y. Nil) Equity Shares of Tech Mahindra of the face value of ₹ 10/- fully paid	<b>73.92</b>	-



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ in lacs)

		As at 31st March 2014	As at 31st March 2013
37	6175 (P. Y. Nil) Equity Shares of Havells India Ltd. of the face value of ₹ 5/- fully paid	39.86	-
38	5100 (P. Y. Nil) Equity Shares of Reliance Industries Ltd. of the face value of ₹ 10/- fully paid	45.25	-
39	12500 (P. Y. Nil) Equity Shares of Bajaj Electricals of the face value of ₹ 2/- fully paid	27.97	-
40	2725 (P. Y. Nil) Equity Shares of Larsen & Toubro Ltd. of the face value of ₹ 10/- fully paid	33.41	-
41	8165 (P. Y. 3284) Equity Shares of Sudarshan Chemical Industries Ltd. of the face value of ₹ 10/- fully paid	37.29	22.12
42	Nil (P. Y. 1404) Equity Shares of Bayer Cropscience Ltd. of the face value of ₹ 10/- fully paid	-	12.39
43	Nil (P. Y. 41387) Equity Shares of RPG Life Sciences Ltd. of the face value of ₹ 8/- fully paid	-	28.29
44	49930 (P. Y. 49175) Equity Shares of KEC International Ltd. of the face value of ₹ 2/- fully paid	23.61	27.52
45	Nil (P. Y. 2611) Equity Shares of Honda Siel Power Products Ltd. of the face value of ₹ 10/- fully paid	-	7.69
46	Nil (P. Y. 1955) Equity Shares of Ingersoll-Rand (India) Ltd. of the face value of ₹ 10/- fully paid	-	7.45
47	Nil (P. Y. 11190) Equity Shares of CESC Ltd. of the face value of ₹ 10/- fully paid	-	32.01
48	40519 (P. Y. 23182) Equity Shares of JMC Projects of the face value of ₹ 10/- fully paid	37.90	24.18
49	Nil (P. Y. 7150) Equity Shares of Tata Elxsi of the face value of ₹ 10/- fully paid	-	14.52
50	Nil (P. Y. 2124) Equity Shares of Cmc Limited of the face value of ₹ 10/- fully paid	-	22.13
51	11219 (P. Y. 12624) Equity Shares of Zensar Tech of the face value of ₹ 10/- fully paid	29.26	29.36
52	Nil (P. Y. 9377) Equity Shares of ITD Cementation Ltd of the face value of ₹ 10/- fully paid	-	19.80
53	Nil (P. Y. 4032) Equity Shares of Sundaram Finance of the face value of ₹ 10/- fully paid	-	16.41
54	Nil (P. Y. 1529) Equity Shares of Abbott India of the face value of ₹ 10/- fully paid	-	22.30
55	Nil (P. Y. 15950) Equity Shares of Greaves Cotton of the face value of ₹ 2/- fully paid	-	10.07
56	Nil (P. Y. 25550) Equity Shares of JB Chem & Pharma of the face value of ₹ 2/- fully paid	-	21.43

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ in lacs)

		As at 31st March 2014	As at 31st March 2013
57	Nil (P. Y. 7377) Equity Shares of Hikal Ltd of the face value of ₹ 10/- fully paid	-	27.73
58	9677 (P. Y. 9307) Equity Shares of Deepak Nitrite of the face value of ₹ 10/- fully paid	21.02	19.82
59	41445 (P. Y. 29717) Equity Shares of Kalpataru Power Transmission Ltd of the face value of ₹ 2/- fully paid	34.56	25.57
60	Nil (P. Y. 62005) Equity Shares of TV18 Broadcast Ltd of the face value of ₹ 2/- fully paid	-	20.82
61	7313 (P. Y. 1751) Equity Shares of Merck Ltd of the face value of ₹ 10/- fully paid	45.39	11.01
62	23370 (P. Y. Nil) Equity Shares of Tata Global Beverages of the face value of ₹ 1/- fully paid	35.65	-
63	1357 (P. Y. Nil) Equity Shares of Tech Mahindra of the face value of ₹ 10/- fully paid	23.75	-
64	11235 (P. Y. Nil) Equity Shares of Godrej Properties of the face value of ₹ 5/- fully paid	18.93	-
65	13235 (P. Y. Nil) Equity Shares of Coromandel International Ltd of the face value of ₹ 1/- fully paid	29.89	-
66	120360 (P. Y. Nil) Equity Shares of TV18 Broadcast Ltd. of the face value of ₹ 2/- fully paid	28.17	-
67	1580 (P. Y. Nil) Equity Shares of Tata Coffee Ltd of the face value of ₹ 10/- fully paid	14.87	-
68	24500 (P. Y. 18700) Equity Shares of Kotak Nifty ETF of the face value of ₹ 10/- fully paid	145.75	110.94
		<b>1276.99</b>	1281.57
	<b>Total of Long Term Investments (b)</b>	<b>2434.02</b>	2251.55
	<b>Total (a+b)</b>	<b>2444.95</b>	<b>2251.55</b>

