APAR INDUSTRIES LTD.

CORPORATE OFFICE :
APAR HOUSE, CORPORATE PARK,
SION TROMBAY ROAD, CHEMBUR,
MUMBAI - 400 071. INDIA
T : (+91) (22) 2526 3400 / 6780 0400
F : (+91) (22) 2524 6326
E : corporate@apar.com
url : www.apar.com

SEC/1308/2018 **13th August, 2018**

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

Sub. : Submission of copy of Annual Report 2017-18 (electronically) pursuant to Regulation 34 and all other applicable regulations, if any, of the SEBI (LODR) Regulations, 2015

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are e-filing herewith Annual Report of the Company for the financial year ended 31st March, 2018 (2017-2018) comprising of *inter alia,* Notice, Directors' Report, Auditors' Report, Audited Financial Statements, both Standalone and Consolidated, Cash Flow Statements, Business Responsibility Report etc. of the Company which was duly approved and adopted by the Shareholders of the Company at the **29th Annual General Meeting of the Company held on Thursday, 9th August, 2018 at 2.15 p.m. at the Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390007 (Gujarat).**

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For Apar Industries Ltd.

(Sanjaya Kunder)
Company Secretary

Encl. : As above

Tomorrow's Progress Today

ANNUAL REPORT

2017-18

POWERING AHEAD AT 60!

APAR INDUSTRIES LTD.

CONTENTS

Corporate Information	... 01
Finanical Highlights	... 02
Notice	... 03
Directors' Report	... 12
Corporate Governance Report	... 44
Financial Section	... 66
Consolidated Accounts	... 122
Financial Statement of Subsidiaries	... 172

Forward-looking **statement**

In this Annual Report we have disclosed Forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward- looking statements will be realised, although we believe we have been prudent in assumptions.

The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward- looking statements, whether as a result of new information, future events or otherwise.

Corporate Information

Board of Directors

Mr. Kushal N. Desai	Chairman & Managing Director
Mrs. Nina Kapasi	Independent Director
Dr. N. K. Thingalaya	Independent Director – upto 31.10.2017
Mr. F. B. Virani	Independent Director
Mr. C. N. Desai	Managing Director
Mr. Suyash Saraogi	Independent Director
Mr. Rajesh Sehgal	Independent Director – w.e.f. 24.04.2017

Board Committees

Audit Committee	Corporate Social Responsibility Committee	Nomination and Compensation -cum- Remuneration Committee	Share Transfer & Shareholders Grievance-cum -Stakeholders Relationship Committee
Mrs. Nina Kapasi - Chairperson	Mr. Kushal N. Desai - Chairman	Mr. Rajesh Sehgal - Chairman	Mr. Suyash Saraogi - Chairman
Mr. F. B. Virani	Mr. F. B. Virani	Mr. F. B. Virani	Mr. Kushal N. Desai
Mr. Rajesh Sehgal	Mr. Chaitanya N. Desai	Mr. Suyash Saraogi	Mr. Chaitanya N. Desai
Mr. Kushal N. Desai			
Mr. Suyash Saraogi			

Statutory Auditors

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

Chief Financial Officer
Mr. V.C. Diwadkar

Company Secretary
Mr. Sanjaya Kunder

Bankers

- Union Bank of India
- IDBI Bank Limited
- Axis Bank Ltd.
- Credit Agricole – Corporate & Investment Bank
- Syndicate Bank
- ICICI Bank Ltd.
- Bank of India
- Kotak Mahindra Bank Ltd.
- State Bank of India

Registered Office

301, Panorama Complex,
R. C. Dutt Road,
Vadodara – 390 007 (Gujarat), India
Tel : (+91) (0265) 2339906, 2331935
Fax : (+91) (0265) 2330309
E-mail : com_sec@apar.com
Website : www.apar.com
CIN : L91110GJ1989PLC012802

Corporate Office

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

Registrar & Share Transfer Agent

M/s. Link Intime India Private Limited
B-102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara – 390 020 (Gujarat), India
Tel : (+91) (0265) 6136000, 6136001
Fax : (+91) (0265) 2356791
E-mail : vadodara@linkintime.co.in
Website : www.linkintime.co.in
CIN : U67190MH1999PTC118368

Financial Highlights for last five years (Consolidated)

(₹ in crore)

Particulars	2017-18*	2016-17*	2015-16*	2014-15	2013-14
PROFIT AND LOSS ACCOUNT DATA					
Sales (Net of Excise)	5,819	4,832	5,078	5,122	4,633
% of Growth	20	(5)	(1)	11	(0)
Exports	2,023	1,359	1,651	1,673	1,555
Materials, Operating and other costs	5,288	4,321	4,625	4,791	4,269
Employee cost	126	107	91	79	67
Depreciation	56	45	38	31	27
Interest and Discounting charges	140	114	157	150	145
Profit before tax, exceptional & Extraordinary Items	223	273	178	73	129
% of Growth	(19)	54	144	(44)	(16)
Taxation	78	97	57	23	39
Profit after tax (PAT)	145	176	120	50	90
Exceptional items	-	-	-	0	1
Other Comprehensive Income	(27)	20	3	-	-
Joint Venture profit/(loss)	-	0	1	-	-
Minority Interest (Profit)/loss	-	-	-	0	(0)
Balance of Profit	118	196	125	50	89
% of Growth	(40)	57.19	152.19	(44)	(19)
BALANCE SHEET DATA					
Share Capital	38	38	38	38	38
Reserves & Surplus	1,070	998	815	691	658
Net worth	1,108	1,036	854	730	696
Minority interest	(0)	-	-	1	2
Loan Funds	273	254	361	361	314
Defferred Tax (Net)	35	46	31	27	22
Total Liabilities	**1,416**	**1,336**	**1,246**	**1,120**	**1,034**
Gross Block	769	640	★422	603	541
Net Block	663	594	444	383	356
Investments including Goodwill on Consolidation/amalgamation	5	7	13	22	21
Net Current assets	748	734	789	715	657
Total Assets	**1,416**	**1,336**	**1,246**	**1,120**	**1,034**
KEY RATIOS					
PAT to Sales (%)	2.49	3.65	2.37	0.97	1.94
Return on Net Worth (%)	13.50	18.65	15.37	6.98	13.54
Asset Turns (Revenue to total Assets)	1.51	1.51	1.71	1.76	1.76
Return on Capital Employed (%)	26.36	30.03	28.58	20.67	30.43
Debt to Equity Ratio	0.17	0.11	0.14	0.15	0.13
Earning per Equity Share (Basic) Rs.	37.82	45.88	32.48	12.87	23.30
Rate of dividend % p.a.	95.00%	100.00%	65.00%	35.00%	52.50%
Book value per Equity Share Rs.	289.59	270.75	221.82	189.58	180.72
Share Price as on 31st March (BSE)	728.00	748.85	461.80	370.10	144.70

*Numbers are as per Ind AS from FY 2015-16 onwards

★Carrying value of Property, Plant and Equipment as on the date of transition is considered as deemed cost.

NOTICE

NOTICE is hereby given that the 29th (Twenty Ninth) Annual General Meeting (AGM) of the Equity Shareholders of **APAR INDUSTRIES LIMITED** ('the Company') will be held on **Thursday, 9th August, 2018 at 2:15 P.M.** at the **Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 (Gujarat)** to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended on March 31, 2018 including the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash flow for the year ended on that date along with reports of the Board of Directors and the Auditors thereon.

2. To declare dividend at the rate of ₹9.50 (95%) per Equity Share of face Value of ₹ 10 each, fully paid up, for the financial year 2017-18.

3. To appoint a Director in place of Mr. Chaitanya N. Desai (DIN – 00008091), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business :

4. Re-appointment of Mr. Kushal N. Desai as Managing Director and Chief Executive Officer of the Company.

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and the Articles of Association of the Company and as approved and recommended by the Nomination and Compensation-cum-Remuneration Committee and by the Board of Directors of the Company and subject to the approval of the Central Government, if required, **Mr. Kushal N. Desai (DIN - 00008084),** be and is, hereby re-appointed as Managing Director and Chief Executive Officer (CEO) of the Company to act as such, for a further period of five years from 1st January, 2018 to 31st December, 2022 (both days inclusive), with substantial powers of management as of a Managing Director, as defined under Section 2(54) of the said Act, but subject to the superintendence, direction and control of the Board of Directors of the Company; on same terms as to salary, perquisites and commission as laid down below with power to the Board of Directors / Committee authorised by the Board to vary, alter or determine the remuneration, terms of appointment thereon, from time to time :

1. Salary:

Rs. 465,850/- per month effective from 1st January, 2018 with annual increase of 10% each following year calculated on salary previously drawn.

2. Perquisites:

In addition to the above salary, he will be entitled to the following perquisites.

Unless the context otherwise requires, perquisites are classified into three categories as follows :-

Category "A"

(i) House Rent Allowance upto 100 % of basic salary in lieu of housing accommodation or Unfurnished residential accommodation, expenditure for taxes, levies, repairs, maintenance, society charges, security charges etc. incurred by the Company as tenant of the residential premises hired by the Company and provided to the director.

(ii) The Company will pay for utilities like power, gas, water, staff, etc. used / availed by the said director at his residence, as may be permissible under law from time to time.

(iii) The Company shall give / provide, leave travel assistance for self and family, medical reimbursement for self and family, club fees, personal accident insurance, and any other allowance or reimbursement as may be agreed upon between the Director and the Company, from time to time.

Provided that the above perquisites shall be valued as per the Income-tax norms / rules, wherever applicable. In the absence of any such rules, the perquisites and allowances shall be evaluated at actual cost.

Category "B"

(a) Contribution to provident fund in accordance with the rules of the Company to the extent that these are not taxable under the Income Tax Act, 1961.

(b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per the Company's rules at the end of the tenure.

(c) Encashment of unutilised leave as per Company's rules.

However, the above will not be included in the computation of ceiling on remuneration as specified in Section II and Section III of Schedule V of the Companies Act, 2013.

Category "C"

Motor Vehicle with driver for use on Company's business and telephone / mobile phones / other communication facility at residence will not be considered as perquisites.

In accordance with the provisions of Section 192(1A) read with Section 17 of the Income Tax Act, 1961, the Company shall bear and pay due income tax at applicable rates on the perquisite value as per the Income Tax Act / Rules in respect of non-monetary perquisites provided to the above Director.

3. Commission:

In addition to the above salary and perquisites, he shall also be entitled to annually receive Commission upto 1% of Net Profit of the Company in a particular financial year as may be determined under the provisions of Section 198 and other applicable provisions of the Act and be paid such commission pursuant to the recommendation of Nomination and Compensation-

cum-Remuneration Committee of Directors of the Company.

Provided the aggregate amount of remuneration covering basic salary, perquisites, and commission payable to the said director and in aggregate to all such Directors should not exceed the prescribed percentages of the Net Profit of the Company in each year as provided under Sections 197 read with Schedule V of the Companies Act, 2013 as may be in force from time to time.

FURTHER RESOLVED THAT in the event of absence or inadequacy of profit in any financial year during the currency of tenure, he shall be paid remuneration by way of salary, perquisites and other allowances as specified above as Minimum Remuneration restricted, however, to the ceiling specified in the amended Section II of Part II of Schedule V of the Act as may be in force from time to time or alternatively pay remuneration by way of salary, perquisites and other allowances subject to the approval of the Central Government exceeding the ceiling limits prescribed in the amended Section II of Part II of Schedule V of the Act.

FURTHER RESOLVED THAT any of the Directors or the Company Secretary of the Company, be and are, hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. Re-appointment of Mr. Chaitanya N. Desai as Managing Director of the Company.

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and the Articles of Association of the Company and as approved and recommended by the Nomination and Compensation-cum-Remuneration Committee and by the Board of Directors of the Company and subject to the approval of the Central Government, if required, **Mr. Chaitanya N. Desai (DIN - 00008091),** be and is, hereby re-appointed as Managing Director of the Company to act as such, for a further period of five years from 1st January, 2018 to 31st December, 2022 (both days inclusive), with substantial powers of management as of a Managing Director, as defined under Section 2(54) of the said Act, but subject to the superintendence, direction and control of the Board of Directors of the Company; on same terms as to salary, perquisites and commission as laid down below with power to the Board of Directors / Committee authorised by the Board to vary, alter or determine the remuneration, terms of appointment thereon, from time to time :

1. Salary:

Rs. 465,850/- per month effective from 1st January, 2018 with annual increase of 10% each following year calculated on salary previously drawn.

2. Perquisites:

In addition to the above salary, he will be entitled to the following perquisites.

Unless the context otherwise requires, perquisites are classified into three categories as follows :-

Category "A"

(i) House Rent Allowance upto 100 % of basic salary in lieu of housing accommodation or Unfurnished residential accommodation, expenditure for taxes, levies, repairs, maintenance, society charges, security charges etc. incurred by the Company as tenant of the residential premises hired by the Company and provided to the director.

(ii) The Company will pay for utilities like power, gas, water, staff, etc. used / availed by the said director at his residence, as may be permissible under law from time to time.

(iii) The Company shall give / provide, leave travel assistance for self and family, medical reimbursement for self and family, club fees, personal accident insurance, and any other allowance or reimbursement as may be agreed upon between the Director and the Company, from time to time.

Provided that the above perquisites shall be valued as per the Income-tax norms / rules, wherever applicable. In the absence of any such rules, the perquisites and allowances shall be evaluated at actual cost.

Category "B"

(a) Contribution to provident fund in accordance with the rules of the Company to the extent that these are not taxable under the Income Tax Act, 1961.

(b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per the Company's rules at the end of the tenure.

(c) Encashment of unutilised leave as per Company's rules.

However, the above will not be included in the computation of ceiling on remuneration as specified in Section II and Section III of Schedule V of the Companies Act, 2013.

Category "C"

Motor Vehicle with driver for use on Company's business and telephone / mobile phones / other communication facility at residence will not be considered as perquisites.

In accordance with the provisions of Section 192(1A) read with Section 17 of the Income Tax Act, 1961, the Company shall bear and pay due income tax at applicable rates on the perquisite value as per the Income Tax Act / Rules in respect of non-monetary perquisites provided to the above Director.

3. Commission:

In addition to the above salary and perquisites, he shall

also be entitled to annually receive Commission upto 1 % of Net Profit of the Company in a particular financial year as may be determined under the provisions of Section 198 and other applicable provisions of the Act and be paid such commission pursuant to the recommendation of Nomination and Compensation-cum-Remuneration Committee of Directors of the Company.

Provided the aggregate amount of remuneration covering basic salary, perquisites, and commission payable to the said director and in aggregate to all such Directors should not exceed the prescribed percentages of the Net Profit of the Company in each year as provided under Sections 197 read with Schedule V of the Companies Act, 2013 as may be in force from time to time.

FURTHER RESOLVED THAT in the event of absence or inadequacy of profit in any financial year during the currency of tenure, he shall be paid remuneration by way of salary, perquisites and other allowances as specified above as Minimum Remuneration restricted, however, to the ceiling specified in the amended Section II of Part II of Schedule V of the Act as may be in force from time to time or alternatively pay remuneration by way of salary, perquisites and other allowances subject to the approval of the Central Government exceeding the ceiling limits prescribed in the amended Section II of Part II of Schedule V of the Act.

FURTHER RESOLVED THAT any of the Directors or the Company Secretary of the Company, be and are, hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. Payment of remuneration to the Cost Auditors of the Company for the FY 2018-19

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. T. M. Rathi, the Cost Auditor having Membership No. 3964, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019 be paid remuneration not exceeding Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand Only).

FURTHER RESOLVED THAT any of the Directors or the Company Secretary of the Company, be and are, hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

By Order of the Board
For Apar Industries Limited

Place : Mumbai
Date : May 30, 2018.

Sanjaya Kunder
Company Secretary

NOTES :

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') with respect to the Special Business to be transacted at the meeting set out in the Notice is annexed hereto. The brief details of the persons seeking appointment / re-appointment as Directors as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India as approved by the Central Government, is also annexed to this Notice.

2. **A member entitled to attend and vote at the meeting is also entitled to appoint a proxy or proxies to attend and to vote, on a poll, instead of himself / herself / itself and the proxy need not be a member of the company. The proxy form duly completed and signed should be deposited at the company's registered office not less than 48 hours before the commencement of the meeting.**

   A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

   Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable, issued on behalf of the nominating organisation.

3. Corporate Members intending to send their Authorised Representative(s) to attend the Annual General Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative (s) to attend and vote on their behalf at the Meeting.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Members are requested to bring their duly filled in **Attendance Slip** enclosed in the annual report along with their copy of the annual report to the Meeting.

6. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from **03rd August, 2018** to **09th August, 2018**, both days inclusive, in connection with the Annual General Meeting and for the purpose of payment of dividend, if declared at the Meeting.

7. Members are requested to note that the Company's equity shares are under compulsory demat trading for all class of investors, as per the provisions of the SEBI Circular dated May 29, 2000. Members are therefore advised in their own interest to dematerialise their physical shareholding to avoid inconvenience and for better servicing by the Company.

8. Members holding shares in electronic form may note that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents, Link Intime India Private Limited (Registrar), cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar.

9. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.

10. Members desirous of obtaining information / details about the accounts, are requested to write to the Company at least one week before the meeting, so that proper information can be made available at the time of meeting.

11. All Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Registered Office of the Company during Office hours on all working days except Sundays between 11.00 A.M. and 4.00 P.M. up to the date of the ensuing Annual General Meeting and at the meeting, during the meeting hours.

12. **Unclaimed / Unpaid Dividend:** Pursuant to the provisions of Section 124 and 125 of the Act and other relevant provisions of the Act, the dividend which remains unpaid / unclaimed from the date of transfer to the unpaid/unclaimed dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. The unclaimed dividend for the financial year 2010-11 and all subsequent years must be claimed as early as possible failing which it would be transferred to IEPF as per the (tentative) dates mentioned herein below.

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2010-11	24.08.2011	28.09.2018
2011-12	09.11.2012	15.12.2019
2012-13	08.08.2013	12.09.2020
2013-14	01.08.2014	05.09.2021
2014-15	07.08.2015	11.09.2022
2015-16	16.03.2016	21.04.2023
2016-17	09.08.2017	13.09.2024

Members who have not yet encashed their dividend warrant(s) are requested to make their claims to the Company without further delay. Members are further requested to note that unpaid / unclaimed dividend for the year 2009-10 and 2010-11 (interim dividend) has been transferred to IEPF as on 13th September, 2017 and 7th December, 2017 respectively.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 9th August, 2017 (date of last Annual General Meeting) on the website of the Company (www.apar.com), as also on the website of the IEPF viz. (www.iepf.gov.in).

Further, pursuant to the provisions of Section 124(5) and Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the IEPF authority.

The Company has accordingly transferred 47,962 Equity Shares of the shareholders whose dividend had remained outstanding for a period of 7 years from 2009-10 to 2015-16 on 28th December, 2017 to IEPF. Details of shares transferred to IEPF Authority are available on the website of the Company which can be accessed through the link http://apar.com/pdf/financedata/IEPF/IEPF_Share_Transfer.pdf

The Members / claimants whose shares, unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on iepf.gov.in as well as the link for the same is available on the website of the Company). The Member / Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules and amendments thereto.

It is in the interest of Members to claim any un-encashed dividends and for future, opt for National Electronic Clearance System (NECS) / National Automated Clearing House (NACH), so that dividends paid by the Company are credited to the investor's account on time.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their self-attested PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their self-attested PAN details to the Company / Registrar.

14. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH - 13 with Registrar. In respect of shares held in demat form, the nomination form may be filed with the respective DP.

15. A route map showing directions to reach the venue of the 29th AGM is given at the end of this Notice as per the requirement of Secretarial Standard - 2 on "General Meeting".

16. (a) As stated in Para No. 6 of the Directors' Report, the Company has not attached the Annual Accounts, Reports and other Statements in respect of its four Subsidiaries with the Annual Report of the Company for the financial year ended March 31, 2018.

(b) A Statement showing information in aggregate of the said subsidiary Companies in compliance with the provisions of Section 129(3) of the Act has been attached with the financial statements in Form AOC-1 and forms a part of this Annual Report.

17. The Annual Report 2017 - 18 of the Company, circulated to the Members of the Company, will be made available on the Company's website at www.apar.com.

18. The Company has already initiated / implemented the "Green Initiative" as per the Circulars issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices / documents and annual reports to the shareholders. The email addresses as made available in your respective Depository Participant (DP) accounts and downloaded from NSDL / CDSL will be deemed to be your email address for serving notices / documents including those covered under Section 136 read with Section 20 of the Companies Act, 2013.

The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. shall also be displayed on the Company's website at www.apar.com. Members holding shares in electronic mode are, therefore, requested to ensure to keep their email addresses updated with the Depository Participants. Shareholders / Members can register their email address, by sending an Email at investorservices@apar.com by quoting their Folio No. / DP ID – Client ID in order to facilitate the Company to serve the documents through the electronic mode.

19. Voting Options

1. Voting through Electronic means:

Pursuant to Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide e-voting facility to the members in relation to the business to be transacted at the 29th Annual General Meeting to be held on Thursday, **9th August, 2018** at 02:15 p.m. The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Ltd.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting. The e-voting facility is available at the link www.evotingindia.com

The facility for voting, through ballot paper, shall be made available at the AGM and the members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are as under:

INSTRUCTIONS FOR E-VOTING

The voting period begins on 10:00 Hrs. of Sunday, **5th August, 2018** and ends on 17:00 Hrs. of Wednesday, **8th August, 2018**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, **2nd August, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Members are requested to follow the below mentioned instructions to cast their vote through e-voting:

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on Shareholders / Members

(iii) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Characters Alpha-numeric DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and cast your vote earlier for any company, then your existing password is to be used. If you are a first time user, follow the steps given in the table below.

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN field as mentioned on the mailing address sticker.
Dividend Bank Details **OR** **Date of Birth (DOB)**	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on EVSN of APAR INDUSTRIES LTD.

(x) On the voting page, you will see "Resolution Description" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "Resolutions File Link" if you wish to view the entire set of Resolutions.

(xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the changed login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off-date i.e. **2nd August, 2018** should follow the same procedure as mentioned above for e-Voting.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Corporate Shareholders :

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xx) Once you have cast your vote, you cannot modify or vote on poll at the AGM. However, you may attend the meeting and participate in the discussions, if any.

Voting at AGM:

The Chairman shall at the AGM, at the end of the discussion on the resolutions, on which voting is to be held, allow voting with the assistance of Scrutinizer, by the use of Polling Paper for all the Members who are present at the AGM but have not cast their vote by availing the remote e-voting facility. Polling papers are attached with this Annual Report.

20. Other Instructions:

(i) The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 10:00 Hrs. of Sunday, 5th August, 2018
End of e-voting period	Upto 17:00 Hrs. of Wednesday, 8th August, 2018

E-voting shall not be allowed beyond 17.00 Hrs of 8th August, 2018. The e-voting module shall be disabled by CDSL for voting thereafter. During the e-voting period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the Cut-off-Date, may cast their votes electronically. The Cut-off-Date for the purposes of e-voting is **2nd August, 2018**. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **2nd August, 2018**.

(ii) You can opt only one mode of voting i.e. either by E-voting or Physical Ballot. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.

(iii) Mr. Hemang M. Mehta, Proprietor of M/s. H. M. Mehta & Associates, Practicing Company Secretaries, Vadodara, Gujarat (Membership No. FCS - 4965 & Certificate of Practice No. 2554) has been appointed as the Scrutinizer to scrutinize the e-voting, remote e-voting and polling paper process in a fair and transparent manner.

(iv) Pursuant to the provisions of Section 107 of the Act Read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) there will not be any voting by show of hands on any of the agenda items at the meeting and the Company will conduct polling at the meeting.

(v) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast in the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(vi) The results declared of e-voting along with the report of the Scrutinizer shall be placed on the website of the Company at www.apar.com and on the website of CDSL e-Voting immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Ltd. and NSE Limited.

21. Special Note :

The Company has been informed by the Statutory Auditors, Sharp & Tannan about the change in the status from Firm to Limited Liability Partnership (LLP) and they have accordingly, received the new Firm Registration No. 127145W / W100218 for the said LLP from the Institute of Chartered Accountants of India and that they would like to continue to act as Statutory Auditors of the Company under their converted firm being LLP carrying new Registration Number viz. 127145W / W100218 for the remaining term upto the conclusion of the Annual General Meeting of the Company to be held in the year 2020 as available under provisions of Companies Act, 2013.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on 9th August, 2017 has noted the change in the status of the Statutory Auditors after the conversion of a Firm Sharp & Tannan to Sharp & Tannan LLP – bearing the Registration Number as 127145W / W100218 for the remaining period of their term.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on August 9, 2017.