(₹ in lacs)

AGGREGATE MARKET VALUE OF INVESTMENTS	As at 31st March 2014	As at 31st March 2013
<b>QUOTED INVESTMENTS</b>	<b>1848.22</b>	1528.16



**apcotex industries limited**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ In Lacs)

	Long Term		Short Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
<b>NOTE 13 : LOANS AND ADVANCES</b>				
<b>A. Unsecured and Considered good:</b>				
Capital Advances	-	-	96.86	-
Sundry deposits	272.22	267.27	1.50	13.50
	<u>272.22</u>	<u>267.27</u>	<u>98.36</u>	<u>13.50</u>
<b>B. Loans and advances to Trust</b>				
Advance contribution to Gratuity Fund Trust	2.67	3.78	-	-
<b>C. Other loans and advances</b>				
Advances to Vendor	-	-	136.52	16.22
Balance with Excise and service tax	-	-	228.83	221.66
Provident Fund under protest	10.94	-	-	-
Excise Duty under protest	0.40	0.40	-	-
Income Tax paid against disputed liability	208.33	208.33	-	-
Advance payments of Income Tax	99.12	84.09	-	-
Advances to employees	-	-	5.10	15.09
	<u>318.79</u>	<u>292.82</u>	<u>370.45</u>	<u>252.97</u>
	<u>593.68</u>	<u>563.87</u>	<u>468.81</u>	<u>266.47</u>

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 14: OTHER NON CURRENT ASSETS</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured and considered doubtful )		
Overdue for more than six months	9.33	1.64
Less:- Provision for Doutful Debt	9.33	1.64
	-	-
Fixed Deposits with Banks	11.72	-
Sales Tax Refund Receivable	89.21	84.79
	<u>100.93</u>	<u>84.79</u>

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 15: INVENTORIES ( At Lower of cost and market value)</b>		
(a) Raw materials	759.00	549.11
(b) Packing materials	27.43	17.36
(c) Finished goods	587.28	297.30
(d) Work-in-progress	98.23	32.67
(e) Stores, spares and consumables	238.10	182.84
	<u>1710.04</u>	<u>1079.28</u>

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 16: TRADE RECEIVABLES (Unsecured and considered good)</b>		
Overdue for more than six months	3.86	23.31
Others	5166.68	4695.12
	<u>5170.54</u>	<u>4718.43</u>
<b>Note:</b> Amount due from private company in which any director is a director of that company		
(I) Choksey Chemical Pvt. Ltd	65.98	35.86

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 17: CASH AND BANK BALANCES</b>		
<b>A. Cash &amp; cash equivalents</b>		
(a) Cash on hand	7.20	6.43
(b) Balances with Banks :		
(i) Balances with Bank Accounts	394.83	252.56
(ii) EEFC A/c	123.77	169.75
(c) Investment in Liquid Mutual Funds ( See note below)	5.00	1051.34
<b>B. Other bank balances-earmarked</b>		
(i) Unpaid dividend	34.59	21.53
(ii) Deposit with bank - Margin	46.76	37.95
	<u>612.15</u>	<u>1539.56</u>

(₹ In Lacs)

<b>Details of Investment in Liquid Mutual Funds</b>	As at 31st March 2014	As at 31st March 2013
<b>Unquoted Investments in Mutual Funds:</b>		
NIL Units (P. Y. 7709500.748 Units) of HDFC Cash Mgt Fund-Treasury Adv Plan-Retail-Wkly Div Reinvst	-	774.55
50000 units (P. Y. 50000 units) of SBI Magnum Multicap Fund	5.00	5.00
NIL Units (P. Y. 27131.556 units) of SBI HF-Ultra Short Term Fund-Retail Plan-DD	-	271.78
	<u>5.00</u>	<u>1051.34</u>