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

Registrar and Share Transfer Agent
Link Intime India Private Limited
B-102 & 103, Shangrila Complex, 1st Floor,
Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota,
Vadodara – 390 020 (Gujarat), India
Tel.: 0265 – 6136000, 6136001
TeleFax: 0265 – 2356791
E-mail: vododara@linkintime.co.in
Website: www.linkintime.co.in

ANNEXURE TO NOTICE

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

ITEM NOS. 4 & 5:

The agenda item nos. 4 & 5 of the Notice relates to the approval for re-appointment and revision of remuneration and providing facilities to :-

a. Mr. Kushal N. Desai (KND) as Managing Director & Chief Executive Officer (CEO) of the Company for a further period of 5 years from 1st January, 2018 to 31st December, 2022 (both days inclusive) and

b. Mr. Chaitanya N. Desai (CND) as Managing Director of the Company for a further period of 5 years i.e. from 1st January, 2018 to 31st December, 2022 (both days inclusive).

with an increase of 10% in the basic salary from ₹ 423,500/- per month to ₹ 465,850 per month and an annual increase of 10% each following year for both the Managing Directors.

During the tenure of the said two directors, the Company has:

a. Achieved substantial increase in the production and sales turnover.

b. Improved its financial performance and net profits.

c. Undertaken the expansion of manufacturing facilities of all segments of its businesses successfully.

d. Increased export market for all products of the company.

Thus, the Company has immensely benefitted from the rich

experience, hard work and expertise of management of industries by Mr. Kushal N. Desai and Mr. Chaitanya N. Desai, Managing Directors. Hence, for continuous growth of all the divisions of the Company, it would be in the best interest of the Company to re-appoint them for a further period of 5 years w.e.f. 1st January, 2018.

Considering the present business environment and future business scenario, consequent to expansion of business operations and inflation in last five years, the present remuneration and commission paid to the said Directors needs to be continued with annual increase of 10 % of salary. It is, therefore, proposed that whilst re-appointing them for a further term of 5 years, to revise the remuneration as aforesaid which will be within the ceilings prescribed under Schedule V read with Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), which permits a Company having profits in a financial year to pay any remuneration by way of salary, dearness allowance, perquisites, commission and other allowances to its managerial persons which in aggregate for all such persons should not exceed the prescribed percentages of the Net Profit of the Company in each year as provided under Sections 197 read with Schedule V of the Companies Act, 2013 as may be in force from time to time. However if the remuneration paid/ payable to them exceeds the limits as prescribed under Section 197 read with Schedule V of the Act, necessary approvals of the Central Government and such other authorities as required will be accorded by the Company on time to time basis.

Considering the above, on the recommendation of Nomination and Compensation-cum-Remuneration (NCR) Committee, the Board at their Meeting held on 1st November, 2017 has, subject to the approval of shareholders, re-appointed them with revision in remuneration as detailed in the resolution for a further period of 5 years w.e.f. 1st January, 2018.

In terms of Section 190 of the Companies Act, 2013, a copy of the abstract of the material terms of such re-appointment would be available for inspection by any member of the Company at the Registered Office of the Company during any working day between 11.00 Hrs. to 16.00 Hrs.

The Board, therefore, commends the resolutions for approval by the members.

Mr. Kushal N. Desai and Mr. Chaitanya N. Desai, Managing Directors, being relatives of each other, are concerned and interested in these resolutions. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, about the resolutions set out at Item Nos. 4 & 5. The brief details viz. qualifications, experience, etc. of Mr. Kushal N. Desai and Mr. Chaitanya N. Desai, are annexed to this notice.

ITEM NO. 6:

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of Mr. T. M. Rathi, the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time), the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration not exceeding amount of Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand only) payable to the Cost Auditor for conducting audit of the cost records of Oil, Conductors and Cable divisions of the Company for the financial year ending 31st March, 2019 (2018-19).

The Board accordingly recommends the resolution at Item No. 6 of this Notice for the approval of the Members.

None of Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

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

By Order of the Board
For Apar Industries Limited

Place : Mumbai
Date : May 30, 2018.

Sanjaya Kunder
Company Secretary

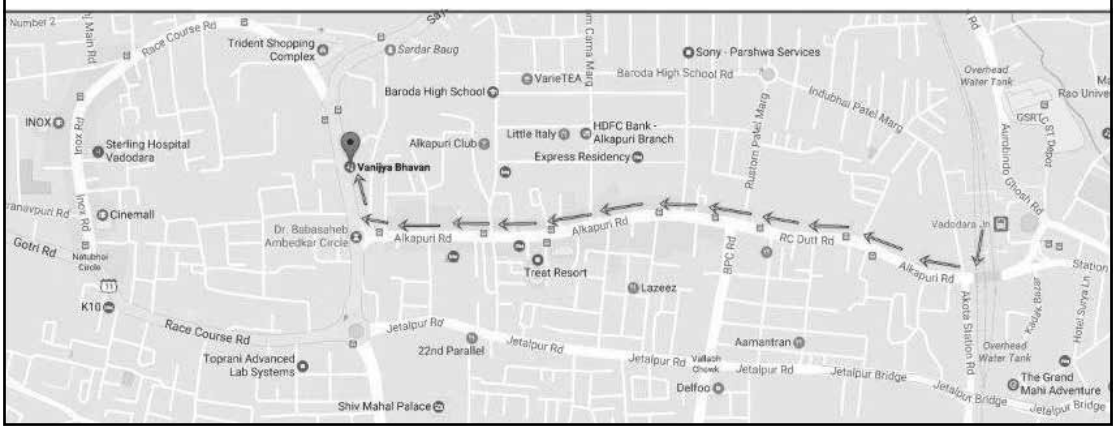
Profile of the directors being appointed / re-appointed at the ensuing AGM

(As required under Regulation 36 (3) of the Listing Regulations and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings)

Name of Director	Mr. Kushal N. Desai	Mr. Chaitanya N. Desai
DIN	00008084	00008091
Date of Birth	21.02.1967	15.07.1971
Date of Appointment	24.03.1999	29.05.1993
Qualifications	B.Sc. (Hons.), (Elect. Engg.), USA B.S. in (Econ.) (Hons.), Wharton, USA.	B.Sc. (Hons.), (Chem. Engg.), USA B.S. in (Econ.) (Hons.), Wharton, USA.
Expertise in specific functional areas	Electrical Engineering	Chemical Engineering
Experience	29 years	24 years
Directorship held in other Listed Companies as on 31st March, 2018.	None	None

Chairmanship / Membership of Committee held in other Listed Companies as on 31st March, 2018.	None	None
Number of Equity Shares held in the Company as on 31st March, 2018.	9,187,974	9,103,656
Relationship with other directors and Key Managerial Personnel	Related to – Mr. Chaitanya N. Desai, (Brother)	Related to – Mr. Kushal N. Desai, (Brother)
Number of Board Meetings attended during the Financial Year 2017-18	4	4
Terms and Conditions of Appointment	Details provided under Item No. 4 and 5, in the statement setting out material facts under Section 102 of the Companies Act, 2013, forming part of this AGM Notice.	
Details of remuneration sought to be paid		
Remuneration last drawn by the Director	Basic Salary : Rs. 4,23,500 per month	Basic Salary : Rs. 4,23,500 per month
List of Directorship held in other Companies as on 31.03.2018	1. Apar Corporation Private Limited	1. Apar Corporation Private Limited
	2. Scope Private Limited	2. Scope Private Limited
	3. Catalis World Private Limited	3. Catalis World Private Limited
	4. Petroleum Specialities Pte. Ltd., Singapore	4. Maithili Trusteeship Services Private Limited
	5. Maithili Trusteeship Services Private Limited	5. Cema Optilinks Private Limited
	6. Apar Investments, INC	
	7. Apar Investments (Singapore) Pte. Ltd.	
	8. Apar Technologies Pte. Ltd., Singapore	
	9. Manufacturers of Petroleum Specialties Association	
	10. Bhakti Nilayam Private Limited	
	11. Petroleum Specialities FZE, Sharjah	
	12. Cema Optilinks Private Limited	

VANIJYA BHAVAN ROAD MAP - APAR 29TH - AGM



DIRECTORS' REPORT

Dear Shareholders,

Your Directors takes immense pleasure in presenting the 29th Annual Report of the Company together with the Audited Annual Financial Statements (Standalone and Consolidated) showing the financial position of the Company for the year ended 31st March, 2018.

1. FINANCIAL PERFORMANCE

The financial performance of your Company for the year ended 31st March, 2018 is highlighted below:

(₹ in crore)

Particulars	Company			Consolidated		
	2017-18	2016-17	% of Increase	2017-18	2016-17	% of Increase
Sales turnover (after deduction of excise duty / GST / other taxes)	5,515.74	4,775.58	15.50	5818.53	4,831.98	20.42
Other income	10.92	15.80		11.11	15.96	
Profit for the year before finance cost, depreciation and tax expenses.	405.88	436.56	(7.03)	418.64	432.73	(3.26)
Deducting therefrom:						
- Depreciation / amortisation	49.59	43.45		55.87	44.97	
Finance Costs	134.93	113.66		140.00	114.36	
PROFIT BEFORE TAXATION FOR THE YEAR	**221.36**	**279.45**	**(20.79)**	**222.77**	**273.40**	**(18.52)**
Deducting therefrom:						
- Tax expenses	77.31	97.13		78.03	97.15	
Net profit for the year after taxation and before minority interest	**144.05**	**182.32**	**(20.99)**	**144.74**	**176.25**	**(17.88)**
Adjustment of:						
- Share in Profit (Loss) of JV	**0**	**0**		**0**	**0.32**	
NET PROFIT AFTER TAXATION AND ABOVE ADJUSTMENTS	144.05	182.32		144.74	176.57	
Add: Profit brought forward from previous year	437.20	274.18		521.78	364.51	
Amount available for appropriations	**581.25**	**456.50**		**666.52**	**541.08**	
- Reserves	(15.00)	(20.00)		(15.00)	(20.00)	
- Dividend (including tax)	(46.07)	*		(46.07)	*	
- Refund of dividend tax	-	0.93		-	0.93	
- Capital Redemption Reserve	-	(0.23)		-	(0.23)	
Leaving balance of profit carried to balance sheet	520.18	437.20		605.45	521.78	
Earnings per equity share (EPS)						
- Basic & Diluted before & after extraordinary items	37.64	47.38		37.82	45.88	

*Note: In accordance with Ind AS, dividend of Rs. 9.50 (95 %) per share recommended by the Board of Directors for FY 17-18 (refer para 3 below) along with the Dividend Distribution Tax is recognized as a liability in the period in which it is declared by shareholders in a general meeting and paid.

2. INDIAN ACCOUNTING STANDARDS

The Company had adopted Ind AS with effect from 1st April, 2016 with the transitional date as 1st April, 2015 pursuant to the Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. Accordingly, the Financial Statements for the year ended on 31st March, 2018 have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015, prescribed under Section 133 of the Companies Act 2013 ('the Act') and other recognized accounting practices and policies to the extent applicable.

3. DIVIDEND

Pursuant to the Requirements of Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company has formulated its Dividend Distribution Policy, the details of which are available on the Company's website www.apar.com.

DIRECTORS' REPORT

Considering the financial results and the performance of the Company during the year under review, as compared to the previous year, the Board of Directors has recommended the dividend of Rs. 9.50 (95%) per share on the capital of 38,268,619 Equity Shares of the face value of Rs. 10/- each fully paid for FY 2017-18.

This dividend amounting to ₹36.35 crore (excluding dividend tax) is payable after declaration by shareholders at the ensuing Annual General Meeting (AGM) and you are requested to declare the same.

4. TRANSFER TO RESERVES

The Company proposes to transfer an amount of Rs. 15 crore to the General reserves. An amount of Rs. 605.45 crore is proposed to be retained in the Consolidated Statement of Profit and Loss.

5. MANAGEMENT DISCUSSION AND ANALYSIS

FY18 is a landmark year for your Company as it marks our Diamond Jubilee. For 60 years, your Company has focused on delivering excellence and building a leadership position in its segments globally. From a small conductor manufacturing unit set up in 1958, your Company has come a long way. Today, we are one among the top 3 global leaders in conductors, the 4th largest global transformer oil manufacturer, the largest domestic cable manufacturer in the renewables sector and a leading player in auto lubricants.

The year gone by saw all our businesses expand with revenues returning to growth after two consecutive years of decline. Your Company delivered volume growth across all segments despite uncertainties and challenges emanating from the implementation of GST, and increase in raw material prices. Once these settle, given the continued push by the government towards the power sector, growth in auto sector, railways, defense and non-conventional energy, we see strong progress ahead.

The government incentives/programs to stimulate the power sector gained ground in the year. This is evident from the increasing number of states joining the UDAY scheme, now at 32 states/UTs. This move has seen these states/UTs cutting their losses; witnessing a boost in demand and spurt in capacity-creation with the help of the Saubhagya Scheme; Growth in auto sector, railways, desense and nonconventional energy, and renewables going up to 20% of the installed power capacity of 345 GW, up from 17.5% in FY17.

As we move into FY19, the momentum is well in place, with the government planning to overhaul the Railway's electric infrastructure (over 67,000 ckm) at a capex of Rs. 35,000 crore over a five-year period, as it plans to reduce the dependence on diesel locomotives; Rs. 2.6 lakh crore of investment in the 13th Five Year Plan (FYP) (2017-22), and the government's aim to provide 24x7 power leading to new additions and repairs and maintenance of T&D equipment. The capital allocation made in Budget 2018 to reforms in the power distribution sector, including schemes like Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) (Rs. 3,800 crore), Integrated Power Development System (IPDS) (Rs. 4,900 crore) and Saubhagya (Rs. 16,000 crore) will further fuel growth in the sector.

With the expectation of robust sector growth in FY19, your Company, being a leading player in the T&D sector, will reap the benefits of these developments and build a stronger position for itself. Further, its strategic tie-ups with big global firms, such as ENI S.p.A, Italy, and CTC Global, USA, have resulted in the introduction of a multitude of high-technology products, such as high-temperature conductors and automotive oils. Further, we continue to innovate and have produced extra-high-voltage transformer oils, elastomeric cables, E-beam cables and optical fibre cables (OFC) internally.

Going forward, Apar is well-positioned to contribute to the government's increased focus on building high-quality T&D infrastructure and increasing the efficiency in the segment, as depicted in the 13th Electricity Plan.

The opportunities and outlook that exist for your Company are as follows:

GLOBAL SCENARIO

T&D equipment up on the back of increased generation & replacement demand with renewable energy gaining traction.

Global energy investments were at $1.7 trillion in 2016, or 2.2% of global GDP. As per the International Energy Agency (IEA), for the first time ever, the electricity sector edged ahead of the oil and gas sector to become the largest recipient of energy investment. Electricity networks attracted 6% more investment YoY.

Low oil prices saw the share of investment in fossil fuel fall, with renewables emerging as the favoured choice. Global renewable energy capacity hit a new record in 2017, with 157 GW commissioned, increasing the global total by almost 10% vis-à-vis 2016. According to a United Nations Environment Programme report, new investments in solar were up 18% YoY at $160.8 billion, while those in wind slipped 12% at $107.2 billion in 2017.

Increasing demand for electricity, new power generation capacity additions and replacement of aging T&D assets are driving the global electric T&D equipment market. As per

estimates, it is expected to reach about $304 billion by 2022, growing at an approximate CAGR of 6.2% from 2017 to 2022.

INDIAN SCENARIO

T&D overachieves as India's electricity sector undergoes transformation.

As the world's third-largest power consumer as well as producer, India has put up 99.2 GW of additional capacity in the last five years. The Central Electricity Authority (CEA) estimates capacity addition under renewable energy at 131.9 GW during 2017-22. The period, therefore, is likely to witness a transformation in India's electricity sector, across the entire value chain of generation, transmission and distribution.

The T&D segment clearly overachieved targets in FY18 with transmission lines meeting 100% targets and transformation capacity crossing the targets by 60%. With the above achievements in the very first year of the 13th Five Year Plan, the industry is well-poised to meet the targets set for the full Plan period. The Plan is estimated to involve T&D investment of Rs. 2.6 lakh crore. About 1,05,580 ckm of transmission lines and 14,000 MW (HVDC) of transformation capacity is expected to be added during the period. Also, about 45,700 MW of inter-regional capacity addition is planned during the period to take the capacity to 1,18,050 MW by the end of the 13th Plan, from the current capacity of 72,350 MW.

Further, the Government initiative to provide high-speed broadband under the BharatNet project to 1.5 lakh panchayats through 10 lakh kilometres of additional optical fibre at a total capital investment of Rs. 45,000 crore is creating huge demand for optical fibre. Also, Electric Vehicles (EVs) project a large opportunity for our products, as only EVs will be sold after 2030 as per the Government, which would need an enormous number of charging stations. It is estimated that EVs would have a share of 30-35% of the new vehicles market by 2030.

Overall, it has been a promising year for the country, with efforts being made by the Government to boost power distribution across India, thus also benefitting the T&D sector.

Conductors: Transmission lines of 105,580 ckm are likely to be added during the 13th FYP (2017-22) taking the cumulative number to 470,515 ckm.

Transformer Oil: During the 13th FYP, the total altering current transformation capacity addition is likely to be 292,000 MVA in which the largest share is from 765 kV substation, followed by 400 kV and 220/230 kV. Additional capacity of 14,000 MW of HVDC is also expected to be added during the period.

Wires and Cables: The size of the cable manufacturing industry stands at approximately Rs. 40,000 crore, and the industry is likely to grow at a CAGR of over 10% for the next five years.

Auto Lubes: Domestic passenger vehicle sales grew at 8% in FY18, driven by high demand for compact SUVs, lower finance costs, the economy's recovery from the effects of demonetisation and improved consumer confidence. However, growth was transiently offset by the rise in raw material costs and oil prices. Two-wheeler sales grew at 15% in 2017-18, owing to the growing 'scooterisation' movement across the country.

OVERALL BUSINESS PERFORMANCE

Your Company is happy to report positive growth across our three businesses in FY18. This was despite a challenging environment due to uncertainties related to the implementation of GST, which, however, is now stabilising Your Company reported consolidated revenue of Rs. 5,939 crore (gross of excise) in FY18, 12.3% up compared to Rs. 5,289 (gross of excise) crore in FY17. The growth is a testament to our robust diversified business model and increased focus on innovative, new-age products. We believe strong growth-drivers are in place for the momentum to continue.

We are also confident of longterm of the businesses eventhough profitability in FY18 reduced due to the initial cost of setting up new factories, increased raw material prices and aggressive pricing in the market. EBITDA margin stood at 7.1% during the year vs. 8.8% in the previous year. Net profit margin is reported at 2.5%, compared to 3.6% in the previous year.

BUSINESS SEGMENTS

CONDUCTORS - GOOD GROWTH DESPITE CHALLENGES

(₹ in crore)

Particulars	2017-18	2016-17	Variation (%)
Turnover* (Gross of Excise)	2,616	2,462	6%
Segment Profit / (Loss)	131	179	-27%
Exports	1,151	819	41%

*Turnover includes Interest Income of Rs. 2.71 crore for FY18 and Rs. 0.09 crore for FY17

a. **Stable growth in revenue:** In FY18, revenue from the segment grew 6% to reach Rs. 2,616 crore, compared to Rs. 2,462 crore in FY17. Volumes grew 5% to reach 166,622 MT, compared to 158,835 MT in FY17. Exports saw strong growth, accounting for 45% of revenue, compared to 30% in FY17. The segment witnessed growth despite the GST-related dispatch issue, which lowered the volumes in H1. But, this was offset by high growth in H2 on normalisation

of the GST issue. The share of High Efficiency Conductors (HEC) increased to 14%, compared to 11% in FY17.

b. **Transient decline in profitability:** EBITDA per metric tonne post forex adjustment came in at Rs. 7,831, compared to Rs. 11,882 in FY17 on account of higher raw material costs and pricing pressure on selling prices due to tariff-based competitive bidding. Going forward, profitability is expected to improve due to cost benefits at the Jharsuguda plant and a better revenue mix, led by rising share of HECs.

c. **Increased capacity at Jharsuguda plant to avail cash and logistics benefits**: Your Company has finalised a 10-year agreement with Hindalco to source molten metal for manufacturing conductors at its Jharsuguda (Odisha) plant, which is likely to translate into significant cost savings. Your Company also shifted 50,000 MT capacity from Silvassa to Jharsuguda in FY18, taking the total capacity to 80,000 MT, to avail cost and logistic benefits. Also, a new molten metal facility commenced operations at Lapanga for manufacturing rods.

d. **Adequate order book ready for execution in FY19:** The order book for the conductor segment stood at Rs 1,209 crore as of March 2018. Export accounted for 47% of the order book.

e. **FY19 expected to be a growth year** as your Company has received approvals for copper conductors for Railway electrification. Your Company is expecting to receive orders worth Rs. 400 crore from the Railways, to be executed in FY19 itself. Railways portrays a new opportunity for us, given Rs 35,000 crore of Plan expenditure. UDAY and Saubhagya schemes from the Government are also expected to contribute to the segment's growth. Other drivers include demand from intra-state power transmission lines as well as grid connectivity projects linked to solar and wind-based power plants.

f. **Risks and Concerns:** Competition from China in the export business, increasing competition in the domestic market with the tariff-based competitive bidding (TBCB) system in place, fluctuation in prices of Aluminium (hit seven year high) and steel resulting from political events like sanctions on Russian companies may exert pressure on the profitability of your Company. While Aluminium per-se can be hedged there is no proper mechanism to hedge high carbon steel wire rod. Project delays from the customers' side may result in under-utilisation of capacity even though the order book remains robust. There can be delays in debtor collections due to stress at the customers' end.

SPECIALITY OIL - ROBUST GROWTH:

(₹ in crore)

Particulars	2017-18	2016-17	Variation (%)
Turnover* (Gross of Excise)	2,162	1,881	15%
Segment Profit / (Loss)	164	169	-3%
Exports	775	573	35%

*Turnover includes Interest Income of Rs. 2.10 crore for FY18 and Rs. 2 crore for FY17

a. **Robust Revenue Growth:** This segment witnessed strong revenue growth of 15% to reach Rs. 2,162 crore, from Rs. 1,881 crore a year ago, thanks to higher volumes and realisation. Volume for the period under review stood at 388,513 KL, compared to 352,655 KL in FY17, led by strong growth in automobile oils, industrial processing oils, industrial lubricants and transformer oils. The domestic demand for transformer oil is driven by the UDAY scheme, which has propelled demand for distribution transformers.

b. **Auto Lubes segment sees positive growth:** Volumes in the auto lubes segment have increased to 33,338 KL, up 34% from 24,893 KL in the previous year. The demand for auto lubricants remained strong, driven by OEM sales and the B2C segment, which Apar caters to via its network of 450 distributors and 15,000 stockists across India. Profitability in the segment witnessed some temporary impact due to raw material price increases, but this was offset by better product mix. During the year, your Company entered into a joint venture agreement with PPS Motors Private Limited (PMPL) to sell lubricants to government institutions, defence and original equipment manufacturers.

c. **Profitability recovering in H2:** EBITDA per KL after forex adjustment for the year was at Rs. 4,399, compared to Rs. 4,931 in the previous year. The decline is due to aggressive pricing in both the domestic and export markets and initial cost of setting up the Sharjah plant. However, profitability improved in H2.

d. **Scaling up of Sharjah plant:** In FY17, your Company commissioned a state-of-the-art speciality oil blending unit in Hamriyah (Sharjah), which crossed sales volume of 50,000 KL in the first year itself, while being cash positive.

e. **FY19 expected to be promising year:** Your Company is the only domestic company which has won orders to supply transformer oil to HVDC transformers in FY19&20. The pick-up of the UDAY scheme and the Government's aim to provide 24x7 power is creating demand for transformer oil to refurbish and maintain the transformers.

f. **Risks and Concerns:** Your Company is exposed to volatility

in the prices of its raw materials and foreign exchange rates. Competition in both the transformer oil and auto lubricant segments may pose pressure on performance. However, in order to mitigate risks, your Company continues to exercise prudence in inventory control and hedging strategies. Also, additional global refining capacities have resulted in a mismatch in demand and supply, which has had an effect on base oil prices. The prices of long-term buy contracts take time to correct in case of fluctuations in crude prices as formula prices are always backward looking. Debtors' collection period can increase on account of the stressed financial condition of customers. The Company had to implement strict credit controls to limit exposure to customers facing cash-flow issues. Rapid commoditisation taking place at the lower end, especially at technical grade white oils, may have an impact on the margins.