## apcotex industries limited

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ In Lacs)

	As at 31st March 2014	As at 31st March 2013
<b>NOTE 18: OTHER CURRENT ASSETS (Unsecured and considered good )</b>		
Interest Receivable	0.56	0.29
Discount Receivable	5.72	4.24
Advances to Vendors	71.89	-
Octroi Receivable	0.37	-
Excise Duty Refund ( Exports )	240.83	9.80
Export Incentive Receivable	42.53	24.18
Other Receivables	8.01	0.40
	<u>369.91</u>	<u>38.91</u>

(₹ In Lacs)

	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>NOTE 19: REVENUE FROM OPERATIONS</b>		
<b>(A) Sale of products:</b>		
(a) Domestic (Net of Returns)	29576.68	27732.77
(b) Exports	3458.75	2529.70
<b>Turnover</b>	<u>33035.43</u>	30262.47
Less: Excise duty	3497.62	3049.84
<b>Sale of products</b>	<u>29537.81</u>	<u>27212.63</u>
<b>(B) Other operating revenues:</b>		
(a) Income From Wind Mill Operation (Net)	72.41	77.74
(b) Scrap sales	15.96	6.27
(c) Export Incentives	101.10	43.50
(d) Insurance Claim	28.36	-
(e) Other Income	20.05	-
	<u>237.88</u>	127.51
	<u>29775.69</u>	<u>27340.14</u>

**Note:-**

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



**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

	(₹ In Lacs)	
	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>NOTE 20: OTHER INCOME</b>		
(a) Interest Income	21.32	9.48
(b) Dividend Received		
From Non Current Investments	30.02	66.85
(c) (Loss)/Surplus on sale of Non- Current Investments	107.11	(96.59)
(d) Income from rent	22.52	12.26
(e) Other Income	17.32	0.16
(f) Foreign Exchange Fluctuation Difference	45.12	6.13
	<b>243.41</b>	<b>(1.71)</b>

	(₹ In Lacs)	
	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>NOTE 21 (A) COST OF MATERIALS CONSUMED</b>		
<b>Raw Materials Consumed</b>		
Opening Stock	549.11	595.90
Add : Purchases	22449.37	19806.06
	22998.48	20401.96
Less: Sale of Raw Materials	29.77	-
	22968.71	20401.96
Less: Closing Stock	759.00	549.11
	<b>22209.71</b>	<b>19852.85</b>
<b>Packing Materials Consumed</b>		
Opening Stock	17.36	22.76
Add : Purchases	791.21	583.50
	808.57	606.26
Less : Closing Stock	27.43	17.36
	<b>781.14</b>	<b>588.90</b>
<b>Loss of Material</b>	<b>28.36</b>	<b>-</b>
	<b>23019.21</b>	<b>20441.75</b>



## apcotex industries limited

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ In Lacs)

	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>NOTE 21 (B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
<b>Stock at the beginning of the year</b>		
Finished Goods	297.30	483.68
Work-in-Progress	32.67	32.67
<b>Total (A)</b>	<b>329.97</b>	<b>516.35</b>
<b>Stock at the end of the year</b>		
Finished Goods	587.28	297.30
Work-in-Progress	98.23	32.67
<b>Total( B)</b>	<b>685.51</b>	<b>329.97</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE (A-B)</b>	<b>(355.54)</b>	<b>186.38</b>

(₹ In Lacs)

	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>NOTE 22 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries ,wages and allowances	919.40	842.54
Wages and allowances to Contract Labour	68.34	73.10
Contribution to Provident and other Funds	73.05	67.98
Staff welfare expenses	98.03	94.49
	<b>1158.82</b>	<b>1078.11</b>

(₹ In Lacs)

	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>NOTE 23 : OTHER EXPENSES</b>		
Stores and spares consumed	133.34	188.25
Power and fuel	680.14	715.11
Repairs and Maintenance		
Buildings	50.59	175.89
Machinery	156.71	157.56
Other assets	52.93	29.17
Rent	5.43	8.74
Rates and taxes	78.42	63.53
Insurance	34.88	36.65
Sales Discount & Rebates	404.80	325.56
Freight and transport charges	865.49	695.98
Advertisement	28.28	19.73
Printing, stationary, postage and telephones	52.99	56.34

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

	(₹ In Lacs)	
	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
Travelling Expenses		
Directors	64.82	54.57
Others	133.58	127.90
Commission on sales	142.00	111.74
Loss on sale/discarded assets	3.44	0.40
Fixed Assets Written off	14.98	-
Bad Debts Written off	0.77	-
Provision for Bad & Doubtful Debts	9.33	1.64
Donation	2.60	2.58
Bank Charges	56.92	16.34
Miscellaneous expenses	507.61	463.84
Commission to Non Executive Directors	16.00	20.00
Directors' meeting fees	4.70	3.54
Auditors Remuneration (Ref. Note No. 28)	7.17	4.90
Excess Provision written back	(70.34)	(10.26)
Prior year Expenses (Net) (Refer Note No 29)	2.61	12.22
	<u>3440.19</u>	<u>3281.92</u>

**Note:**

Miscellaneous expenses include Excise duty of ₹24.48 lacs { Previous year ₹(39.64) lacs } being the difference of excise duty between the opening & closing stock of finished goods.

	(₹ In Lacs)	
	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>Note 24 : DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Tangible Assets (Refer Note 11 A)	674.86	309.60
Depreciation on Intangible Assets (Refer Note 11 B)	1.87	1.70
Depreciation on Investment Property (Refer Note 12 A)	0.08	-
	<u>676.81</u>	<u>311.30</u>

	(₹ In Lacs)	
	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
<b>Note 25 : FINANCE COST</b>		
Interest on Borrowings	406.74	222.61
Other Finance costs	7.75	12.20
	<u>414.49</u>	<u>234.81</u>



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

26. Estimated amount of contracts to be executed on capital account and not provided for ₹74.70 lacs (Net of advances ₹ 96.86 lacs. [Previous Year: ₹ 323.00 lacs (Net of Advances of ₹Nil)])

#### 27. Contingent Liabilities:

Claims against the Company not acknowledged as debts [Gross] ₹ 760.54 lacs (P.Y. ₹ 582.12 Lacs).

Particulars	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
Income Tax liabilities on account of disputed claims	393.67	252.39
Disputed demand from RCFPF for PF	36.45	-
Excise Duty, Service Tax and Customs Duty	183.44	329.73
Show Cause notices / Demands under MVAT disputed by the company	29.61	-
Open Letters of Credit	117.37	-

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

27.2 Customs authorities have raised a demand and penalty of ₹ 142.09 lac each which the Company has disputed and paid ₹ 142.09 lacs under protest. The penalty amount of ₹ 142.09 lacs has been disclosed as contingent.

#### 28. Auditors Remuneration

(₹ in Lacs)

	For the Year Ended 31 <sup>st</sup> March 2014	For the Year Ended 31 <sup>st</sup> March 2013
Statutory Audit	5.50	3.50
Tax Audit	1.50	0.75
Certification fees and other services	0.05	0.50
Reimbursement of Expenses	0.12	0.15
<b>Total</b>	<b>7.17</b>	<b>4.90</b>

\*(Net of Service Tax)

#### 29. Prior Period Items

(₹ in Lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Prior Period Expenses</b>		
Salary, Wages and Allowances	0.07	-
Freight and Transportation Charges	0.19	0.11
Bank Charges	0.43	-
Other Finance Costs	3.79	4.43
Travelling Expenses - Others	0.15	1.30
Miscellaneous Expenses	2.60	6.62
<b>Total A</b>	<b>7.23</b>	<b>12.46</b>
<b>Prior Period Income</b>		
Dividend	4.07	-
Donation Written Back	0.15	-
Export Incentives	-	0.24
Other Income	0.40	-
<b>Total B</b>	<b>4.62</b>	<b>0.24</b>
<b>Net (A – B)</b>	<b>2.61</b>	<b>12.22</b>

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

**30. Value of Imports on CIF basis:**

(₹ in Lacs)

Particulars	For the Year Ended 31 <sup>st</sup> March 2014	For the Year Ended 31 <sup>st</sup> March 2013
Raw Materials	2224.52	1773.71
Stores and Spares	31.75	6.13
Capital Goods	-	260.56

**31. Details of Imported and Indigenous Raw Materials, Components and Spare Parts consumed during the financial year:**

(₹ in Lacs)

Particulars	For the Year Ended 31 <sup>st</sup> March 2014	% To Total	For the Year Ended 31 <sup>st</sup> March 2013	% To Total
<b>Raw Materials</b>				
Imported	5148.64	23.18	2034.12	10.25
Indigenous	17061.07	76.82	17818.73	89.75
	<u>22209.71</u>	<u>100.00</u>	<u>19852.85</u>	<u>100.00</u>
<b>Stores and Spares:</b>				
Imported	1.88	1.41	7.94	4.22
Indigenous	131.46	98.59	180.31	95.78
	<u>133.34</u>	<u>100.00</u>	<u>188.25</u>	<u>100.00</u>