CABLES SEGMENT - STRONG GROWTH, IMPROVING PROFITABILITY

(₹ in crore)

Particulars	2017-18	2016-17	Variation (%)
Turnover* (Gross of Excise)	1,135	929	22%
Segment Profit/ (Loss)	91	61	48%
Exports	161	129	25%

*Turnover includes Interest Income of Rs. 1.08 crore for FY18 and Rs. 3 crore for FY17.

a. **Strong Revenue Growth:** This segment delivered strong revenue growth of 22%, at Rs. 1,135 crore, compared to Rs. 929 crore a year ago. This was majorly driven by growth in power cables, which increased by 68% as well as increase in optical fibre cables and elastomeric cables that are being preferred by the defence sector and for solar and wind projects, where Apar is the largest supplier.

b. **Growth in profitability:** EBITDA post forex adjustments has increased to Rs. 107 crore in FY18 from Rs.74 crore in FY17, despite heightened competition and volatility in both metal prices and exchange rates.

c. **Successfully completed capex in Khatalwad plant:** Production at the power cables plant at Umbergaon was at close to full capacity level in FY18. Successfully completed capex on HT cables, planning consolidation and expansion of OFC and LT cables at the Khatalwad plant.

d. **FY19 expected to be a promising year:** Apar is entering three new areas — MVCC, auto cables and Railway harnesses. Your Company's cables business is positioned to continue to perform well in terms of revenue and EBITDA.

e. **Risks and Concerns:** The excess capacity in the power cables segment impacts pricing. Collection periods can get extended and delivery schedules can get delayed due to lack of financial arrangements by key customers in the renewable energy sector and by EPC contractors. Pricing Pressures and margin particularly in Power cables is sharp Volatility in metal and polymer prices have a major impact Availaibility of optical fibre is also very tight. In optical fibre cables, the clientele is concentrated among a handful of telecom companies, and BBNL, where the capex spending has been cyclical and delayed resulting in poor predictablity of sales in segments.

f. **Development of human resources :** The Company promotes an open and transparent working environment to enhance teamwork and build business focus. The Company equally gives importance to the development of human resource (HR). It updates its HR policy in line with the changing HR culture in the industry as a whole. In order to foster excellence and reward those employees who perform well, the Company practices performance / production linked incentive schemes and introduced Employees Stock Option Scheme. The Company also takes adequate steps for in-house training of employees and maintaining a safe and healthy environment.

g. **Cautionary statement:** The statements made in the Management Discussion & Analysis section, describing the Company's goals, expectations and predictions among others do contain some forward looking views of the management. The actual performance of the Company is dependent on several external factors, many of which are beyond the control of the management viz. growth of Indian economy, continuation of industrial reforms, fluctuations in value of Rupee in the foreign exchange market, volatility in commodity prices, applicable laws / regulations, tax structure, domestic / international industry scenario, movement in international prices of raw materials and economic developments within the country among others.

6. SUBSIDIARY AND JOINT VENTURE COMPANIES

During the Financial Year 2017-18, **M/s. Cema Optilinks Private Limited** was incorporated as a Majority Owned Subsidiary of the Company on June 12, 2017 with the main object of carrying out small scale business of manufacturing and trading in Fiber Optic cables. The Company is yet to commence its manufacturing operations.

The Company has also entered into a Joint venture agreement with M/s. PPS Motors Private Limited (PMPL) and others and for the purpose incorporated a Company in the name of **"M/s Ampoil Apar Lubricants Private Limited"** (AALPL) on July 18, 2017 which shall carry out the activities such as sale and / or distribution of lubricants including Engine Oils for various kinds of vehicles, machinery, mechanised equipment under the brand name "Ampoil". The share of the Company in the Joint Venture will be 40%.

Your Company has the following subsidiaries as at 31st March, 2018:

1. Petroleum Specialities Pte. Ltd. Singapore (PSPL) – Wholly Owned Subsidiary of the Company,
2. Petroleum Specialities FZE, Sharjah (PSF) - Wholly Owned Subsidiary of PSPL,
3. Apar Transmission & Distribution Projects Private Limited (ATDPPL) – Wholly Owned Subsidiary of the Company and
4. Cema Optilinks Private Limited (COPL) - Majority Owned Subsidiary of the Company.

The Company has not attached the Balance Sheet, Profit & Loss Accounts and other documents of its four subsidiaries. As per the provisions of Section 129(3) read with Section 136 of the Companies Act, 2013, a statement containing brief financial details of the subsidiaries for the year ended March 31, 2018 in **Form AOC – 1** is included in the annual report and shall form part of this report as **" Annexure IX".** The annual accounts of the said subsidiaries and the related information will be made available to any member of the Company seeking such information at any point of time and are also available for inspection by any member of the Company at the registered office of the Company.

Further, pursuant to provisions of Section 136 of the Act, the financial statements, including Consolidated Financial Statements of the Company along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed during the year by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

8. CORPORATE GOVERNANCE

Your Company believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards, transparency and accountability in its dealings with all its constituents. As required under the Listing Regulations, a detailed report on Corporate Governance along with the Auditors' Certificate thereon forms part of this report as **"Annexure – VI"**.

9. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report as stipulated under Regulation 34 of the Listing Regulations is annexed herewith as **"Annexure – VII"** forms a part of this Annual Report.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments / Re-appointments

- During the year under review, Mr. Rajesh Sehgal was appointed as an Independent Director by the Shareholders of the Company in their meeting held on 09th August, 2017 for a period of five years upto the conclusion of 33rd Annual General Meeting of the Company to be held in the calendar year 2022.
- At the 29th Annual General Meeting (AGM), following appointments / re-appointments are being proposed:
  a. On the recommendation of Nomination and Compensation - cum - Remuneration Committee, Mr. Kushal N. Desai was reappointed as Managing Director and Chief Executive Officer (CEO) of the Company for a further period of five years from 1st January, 2018 to 31st December, 2022.
  b. On the recommendation of Nomination and Compensation-cum-Remuneration Committee, Mr. Chaitanya N. Desai was reappointed as Managing Director of the Company for a further period of five years from 1st January, 2018 to 31st December, 2022.
  c. Mr. Chaitanya N. Desai, Director shall retire by rotation and being eligible, offers himself, for re-appointment.

Details of the proposal for re-appointment of Mr. Kushal N. Desai and Mr. Chaitanya N. Desai along with their brief resume are mentioned in the Explanatory Statement under Section 102 of the Act and disclosure under Regulation 30 of the Listing Regulations as annexed to the Notice of the 29th Annual General Meeting.

The Board recommends re-appointment / appointment of all the above Directors.

Retirement / Resignations:

- During the year under review, Dr. N. K. Thingalaya, resigned as an Independent Director of the Company and consequently as a member of Audit and Nomination and Compensation-cum-Remuneration Committee of the Company w.e.f. 1st November, 2017 in view of his intention to retire from active life. The Board placed on record its appreciation for the valuable contribution and quality expert advices given by Dr. Thingalaya during his tenure as Director and as a Member of the Committees of the Board.

Key Managerial Personnel:

- Mr. Kushal N. Desai, Managing Director and Chief Executive Officer, Mr. Chaitanya N. Desai, Managing Director, Mr. V. C. Diwadkar, Chief Financial Officer and Mr. Sanjaya Kunder, Company Secretary are the Key Managerial Personnel of the Company as on 31st March, 2018.

11. MEETINGS

During the year, four Board Meetings and Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Act. The details of these Meetings with regard to

their dates and attendance of each of the Directors thereat have been set out in the Report on Corporate Governance.

12. DECLARATION BY INDEPENDENT DIRECTORS

Mr. F. B. Virani, Mr. Suyash Saraogi, Mr. Rajesh Sehgal and Mrs. Nina Kapasi were the Independent Directors of the Company as on 31st March, 2018.

In accordance with Section 149(7) of the Act, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Listing Regulations.

13. BOARD EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Compensation-cum-Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

14. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

i. that in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

ii. that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the period ended on that date.

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. that the annual accounts have been prepared on a going concern basis.

v. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

vi. that systems to ensure compliance with the provisions of all applicable laws were devised and in place and were adequate and operating effectively.

15. REMUNERATION POLICY

The Board has, on the recommendation of Nomination and Compensation-cum-Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Particulars of Information as per Section 197 of the Act read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - a Statement showing the names and other particulars of the Employees drawing remuneration in excess of the limits set in the Rules and Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as **"Annexure – III"** forming part of this Report.

16. RISK ASSESSMENT & MINIMISATION PROCEDURES

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

17. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return in Form **MGT-9** as required under Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 forms part of this Report as **"Annexure – V"**.

18. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. **Form AOC-2** relating to Disclosure of Particulars of Contracts/ arrangements entered into by the Company with related parties is annexed as **"Annexure – X"** and forming part of Directors' Report.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website.

There were no materially significant Related Party transactions.

19. AUDIT COMMITTEE

The Company has an Audit Committee pursuant to the requirements of the Act read with the rules framed thereunder and Listing Regulations. The details relating to

the same are given in the report on Corporate Governance forming part of this Report.

During the year under review, the Board has accepted all recommendations of Audit Committee and accordingly, no disclosure is required to be made in respect of non-acceptance of any recommendation of the Audit Committee by the Board.

20. REPORTING OF FRAUDS

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and rules framed thereunder either to the Company or to the Central Government.

21. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THE REPORT

There have been no material changes and commitments which have occurred from the end of financial year till the date of this report affecting the financial position of the Company.

22. DEPOSITS

The Company has not accepted deposits within the meaning of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the year and hence there were no outstanding deposits and no amount remaining unclaimed with the Company as on 31st March, 2018.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

24. STATUTORY AUDITORS

The members of the Company at their 28th Annual General Meeting held on 9th August, 2017 appointed M/s. Sharp & Tannan (Firm Registration No. 127145W) (S & T) as Statutory Auditors of the Company for the remaining term of three years upto the conclusion of the Annual General Meeting to be held in the year 2020.

The Company was informed by the said firm, Sharp & Tannan that they have been converted into a Limited Liability Partnership (LLP) and they have accordingly, received the new Firm Registration No. 127145W / W100218 for the said LLP from the Institute of Chartered Accountants of India and that they would like to continue to act as Auditors of the Company under their converted firm being LLP carrying new Registration Number viz. No. 127145W / W100218.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on 9th August, 2017 has noted the conversion of Sharp & Tannan into Sharp & Tannan LLP Registration Number viz. No. 127145W / W100218 for the remaining period of their term.

The Company has received necessary eligibility certificate from Sharp & Tannan LLP (Firm Registration No. 127145W / W100218) under Section 141 of the Companies Act, 2013 to act as Statutory Auditors of the Company for the financial year 2018-19.

The observations made by the auditors in their report read with the relevant notes as given in the notes to the financial statement for the year ended on 31st March, 2018 are self-explanatory and are devoid of any reservation, qualification or adverse remarks.

25. COST AUDITORS

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of Conductors, Oils and Cables Divisions of the Company are required to be audited by a Cost Accountant.

Your Directors, on the recommendation of the Audit Committee, appointed Mr. T. M. Rathi to audit the cost accounts of the Company for the financial year 2018-19 on a remuneration of Rs. 120,000/-.

A Resolution seeking members' ratification for the appointment and remuneration payable to Mr. T. M. Rathi, Cost Auditor is included at Item No. 6 of the Notice convening the AGM and Board recommends the said Resolution.

26. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Hemang M. Mehta, Proprietor of M/s. H. M. Mehta & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2017- 18. The Secretarial Audit Report is annexed herewith as **"Annexure - I"**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

27. VIGIL MECHANISM

As per the provisions of Section 177 (9) of the Act read with Regulation 22(1) of the Listing Regulations, the Company is required to establish an effective vigil mechanism for directors and employees to report genuine concerns. The Company has introduced Whistle Blower Policy (Apar's OMBUDSMEN Policy) effective from 1st March, 2014 by setting a vigil mechanism in place, the details of the whistleblower policy are provided in the report on corporate governance forming part of this report.