**32. Value of Raw Material Consumed:**

(₹ in Lacs)

	For the Year Ended 31 <sup>st</sup> March 2014	For the Year Ended 31 <sup>st</sup> March 2013
Monomers	19782.06	17790.53
Others	2427.65	2062.32
<b>Total</b>	<u>22209.71</u>	<u>19852.85</u>

**33. Capitalization of Exchange Rate Difference on foreign currency loan & related interest cost.**

(₹ In Lacs)

	For the Year Ended 31 <sup>st</sup> March 2014	For the Year Ended 31 <sup>st</sup> March 2013
Exchange Rate Difference related to Foreign Currency loan	400.79	283.46
Interest on Foreign Currency Loan ( Net)	-	117.46
<b>Total</b>	<u>400.79</u>	<u>400.92</u>

**34. Earnings in foreign currency**

(₹ in Lacs)

	For the Year Ended 31 <sup>st</sup> March 2014	For the Year Ended 31 <sup>st</sup> March 2013
Export of Goods on F.O.B. basis	3389.09	2469.17



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

#### 35. Expenditure in foreign Currency

(₹ in Lacs)

	Particulars	For the Year Ended 31 <sup>st</sup> March 2014	For the Year Ended 31 <sup>st</sup> March 2013
a.	Professional Fees (including reimbursement)	23.84	37.64
b.	Interest	169.32	170.98
c.	Foreign Travel	66.60	46.78
d.	Sales Commission	42.11	9.63
e.	Others	5.18	14.25

#### 36. Details on Derivative Instruments and Un-hedged foreign currency exposures:

(i) Derivative Instruments outstanding:

##### A. Forward Exchange Contracts

Particulars	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
	Purchase	Sales	Purchase	Sales
Total number of contracts outstanding (ECB Loan)	1	-	-	-
USD	4001000	-	-	-
INR Equivalent (₹ in Lacs)	2503.42	-	-	-

##### B. Interest Rate Swap Contracts

Particulars	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
Total Number of Contracts	1	1
Principal Notional Amount US \$	4001000	5000000
Maturity Period	Upto 3 Years	Upto 3 Years

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

Particulars	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
	US\$	₹ in Lacs	US\$	₹ in Lacs
Payables : ECB	-	-	5000000	2716.78
Trade and Other Payables	623617	374.79	359222	195.38
Receivables : Trade Receivables	244206	134.53	267313	145.39

#### 37. Segment information

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

##### Secondary segment Information:

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

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

Particulars	Revenue for the year ended March 31, 2014	Trade Receivable as at March 31, 2014	Revenue for the year ended March 31, 2013	Trade Receivable as at March 31, 2013
India	29576.69	5036.00	27732.77	4573.04
Outside India	3458.75	134.53	2529.70	145.39

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

**38. As per requirement of Accounting standard for related parties transaction (AS 18) issued by ICAI:**

**A. Name of Related Party and nature of relationship**

(Disclosure made to the extent of information available)

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

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

**(ii) Enterprises over which the Company's Directors exercise significant influence**

- a) Abhiraj Trading & Investments Pvt. Limited  
b) Aeonian Investments Company Limited  
c) Amisha Buildcon Private Limited  
d) Apco Enterprises Limited  
e) Aquamarine Trading & Investments Pvt. Limited  
f) Balasesh Leafin Limited  
g) Bhuvantray Investments & Trading Co. Pvt. Limited  
h) Choksey Structural Engineering Private Limited  
i) Choksey Chemical Pvt. Limited  
j) Cons Holdings Limited  
k) Cybele Paradise Pvt Ltd  
l) Dhumraketu Investments & Trading Company Pvt.Ltd.  
m) Forest Hills Trading & Investments Pvt. Limited  
n) Gauriputra Investments & Trading Co. Pvt. Limited  
o) Haridwar Trading & Investments Pvt. Limited  
p) HMP Mineral Pvt. Limited  
q) Joshimath Trading & Investments Pvt. Limited  
r) Laxmanjhula Trading & Investments Pvt. Limited  
s) Mazda Colours Limited  
t) Propycon Trading & Investments Private Limited  
u) Saldhar Investments & Trading Company Pvt. Limited  
v) Sammelan Investment & Trading Limited  
w) Shyamal Finvest (India) Limited  
x) Hindustan Mineral Products Co. Limited  
y) Titan Trading & Agencies Limited  
z) Trivikram Investments & Trading Company Limited

**(iii) Key Management Personnel and their relatives :**

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



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

#### B. Related Party Transactions

Sr. No.	Nature of Transaction	Person(s) having controlling interest	Companies controlled by Directors/ Relatives of Directors	Key Management Personnel
<b>Income</b>				
<b>a.</b>	<b>Sale of Goods</b>			
	Choksey Chemicals Pvt. Ltd	-	<b>146.41</b> <i>(88.59)</i>	-
	Mazda Colours Ltd.	-	- <i>(00.10)</i>	-
<b>Expenses</b>				
<b>a.</b>	<b>Rent and Other expenses (Reimbursement)</b>			
	Apco Enterprises Limited	-	<b>17.36</b> <i>(8.89)</i>	-
	Trivikram Investment & Trading Co Ltd.	-	<b>6.45</b> <i>(21.23)</i>	-
<b>b.</b>	<b>Remuneration</b>			
	Shri. Abhiraj A. Choksey	-	-	<b>67.30</b> <i>(56.72)</i>
<b>c.</b>	<b>Reimbursement of Medical Expenses</b>			
	Shri Atul C Choksey	<b>1.47</b> <i>(1.25)</i>	-	-
<b>d.</b>	<b>Commission to Non-Executive Directors</b>			
	Shri Atul C Choksey	<b>11.40</b> <i>(15.43)</i>	-	-

*(Previous Year figures have been shown in brackets and italics)*

#### C. Closing Balances

Sr. No.	Name of the Related Party	Person(s) having controlling interest	Companies controlled by Directors/ Relatives of Directors	Directors / Key Management Personnel*
<b>Outstanding Payable Balance</b>				
a.	Apco Enterprises Limited	-	<b>12.12</b> <i>(5.85)</i>	-
b.	Trivikram Investment & Trading Co Ltd.	-	- <i>(1.62)</i>	-
c.	Shri. Abhiraj A. Choksey – Salary Payable	-	-	<b>2.32</b> <i>(2.37)</i>
d.	Shri Atul C Choksey – Commission Payable	<b>11.40/-</b> <i>(15.43)</i>	-	-
<b>Outstanding Receivable Balance</b>				
a.	Choksey Chemicals Pvt. Ltd	-	<b>65.98</b> <i>(35.86)</i>	-
b.	Mazda Colours Ltd.	-	- <i>(-)</i>	-

*(Previous Year figures have been shown in brackets and italics)*



**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

**39. Disclosure as per Accounting Standard 15 (Revised)**

**i. Contribution to Defined Contribution Plans**

Payment for Employers Contribution to Provident Fund, recognized as expense is ₹ 2,906.350/-

**ii. Contribution to Defined Benefit Plans**

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

	<b>31<sup>st</sup> March 2014</b>	31 <sup>st</sup> March 2013
<b>Change in Present Value of Defined Benefit Obligation</b>		
Present Value of Benefit Obligation at the beginning of the year	<b>149.59</b>	126.01
Interest Cost	<b>12.34</b>	10.71
Current Service Cost	<b>13.16</b>	11.94
(Benefits Paid)	<b>(3.82)</b>	(0.50)
Actuarial (Gain) / Loss on obligations	<b>(0.24)</b>	1.43
Present Value of Benefit Obligation at the end of the year	<b>171.03</b>	149.59
<b>Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	<b>106.92</b>	98.78
Expected Return on Plan Assets	<b>8.82</b>	8.40
Contributions	<b>40.44</b>	-
(Benefits Paid)	<b>(3.82)</b>	(0.50)
Actuarial Gain / (Loss) on Plan Assets	<b>0.28</b>	0.24
Fair Value of Plan Asset at the end of the year	<b>152.64</b>	106.92
<b>Recognition of Actuarial Gain / Losses</b>		
Actuarial (Gain)/Loss for the year – Obligation	<b>(0.24)</b>	(1.43)
Actuarial (Gain) / Loss for the year – Plan Assets	<b>(0.28)</b>	0.24
Total (Gain)/Loss for the year	<b>(0.52)</b>	(1.19)
Actuarial (Gain)/Loss recognized in the year	<b>(0.52)</b>	(1.19)
<b>Expenses recognized in the Statement of Profit &amp; Loss</b>		
Current Service Cost	<b>13.16</b>	11.94
Interest Cost	<b>12.34</b>	10.71
(Expected Return on Plan assets)	<b>(8.82)</b>	(8.40)
Actuarial (Gain)/Loss	<b>(0.52)</b>	1.18
Expenses Recognized in the Statement of Profit & Loss	<b>16.16</b>	15.44
<b>Amount to be recognized in the Balance Sheet</b>		
Present Value of Obligation as at the end of the year	<b>171.03</b>	149.59
Fair value of plan asset as at the end of the year	<b>152.64</b>	106.92
Net Asset/ (Liability) recognized in the Balance Sheet	<b>(18.39)</b>	(42.67)
<b>Actuarial Assumptions</b>		
Discount Rate	<b>9.32%</b>	8.25%
Salary Escalation	<b>5.50%</b>	5.50%
Rate of Return on Plan Assets	<b>9.32%</b>	8.25%
<b>Investment details</b>		
Insurer Managed Fund	<b>100.00%</b>	100.00%
<b>Total</b>	<b>100.00%</b>	100.00%