28. INTERNAL CONTROL SYSTEMS (ICS) AND THEIR ADEQUACY

The Company established adequate ICS in respect of

all the divisions of the Company. The ICS are aimed at promoting operational efficiencies and achieving savings in cost and overheads in all business operations. The System Application and Product (SAP), a world class business process integration software solution, which was implemented by the Company at all business units has been operating successfully. The Company has appointed M/s Deloitte Haskins & Sells as its Internal Auditors. The system cum internal audit reports of the Internal Auditors are discussed at the Audit Committee meetings and appropriate corrective steps have been taken. Further, all business segment prepare their annual budget, which are reviewed along with performance at regular intervals.

29. OTHER INFORMATION

a. Green Initiative :

To support the "Green Initiative" undertaken by the Ministry of Corporate Affairs (MCA), to contribute towards a greener environment, the Company has already initiated / implemented the same from the year 2010-11. As permitted, delivery of notices / documents and annual reports etc. are being sent to the shareholders by electronic mode wherever possible.

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

b. Corporate Social Responsibility (CSR)

The Corporate Social Responsibility (CSR) Committee constituted by the Board of Directors in terms of the provisions of Section 135(1) of the Act reviews and restates the Company's CSR policy in order to make it more comprehensive and aligned with the activities specified in Schedule VII of the Act.

With the strong belief in the principle of Trusteeship, Apar Group continues to serve the community through a focus on healthcare and upliftment of poor sections of society, education, Food and mid-day meal for children, Environmental sustainability and Health and Welfare of Senior Citizens initiatives.

The Annual Report on CSR activities is annexed herewith as **"Annexure - II"**.

c. Employee Stock Options:

Members approval was obtained at the Annual General Meeting held on August 9, 2007 for introduction of Employee Stock Option Scheme to issue and grant upto 1,616,802 options and it was implemented by the Company. Out of the above options, 175,150 Options have been granted in 2008, of which 26,338 Options were exercised upto May, 2015 and balance options were lapsed. Please refer **"Annexure - VIII"** forming part of this Report.

d. Particulars relating to conservation of energy, technology absorption, research & development and foreign exchange earnings and outgo in accordance with Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is annexed hereto as **"Annexure – IV"** forms a part of this Annual Report.

30. GENERAL

No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
3. No Managing Director of the Company receives any remuneration or commission from any of its subsidiaries.
4. The Company has complied with all the applicable provisions of Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.
5. The Company has in place the Policy on Prevention of Sexual Harassment at Workplace (POSH) in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints during the year under review.

31. ACKNOWLEDGEMENT

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

For and on behalf of the Board

Kushal N. Desai
Chairman & Managing Director
DIN - 00008084

Place : Mumbai
Date : May 30, 2018.

Annexure – I to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Apar Industries Limited** having Corporate Identification Number (CIN): L91110GJ1989PLC012802 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period);

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), respectively read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Decisions at Board Meetings were carried out unanimously.

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

We further report that during the audit period, the company has no specific event which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Note: This Report is to be read with our Letter of even date which is annexed and forms an integral part of this report.

For H. M. Mehta & Associates
Company Secretaries
Sd/-
Hemang M. Mehta- Proprietor
FCS No.: 4965
C. P. No.: 2554

Place: Vadodara
Date: 21.05.2018

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

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Vadodara
Date: 21.05.2018

For H. M. Mehta & Associates
Company Secretaries
Sd/-
Hemang M. Mehta- Proprietor
FCS No.: 4965
C. P. No.: 2554

Annexure – II to the Directors' Report
Annual Report on Corporate Social Responsibility (CSR) Activities - 2017-18

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

   The Company has framed the Corporate Social Responsibility (CSR) Policy in terms of the provisions of Section 135(1) of the Companies Act, 2013.

   The CSR activities of the Company mainly aim at Principle of Trusteeship, by serving the community through programms and projeets having focus on -

   1. Healthcare and upliftment of poor sections of society,
   2. Education,
   3. Food and Mid-day meal for children,
   4. Environmental sustainability and,
   5. Health and Welfare of Senior Citizens.

   The CSR activities of the Company are aligned with the activities specified in Schedule VII of the Companies Act, 2013.

   Weblink of the CSR Policy of the Company:
   http://www.apar.com/pdf/financedata/our-policies/5-CSR-Policy.pdf

2. **Composition of the CSR Committee :**

Name of the Director	Category of Directorship
Mr. Kushal N. Desai	Chairman and Managing Director
Mr. Chaitanya N. Desai	Managing Director
Mr. F. B. Virani	Independent Director

3. **Average Net Profit of the Company for last 3 financial years :**
   Rs. 170.79 Crore

4. **Prescribed CSR Expenditure (2% of this amount as in item 3 above) :**
   Rs. 3.42 Crore

5. **Details of CSR spent during the financial year:**

   a. **Total amount spent for the financial year:**
   Rs. 3.53 Crore

   b. **Amount unspent, if any:**
   Nil

   c. **Manner in which the amount spent during the financial year is detailed below :**

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area or other 2.Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or Programs wise Rs. in Crore	Amount spent on the projects or programs Subheads: 1.Direct expenditure on projects or programs 2.Over- heads: Rs. in Crore	Cumulative Expenditure upto to the reporting period. Rs. in Crore	Amount spent: Direct or through implementing agency Rs. in Crore
1.	School on Wheels Program- Supporting and Providing Scholarship for Girls Education	Promoting Education	Rajkot, Gujarat	---	0.05	0.05	**Implementing agency-** Sister Nivedita Foundation, Rajkot
2.	Training farmers for Organic Farming (Agriculture Research) , Improved Agricultural Techniques and Water Resource Development	Environmental Sustainability	Wada, Dist. Thane - Maharashtra	---	0.06	0.06	**Implementing agency-** Sri Chaitanya Seva Trust, Mumbai

3.	Science on Wheels Program –Sponsoring and providing Education Facilitites in Wada Taluka.	Promoting Education	Wada, Dist. Thane, Maharashtra	---	0.09	0.09	**Implementing agency –** Sri Chaitanya Seva Trust, Mumbai.
4.	Sponsoring for Skill Development Training and Educational Facilities through Skill Development Centre, Bhakti Vedanta Kaushal Vikas Kendra.	Promoting Education	Wada, Dist. Thane, Maharashtra	---	0.09	0.09	**Implementing agency-** Sri Chaitanya Seva Trust, Mumbai.
5.	Construction of VUC Residential Building	Rural Development Project	Village Timtala, Taluka Nadgaon kh, Dist. Amravati	---	0.336	0.336	**Implementing agency-** District Planning Committee, Amravati
6.	Rehabilitation of abandoned, unclaimed, parentless and deserted children, especially girl children, in need of care and protection.	Setting up homes and hostels for women and orphans and promoting Education	Gadakhana, PO : Mancheswar (RS), Bhubaneswar, Orissa.	---	0.05	0.05	**Implementing agency-** Rawa Academy, Orissa (Adruta Children Home)
7.	Mid-Day Meals for Children in Government aided and non- aided schools.	Eradicating hunger.	Wada & Vikramgad, Dist. Thane Maharashtra	---	0.08	0.08	**Implementing agency-** Iskcon Food Relief Foundation
8.	Providing support to the Project of Late Dr. Narendra Desai for starting of Faculty of Medical Science and Research, a 750 Bed Hospital and Institute of Medical Science along with students Hostel at Nadiad	Promoting Education	Nadiad, Gujarat	---	1.90	1.90	**Implementing agency-** Dharmsinh Desai Foundation
9.	Supporting development and providing education to Mentally Underdeveloped Girls.	Promoting Education and supporting differently abled.	Rajkot, Gujarat	---	0.025	0.025	**Implementing agency-** Aekrang Childrens Development Institute
10.	Education to rural / Slum children and development of vocation skills especially for senior citizens by arranging medical camps & yoga training.	Promoting Education & Rural Development Programme	Rajkot, Gujarat	---	0.05	0.05	**Implementing agency-** Maat Pita Smruti Trust
11.	Rural Development, Solar Project and Cow Protections Programme	Environmental Sustainability and Rural Development Programme	Govardhan Eco Vill., Wada, Palghar, Maharashtra	---	0.75	0.75	**Implementing agency-** Iskcon Chowpatty

12.	Supporting Muktanang Project, an Innovative Educational Model Integrating School & Teacher Education	Promoting Education & Rural Development Programme	Mumbai, Maharastra	---	0.05	0.05	**Implementing agency-** Paragon Charitable Trust
				TOTAL	**3.531**	**3.531**	

6. Reasons for spending less :

Not Applicable

7. Responsibility Statement :

The Committee hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Sd/-

(Kushal N. Desai)
Managing Director & CEO
Chairman – CSR Committee
DIN – 00008084

Sd/-

(Chaitanya N. Desai)
Managing Director
DIN-00008091

30th May, 2018

Annexure III to the Directors' Report

Statement of Disclosure of Remuneration

DISCLOSURES AS PER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017 -18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017 -18.

Sr. No.	Name of Director/KMP and Designation	% increase/decrease in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Kushal N. Desai, Chairman & Managing Director	-13%	63 : 1
2.	Mr. Chaitanya N. Desai, Managing Director	-13%	64 : 1
3.	Dr. N. K. Thingalaya * Independent Director	-	
4.	Mr. F. B. Virani Independent Director	-32%	0.39 : 1
5.	Mr. Suyash Saraogi Independent Director	-11%	0.53 : 1
6.	Mr. Rajesh Sehgal ** Independent Director	-	0.46 : 1
7.	Mrs. Nina Kapasi Independent Director	-13%	0.42 : 1
8.	Mr. V. C. Diwadkar, Chief Financial Officer	14%	
9.	Mr. Sanjaya R. Kunder, Company Secretary	11%	

* Resigned w.e.f. 31.10.2017, did not attend any meeting during FY 2017-18.
* Not paid any remuneration / sitting fees during FY 2016-17 since he was an investor director.

Notes :

1. Independent directors are paid only sitting fees.
2. The percentage increase in the median remuneration of employees for the financial year was around **1.86%**.
3. There were **1,323** permanent employees on the rolls of Company as on March 31, 2018.
4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was **15.61** whereas the percentage increase in the managerial remuneration for the same financial year was **(-13%)**
5. Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

DISCLOSURES AS PER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Information pursuant to Section 197 of the Companies Act, 2013, read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2018.

Names	Age (Years)	Designation / Nature of Duty	Qualifications	Experience (Years)	Remuneration (₹)	Date of Commencement of Employment	Last Employment and Designation
Mr. Kushal N. Desai	51	Chairman & Managing Director	B.Sc. (Hons.), (Ele. Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	29	34,800,688	24.03.1999	GE Lighting (India) Ltd. - President
Mr. Chaitanya N. Desai	46	Managing Director	B.Sc. (Hons.), (Chem.Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	24	35,224,070	29.05.1993	-

Notes :

1. The Remuneration includes salary, allowances, commission paid to Directors, reimbursement of leave travel and medical expenses / benefits, company's contribution to provident fund, leave encashment and other perquisites in respect of motor car, accommodation and telephone etc.
2. Above directors are related to each other. None of the employees of the Company is related to any of the Directors.
3. All appointments are contractual and terminable by notice on either side.
4. Information regarding remuneration and particulars of other employees of the Company will be available for inspection by the members at the Corporate Office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting of the company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, where upon a copy would be sent.

Annexure IV to the Directors' Report

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

I. CONSERVATION OF ENERGY:

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

Conductor Division:

i. Conversion to AC drives for better energy savings through enhanced energy efficiency at various stages of manufacturing.

ii. Installed Turbo Ventilator and transparent shed on the roof of shed for ventilation, cooling and better illumination.

iii. Install HVLS fan for energy efficient cooling in shop floor Area.

iv. Install 2 nos. of EOT Cranes for energy efficient material movement.

v. Installed LED light fittings in place of HPSV/HPMV lamps.

vi. Modified/upgraded wire drawing machines for better productivity per machine per person

vii. VFD drive panels provided for Casting Inlet and Outlet Pumps.

Oil Division:

i. 394950 KWH Solar power generated through existing 360KWp Roof top PV Solar power plant and reduced the carbon emissions.

ii. Roof Top PV Solar power plant expanded, additional 35KWp installed, additional estimated power generation will be 47000 units per annum.

iii. Occupancy sensor installed in the QC Lab area.

iv. Replaced the inefficient light fitting with the efficient light fittings in the plant with same lumens output.

v. Maintained power factor above 0.995 throughout the year.

vi. Steam condensate recovery system is working efficiently.

vii. Rain water collected through water harvesting & use the same in the boiler for steam generation.

viii. Compressed air leakages monitored regularly & maintained the leakages below 7%.

Cable Division:

i. Various machines at Power, Rubber, OFC and Conductor Division converted from DC to AC.

ii. Maintain power factor above 0.99 throughout the year at all locations.

iii. Saving in energy by providing hopper dryer and auto loader at Extruders.

iv. Saving in energy by minimum utilization of hot water tank heaters in sioplas lines.

v. Wire drawing machine modified to to and WD panel modified from rotor resistance to AC drive to optimize energy consumption.

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

i. Conversion of CCR Rolling mill main motor 500Kw DC Motor & DC drive into VFD AC drive for energy saving.

ii. Conversion of RBD's oil pump 15HP from DOL starter system into VFD AC drive for energy saving.;

iii. Skip machines take-up DC motor & drive conversion in AC VFD drive & motor for energy saving.

iv. Air compressor conversion from star-delta starter to AC VFD drive for energy saving.

v. Cooling tower CT fan 7.5kw controlled through PID temperature controller for energy saving.

vi. Plant office lights conversion from CFL 72 watt into 36 watt LED lights for energy saving.

vii. Electrical Aging furnace to be converted from direct DOL starter to AC Drive.

viii. PLC System for Twins coiler of CCR-2 to reduce bad winding & opts out magnetic clutch system for improvement in winding machine.

ix. Solar system of 6 KW to be installed at Jharsuguda plant.

x. All Process oil and gear oil pumps to be interlocked with Machines at Jharsuguda.

xi. Replacement of inefficient light fitting with the efficient/energy conservation light fitting in the plant.

xii. Installation of Occupancy sensors in the remaining areas.

xiii. Rain water harvesting for HLP plant and new plot's roof top shed.

xiv. Investment proposed rooftop solar Power plant 1 MW.

xv. Plant lighting at Khatalwada is proposed to be changed from Metal Halide lamps to LED.

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

i. Impact on energy saving is approximately 10%.

ii. Saving approximately 8% in energy consumption of Aging furnace.

iii. Energy saving by replacement of street lights and plant lightswith LED lights.

iv. Battery back- up system for Casting will result into 10%~12% power saving.

v. More up time resulting into more productivity & efficiency.

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

(A) Power and Fuel Consumption:

(i) Electricity:

		2017-18	2016-17
(a)	Purchased units	67,472,156	64,657,404
	Total Amount (Rs./crore)	38.27	37.51
	Rate/Unit (Rs.)	5.67	5.80
(b)	Own Generation Through Diesel Generator (Units)	1,817,287	567,726
	Average Units generated per liter of diesel oil	3.09	2.81
	Average Cost of Unit (Rs.)	16.41	17.00

(ii) Furnace Oil:

Quantity (Kl.)	6,430	7,038
Total Amount (Rs./crore)	17.54	14.97
Average Rate/Kl. (Rs.)	27,282	21,267

(iii) Natural Gas:

Quantity (M3)	1,155,399	2,477,389
Total Amount (Rs./crore)	3.11	5.76
Average Rate/M3. (Rs.)	26.93	23.28

(iv) LPG:

Quantity (Kl.)	28,548	28,548
Total Amount (Rs./crore)	0.12	0.10
Average Rate/Kl. (Rs.)	42.31	34.82

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

		2017-18				2016-17			
		Electricity (Units)	Furnace Oil (liters)	Natural Gas (M3)	LPG (liters)	Electricity (Units)	Furnace Oil (liters)	Natural Gas (M3)	LPG (liters)
(i)	**Oil Division :** Per KL output of Oil	8.76	1.06	-	-	9.11	1.33	-	-

(ii)	**Conductors Division :** Per MT output of Aluminum/Alloy Conductors	211	37	6	0.44	218	38	25	0.38
(iii)	**Cable Division:** Per Km. of cable	130	-	100	-	98	-	108	-

Reasons for change in consumption: change in Product mix

II. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

1. RESEARCH AND DEVELOPMENT (R&D):

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

a) In-House development of OPGW Cable.

b) Development and establishment of OPGW cables with various design options for all type types of Line Voltages including high wind zones and snow covered regions.

c) Design and development of Low Loss ACSR (LL-ACSR) conductors

d) Upgrade of software in Horizontal computerized tensile testing machine for testing of new conductors, OPGW cables and high tensile Guy / Ground wires.

e) Development of additional critical test facility for testing and evaluation of bare OHTL conductor and special materials.

f) Upgrade software support in design and development of all type of HTLS conductors.

g) Development and field trials of :

a. Formulations for Semi-synthetic metal working fluids for high speed and multi machining applications stabilized and commercialized.

b. Synthetic compressor oils for screw compressor (electrically operated) developed and field trials completed. Trials orders executed.

h) Field trials of spray oils developed for cotton field applications bio-efficacy and phyto toxicity studies at AAU, Anand for two seasons completed. Field trials at Punjab Agricultural University in progress. Methods for Residue evaluation have been developed.

i) Development of applications for the PTFE Grease-Lithium complex type for high temperature/high EP properties is completed. Trial orders obtained. Discussions on Steel mill applications with TISCO in progress.

j) Development of high flash and long life transformer oils. Product commercially launched.

k) Biodegradable transformer oils of natural ester type (high Flash) commercially launched. Condition monitoring and field trails are in progress.

l) Optimization of Petroleum jelly formulations for various applications such as ointments and ophthalmic applications. Product commercially launched.

m) Collaborative research work with Dharmsinh Desai University, Nadiad on hydrogenation of base oils (laboratory scale evaluation in continuous column) and signed MOU with Sunway University, Malaysia on applications of nano lubricants in engine oil applications. Product development and laboratory/ field evaluation.

n) SCR fluid for Diesel engine emissions(NOx) reduction has been introduced. Plant commissioned and product launched in the market. Adblue license audit completed and license agreement signed with VDA (Germany).

o) Development of automotive wires, cable harness and medium voltage covered conductors.

p) Development of defense, railway and ship wiring cables through electron beam technology.

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

a) Development, establishment and commercialization of all type of 5th generation high performance smart aluminum conductors for all power utilities.

b) High quality OPGW design and development as per IEEE standards for Indian and overseas utilities and commercialization.

c) ACCC conductor equivalent to ACSR Zebra conductor shall have lowest resistance losses in the category.

d) LL-ACSR conductor is a low electrical Power Loss conductor that reduces transmission losses compared to conventional ACSR conductors.

e) Optimum designing and conductor parameters to remain competitive.

f) New R&D and test facilities support conductor testing behavior and outputs are being applied in design optimization and risk mitigation towards building confidence to achieve performance of conductor in respect to various criteria.

g) Development, establishment and commercialization of all types of Railway Products.

h) Rapport towards market leader in HTLS for indigenous development.

i) Rapport in Power Producers, Power Utilities, various institutes (IEEMA, CEA, BIS, CBIP, Power Ministry,

CPRI, ERDA, NABL) and stake holders.

j) Test facilities and NABL accreditation supporting acceptance of various type test and complete conductor test (in-house).

k) Competency enhancement of the team on design, manufacture, supply and installation of Bare OHTL conductors and competing global market.

l) Improvement in quality and reliability of product and services.

m) Papers presented at NLGI conference on PTFE greases and papers published as coauthors with Sunway University/Taylors University on Nano fluids.

n) White oils for thermoplastic applications have been obtained and field trials completed and product commercialized.

o) Cleaning product formulations with improved sanitization properties for hand wash/floor cleaning have been developed and beingtest marketed.

p) ADBLUE for SCR applications has been commercially launched in the market.

q) Cost Reduction of various compounds.

(iii) Future plan of action:

a) In-house development of critical & limited test facilities for Overhead Conductors and OPGW cables (Temp and tension Cycle Test, HT creep and Endurance test).

b) Additional test facilities for OPGW cables.

c) To further develop finer particle PTFE powder and explore PTFE recycling business in the paint, printing ink, molding applications etc.

d) Field Trials/condition monitoring of Natural Ester based Transformer oils for distribution transformers in progress. Factory/field trials of High flash Long Life(HFLL) insulating fluids for OLTC applications will be taken up.

e) Commissioning of new testing equipment DGA analysis, simulated distillation and Noaks volatility has been completed and participated.

f) Increase the strength of R&D team to focus on new projects such as hydrogenation. Commercial viability studies will be taken on the hydrogenation process.

g) To represent company in CIGRE/Asian Lubricants Manufacturers Union(ALMU), Singapore.

h) Obtaining GMP certification by WHO and USP for the Food grade White oil/petroleum jelly product line once the expansion project is completed.

i) Industrial and heavy duty cleaners for metal working segment customers (autocomponent / quenching industry. Pre and post cleaning operations).

j) To continue to carry on the R&D activity and try to absorb it in above mentioned areas to reduce cost especially the E-beam cables.

k) Development of Automotive wires, Cable Harness and MVCC.

(iv) Expenditure on R&D:

a) Capital = Rs.1.30 crore

b) Revenue = Rs. 6.18 crore

c) Total = Rs. 7.48 crore

d) Total R&D Expenditure as a percentage of total turnover (Net of Excise) = 0.14%.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Technology imported (in last five years)	Year of Import	Has technology been fully absorbed
License to use proprietary knowhow, formulae, trademarks and trade names relating to manufacture & sale of lubricating Oils, greases and other special Lubricants for industrial, automotive and marine applications.	2007 Renewed in 2018	Yes
License to manufacture high performance conductor (ACCC)	2012	Yes

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities related to exports

Efforts are continuing to increase exports of all products.

2. Total Foreign Exchange used and earned

(i) Total foreign exchange used:

(₹ in crore)

		2017-18	2016-17
(a)	Raw Materials (CIF)	2,765.59	2,340.84
(b)	Stores & Spares	2.45	2.28
(c)	Capital Goods	17.63	20.20
(d)	Others	64.99	62.80
		2,850.66	2,426.12

(ii) Total foreign exchange earned:

(₹ in crore)

		2017-18	2016-17
(a)	Physical Exports (FOB)	1,542.76	1,252.97
(b)	Deemed Exports (Eligible for export incentives)	63.81	121.43
(c)	Others	54.45	42.27
		1,661.02	1,416.67