## apcotex industries limited

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

#### iii. Actuarial Assumptions of Past 5 years - Gratuity

Gratuity	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2010
a. Discount Rate per Annum	9.32%	8.25%	8.50%	8.00%	8.00%
b. Expected Rate of Return on Assets (per annum)	9.32%	8.25%	8.50%	8.00%	8.00%
c. Salary Escalation Rate	5.50%	5.50%	5.50%	5.00%	5.00%

#### iv. Defined Benefit Plan for 5 years

Gratuity	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2010
<b>Net Asset / (Liability) recognized in the Balance Sheet</b>					
d. Present value of Obligation as at the end of the year	171.03	149.59	126.01	83.51	69.58
e. Fair value of plan asset as at the end of the year	152.64	106.92	98.78	71.87	73.47
f. Net Asset / (Liability) recognized in the Balance Sheet	(18.39)	(42.67)	(27.23)	11.64	3.88
<b>Change in Defined Benefit Obligation during the year ended</b>					
Actuarial Gain / (Loss)	(0.24)	1.43	32.09	(18.22)	5.98
<b>Change in Fair Value of Plan Assets</b>					
Actuarial Gain / (Loss)	(0.28)	(0.24)	(0.48)	-	-

#### 40. Operating Leases:

The Company lease agreement are in respect of operating lease of vehicles. The lease rental recognized in the profit and loss during the year and lease agreements obligations for the period is as per given table:

(₹ in Lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Lease payment recognized in P&L	3.48	3.82
Future Lease Commitment		
- Within One Year	3.48	3.48
- Later than one year but not later than five years	5.73	9.22

#### 41. Earnings per Equity Share:

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
a. Profit Computation for both Basic and diluted earnings per equity share of ₹5 each. Net profit as per Statement of Profit and Loss available for equity shareholders (₹in Lacs.)	1314.33	1280.50
b. Number of Shares*	10368992	10368992
c. Earnings per Share – Basic and Diluted	12.68	12.35

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

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

42. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2013-14, to the extent of the Company has received intimation from the suppliers regarding their status under the Act.

(₹ in Lacs)

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
(i) Principle amount remaining unpaid	4.22	3.01
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the period	-	-
(iv) Interest due and payable for the period of delay in making of payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro Small and Medium Enterprises Act, 2006.	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

43. Previous year's figures have been audited by a firm of chartered accountants other than Kalyaniwalla & Mistry. The opening balances are being taken as per the previous year's accounts, which have been regrouped and reclassified wherever necessary to confirm to the current year presentation.

As per our Report of even date

**For KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration Number: 104607W

**ERMIN K. IRANI**  
Partner  
Membership Number: 35646

Mumbai : 26th April 2014

For and on behalf of Board of Directors

**ATUL C. CHOKSEY** Chairman  
**ABHIRAJ A. CHOKSEY** Managing Director  
**MANUBHAI G. PATEL** (Chairman - Audit Committee)

**ANAND V. KUMASHI** GM – Accts., Fin. & Company Secretary

Mumbai : 26th April 2014



## apcotex industries limited

### PERFORMANCE SUMMARY

₹ In lacs

	Growth in comparison to previous year	2013-14	2012-13	2011-12	2010-11	2009-10
<b>Revenues</b>						
Gross Sales	9.16%	33035.43	30262.47	27789.76	22165.76	15681.96
Net Sales	8.54%	29537.81	27212.63	25384.72	20191.96	14307.57
Other Income	282.58%	481.29	125.80	339.58	359.42	96.80
<b>Cost</b>						
Material Consumed	9.87%	22663.67	20628.13	19327.65	15069.78	10229.49
Employee's Remuneration and Benefits	7.49%	1158.82	1078.11	1008.51	777.48	636.60
Other Expenses (Incl Finance Cost)	9.60%	3852.07	3514.78	3374.59	2864.46	2132.80
Gross Profit	10.73%	2344.54	2117.41	2013.55	1839.66	1405.48
Depreciation		676.81	311.30	278.64	264.76	198.95
Earlier year adjustments (Income)		2.61	1.96	103.72	68.06	-50.73
<b>Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>17.28%</b>	<b>2756.42</b>	<b>2350.26</b>	<b>2275.88</b>	<b>2026.02</b>	<b>1504.68</b>
Profit before tax	-7.71%	1665.12	1804.16	1631.20	1506.83	1155.80
Profit after tax	2.64%	1314.32	1280.53	1146.38	1072.36	832.79
<b>Earning Per Shares</b>		<b>12.68</b>	<b>24.70</b>	<b>22.11</b>	<b>20.68</b>	<b>15.26</b>
<b>Capital Accounts</b>						
Share Capital		522.35	522.35	522.35	522.35	522.35
Reserves and Surplus		8005.18	7297.44	6455.32	5897.08	5247.88
Gross Block		12028.04	11371.51	7739.67	7216.86	6912.2
<b>Total Investments</b>		<b>2449.95</b>	<b>3302.89</b>	<b>3553.12</b>	<b>2550.04</b>	<b>1938.39</b>

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



apcotex industries limited

Plot No. 3/1, MIDC Industrial Area, P.O. Taloja, Dist. Raigad 410 208, Maharashtra

### ATTENDANCE SLIP

Folio No./DP ID or BEN NO.: \_\_\_\_\_

I/We hereby record my/our presence at the **28th Annual General Meeting** at the Registered Office of the Company **Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra on Thursday, the 31st day of July 2014 at 10.30 a.m.**

\_\_\_\_\_  
Name of the Shareholder/Proxyholder

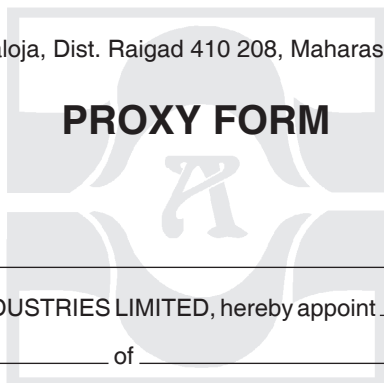
\_\_\_\_\_  
Signature of Shareholder/Proxyholder

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE



apcotex industries limited

Plot No. 3/1, MIDC Industrial Area, P.O. Taloja, Dist. Raigad 410 208, Maharashtra



### PROXY FORM

Folio No./DP ID or BEN NO.:

I/We \_\_\_\_\_

being a Member /Member(s) of APCOTEX INDUSTRIES LIMITED, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

or failing him / her \_\_\_\_\_ of \_\_\_\_\_

as my / our proxy to attend and vote to me/us on my/our behalf at the **28th Annual General Meeting** at the Registered Office of the Company **Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra on Thursday, the 31st day of July 2014 at 10.30 a.m.** or at adjournment thereof.

AS WITNESS my had/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature. \_\_\_\_\_

Affix  
Revenue  
Stamp

NOTE: The Proxy Form must be deposited at the Registered Office of the Company at Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra not less than 48 hours before the time for holding the Meeting.





# BOOK-POST

*If undelivered, please return to :*







**apcotex industries limited**

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



**FORM A**

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

1.	Name of the Company	Apcotex Industries Limited
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	<p>  Ermin K. Irani  Partner  Membership No. 0035646  Statutory Auditor</p> <p>Place; Mumbai  Date: 26 APR 2014</p>	<p>  Mr. Abhiraj A Choksey  Managing Director</p> <p>  Mr. Manubhai G Ptel  Audit Committee  Chairman</p> <p>  Mr. Anand V Kumashi  GM- Accounts , Finance &amp;  Company Secretary.</p> <p>Place: Mumbai  Date: 26 APR 2014</p>