Annexure V to the Directors' Report

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L91110GJ1989PLC012802
ii)	Registration Date	:	28th September, 1989
iii)	Name of the Company	:	Apar Industries Limited
iv)	Category / Sub-Category of the Company	:	Company having Share Capital (Public Limited)
v)	Address of the Registered office and contact details	:	301, Panorama Complex, R.C. Dutt Road, Vadodara – 390 007 (Gujarat), India Phone No. : (0265) 2339906 Fax No. : (0265) 2330309
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	**Link Intime India Private Limited** B-102 & 103, Shangrilla Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390020 (Gujarat), India Phone : 0265 – 6136000, 6136001 TeleFax : 0265 – 2356791 Email : vadodara@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Transformer & Speciality Oils	2710	33%
2.	AAC/AAAC/ACSR Conductors	7614	46%
3.	Power / Telecom Cable	8544	20%
4.	Others	--	1%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1.	Petroleum Specialties Pte. Ltd., Singapore (PSPL), Wholly – owned subsidiary of the Company Address: 4 Shenton Way, # 08-03, SGX Centre 2, Singapore - 068807.	Foreign Company 200403112K	Subsidiary	100%	2 (87)(ii)
2.	Petroleum Specialities FZE, Sharjah, Wholly Owned Subsidiary of PSPL Address: Plot No. 1C-02 D1, Hamriyah Free Zone, Sharjah, United Arab Emirates	Foreign Company 13975	Subsidiary of PSPL	100%	2 (87)(ii)
3.	Apar Transmission & Distribution Projects Private Limited, Wholly Owned Subsidiary of the Company Address: 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390007 (Gujarat), India	U74999GJ2016 PTC093485	Subsidiary	100%	2 (87)(ii)
4.	Cema Optilinks Private Limited, Majority Owned Subsidiary of the Company Address: 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390007 (Gujarat), India	U32302GJ2017P TC097824	Subsidiary	99%	2 (87)(ii)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year – 01.04.2017				No. of Shares held at the end of the year – 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	21,971,422	--	21,971,422	57.414	20,171,422	--	20,171,422	52.710	-4.704
b) Central Govt.	--	--	--	--	--	--	--	--	0
c) State govt (s)	--	--	--	--	--	--	--	--	0
d) Bodies Corpo.	110,153	--	110,153	0.288	110,153	--	110,153	0.288	0
e) Banks / FI	--	--	--	--	--	--	--	--	0
f) Any Other....									
Maithili N. Desai Family Pvt. Trust	98,983	--	98,983	0.258	98,983	--	98,983	0.258	0
Maihthili N. Desai Family Pvt. Trust No. 2	--	--	--	--	1,800,000	--	1,800,000	4.704	4.704
Sub-total (A) (1):	**22,180,558**	**--**	**22,180,558**	**57.960**	**22,180,558**	**--**	**22,180,558**	**57.960**	0
(2) Foreign									
a) NRIs-Individuals	--	--	--	--	--	--	--	--	--
b) Other Individuals	--	--	--	--	--	--	--	--	--

c) Bodies Corpo.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**22,180,558**	**--**	**22,180,558**	**57.960**	**22,180,558**	**--**	**22,180,558**	**57.960**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	7,006,799	716	7,007,515	18.311	8,164,830	452	8,165,282	21.336	3.025
b) Banks / FI	15,661	180	15,841	0.041	61,124	180	61,304	0.160	0.119
c) Central Govt. (IEPFA – MCA)	--	--	--	--	47,962	--	47,962	0.125	0.125
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs / FPIs	3,221,535	--	3,221,535	8.418	2,821,716	--	2,821,716	7.373	-1.045
h)Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):	**10,243,995**	**896**	**10,244,891**	**26.771**	**11,095,632**	**632**	**11,096,264**	**28.995**	**2.224**
2. Non-Institutions									
a) Bodies Corp. i) Indian	1,411,220	6,587	1,417,807	3.705	1,145,814	6,375	1,152,189	3.011	-0.694
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 2 Lakh	2,719,699	195,541	2,915,240	7.618	2,672,035	158,434	2,830,469	7.396	-0.222
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	576,237	--	576,237	1.506	571,950	--	571,950	1.495	-0.011
c) Others (Specify)									
Foreign Individual	209,659	6,108	215,767	0.564	187,548	4,216	191,764	0.501	-0.063
HUF	176,507	--	176,507	0.461	176,706	--	176,706	0.462	0.001
Clearing Members	541,612	--	541,612	1.415	68,719	--	68,719	0.180	-1.235
Sub-total (B)(2):	**5,634,934**	**208,236**	**5,843,170**	**15.269**	**4,822,772**	**169,025**	**4,991,797**	**13.044**	**-2.224**

Total Public Shareholding (B) = (B)(1)+(B)(2)	15,878,929	209,132	16,088,061	42.040	15,918,404	169,657	16,088,061	42.040	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	38,059,487	209,132	38,268,619	100.00	38,098,962	169,657	38,268,619	100.00	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year – 01.04.2017			Shareholding at the end of the year – 31.03.2018			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Dr. N. D. Desai (*)	7,271,761	19.002	--	0	-19.002	--	-19.002
2.	Kushal N. Desai	6,415,899	16.765	--	9,187,974	24.009	--	7.244
3.	Chaitanya N. Desai	6,403,970	16.734	--	9,103,656	23.789	--	7.055
4.	Maithili N. Desai	0	0	--	0	0	--	0
5.	Chaitanya N. Desai Family Trust – Trustee Smt. M. N. Desai	95,238	0.249	--	95,238	0.249	--	0
6.	Kushal Chaitanya N. Desai Family Trust – Trustee Smt. M. N. Desai	72,634	0.190	--	72,634	0.190	--	0
7.	Rishabh K. Desai	6,081	0.016	--	6,081	0.016	--	0
8.	Gaurangi K. Desai	3,200	0.008	--	3,200	0.008	--	0
9.	Noopur K. Desai	1,702,139	4.448	--	1,702,139	4.448	--	0
10.	Jinisha C. Desai	500	0.001	--	500	0.001	--	0
11.	Apar Corporation Pvt. Ltd.	109,529	0.286	--	109,529	0.286	--	0
12.	Scope Pvt. Ltd.	324	0.001	--	324	0.001	--	0
13.	Maithili Trusteeship Services Pvt. Ltd.	300	0.001	--	300	0.001	--	0
14.	Maithili N. Desai Family Pvt. Trust	98,983	0.259	--	98,983	0.259	--	0
15.	Maithili N. Desai Family Pvt. Trust No. 2 – Trustee Maithili Trusteeship Services Pvt. Ltd.	0	0	0	1,800,000	4.704	--	4.704
	TOTAL	22,180,558	57.960	--	22,180,558	57.960	--	0

(*) Dr. N. D. Desai expired on 17.10.2016

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	No. of shares	% of total shares of the company
1.	Dr. N. D. Desai (*)	7,271,761	19.002	01.04.2017	-	-	-	-
				01.06.2017	Decrease (Transmission of shares by operation of law)	(3,635,830)	3,635,931	9.501
				01.06.2017	Decrease (Transmission of shares by operation of law)	(3,635,831)	100	0.00
				22.06.2017	Decrease (Transmission of shares by operation of law)	(100)	0	0.00
	At the end of the year	-	-	**31.03.2018**	-	-	**0**	**0.00**
2.	Mr. K. N. Desai	6,415,899	16.765	01.04.2017	-	-	-	-
				01.06.2017	Increase (Transmission of shares by operation of law)	3,635,830	10,051,729	26.266
				05.06.2017	Increase Off Market (As per WILL of late Dr. N. D. Desai)	36,145	10,087,874	26.360
				29.06.2017	Increase Off Market (As per WILL of late Dr. N. D. Desai)	100	10,087,974	26.360
				06.07.2017	Decrease Off Market (Gift)	(900,000)	9,187,974	24.009
	At the end of the year	-	-	**31.03.2018**	-	-	**9,187,974**	**24.009**
3.	Mr. C. N. Desai	6,403,970	16.734	**01.04.2017**	-	-	-	-
				01.06.2017	Increase (Transmission of shares by operation of law)	3,635,831	10,039,801	26.235
				05.06.2017	Decrease Off Market (As per WILL of late Dr. N. D. Desai)	(36,145)	10,003,656	26.140
				06.07.2017	Decrease Off Market (Gift)	(900,000)	9,103,656	23.789
	At the end of the year	-	-	**31.03.2018**	-	-	**9,103,656**	**23.789**

4.	**Smt. M. N. Desai**	**0**	**0**	**01.04.2017**	**-**	**-**	**-**	**-**
				22.06.2017	Increase (Transmission of shares by operation of law	100	100	0
				29.06.2017	Decrease Off Market (As per WILL of late Dr. N. D. Desai)	(100)	0	0
	At the end of the year	-	-	**31.03.2018**	-	-	0.0	0.0
5.	**Maithili N. Desai Family Pvt. Trust No. 2 – Trustee Maithili Trusteeship Services Pvt. Ltd.**	0	0	**01.04.2017**	-	-	-	-
				06.07.2017	Increase Off Market (Gift)	1,800,000	1,800,000	4.704
	At the end of the year	-	-	**31.03.2018**	**-**	**-**	**1,800,000**	**4.704**

(*) Dr. N. D. Desai expired on 17.10.2016

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase / Decrease	No. of shares	No. of shares	% of total shares of the company
1.	**HDFC Trustee Company Limited – HDFC Prudence Fund**	**2,244,750**	**5.865**	**01.4.2017**	**-**	**-**		**-**
				01.12.2017	Increase	100,000	2,344,700	6.127
				02.02.2018	Decrease	50,000	2,294,750	5.996
	At the end of the year	-	-	**31.03.2018**	**-**	**-**	**2,294,750**	**5.996**
2.	**Reliance Capital Trustee Co. Ltd. A/c. Reliance Diversified Power Sector Fund**	**1,276,194**	**3.335**	**01.04.2017**	**-**	**-**	**-**	**-**
				02.06.2017	Decrease	(1,900)	1,274,294	3.330
				07.07.2017	Increase	2,300	1,276,594	3.336
				14.07.2017	Decrease	(3,537)	1,273,057	3.327
				25.08.2017	Increase	3,595	1,276,652	3.336
				29.09.2017	Increase	13,200	1,289,852	3.371
				17.11.2017	Increase	90,564	1,380,416	3.607

				24.11.2017	Increase	75	1,380,491	3.607
				05.01.2018	Increase	9,509	1,390,000	3.632
				02.02.2018	Increase	11,222	1,401,222	3.662
				09.02.2018	Increase	4,825	1,406,047	3.674
				16.02.2018	Decrease	(16,047)	1,390,000	3.632
				16.03.2018	Increase	10,000	1,400,000	3.658
				23.03.2018	Increase	5,000	1,405,000	3,671
	At the end of the year	**-**	**-**	**31.03.2018**	**-**	**-**	**1,405,000**	**3,671**
3.	**Goldman Sachs India Fund Limited**	**1,133,091**	**2.961**	**01.04.2017**	-	-	**-**	**-**
	At the end of the year	-	-	**31.03.2018**	-	**-**	**1,133,091**	**2.961**
4.	**Reiffieisen – Eurasien – Aktien**	**680,000**	**1.777**	**01.04.2017**	-	-	-	-
				21.04.2017	Decrease	(45,900)	634,100	1.657
				28.04.2017	Decrease	(23,548)	610,552	1.595
				05.05.2017	Decrease	(30,552)	580,000	1.515
	At the end of the year	-	-	**31.03.2018**	-	-	580,000	1.515
5.	**Reliance Capital Trustee Co. Ltd. -A/C Reliance Small Cap Fund**	**600,000**	**1.568**	**01.04.2017**	**-**	**-**	**-**	**-**
				07.04.2017	Increase	15,000	615,000	1.607
				03.11.2017	Increase	12,044	627,044	1.639
				08.12.2017	Increase	22,700	649,744	1.698
				15.12.2017	Increase	26,288	676,032	1.767
				22.12.2017	Increase	287,309	963,341	2.517
	At the end of the year	**-**	**-**	**31.03.2018**	**-**	**-**	**963,341**	**2.517**
6.	**Ocean Dial Gateway to India Mauritius Limited**	**529,746**	**1.384**	**01.04.2017**	**-**	**-**	**-**	**-**
				28.04.2017	Increase	853	530,599	1.387
				26.05.2017	Increase	929	531,528	1.389
				09.06.2017	Increase	68,472	600,000	1.568
				30.06.2017	Increase	5,000	605,000	1.581
				07.07.2017	Increase	48,965	653,965	1.709
				14.07.2017	Increase	52,048	706,013	1.845
				04.08.2017	Increase	1,680	707,693	1.849
				11.08.2017	Increase	208,307	916,000	2.394
				15.09.2017	Decrease	(9,336)	906,664	2.369

				13.10.2017	Decrease	(35,205)	871,459	2.277
				27.10.2017	Decrease	(875)	870,584	2.275
				17.11.2017	Decrease	(83,926)	786,658	2.056
				24.11.2017	Decrease	(22,092)	764,566	1.998
				01.12.2017	Decrease	(44,566)	720,000	1.881
				22.12.2017	Decrease	(3,40,000)	380,000	0.993
				05.01.2018	Decrease	(30,000)	350,000	0.915
	At the end of the year	-	-	**31.03.2018**	**-**	**-**	**350,000**	**0.915**
7.	**L and T Mutual Fund Trustee Ltd.- L and T India Prudence Fund**	**491,000**	**1.283**	**01.04.2017**	**-**	**-**	**-**	**-**
				07.04.2017	Increase	52,600	543,600	1.420
				21.04.2017	Increase	25,000	568,600	1.486
				28.04.2017	Increase	10,000	578,600	1.512
				05.05.2017	Increase	5,000	583,600	1.525
				26.05.2017	Increase	5,000	588,600	1.538
				09.06.2017	Decrease	(33,000)	555,600	1.452
				18.08.2017	Increase	4,037	559,637	1.462
				25.08.2017	Increase	561	560,198	1.464
	At the end of the year	-	-	**31.03.2018**	**-**	**-**	**560,198**	**1.464**
8.	**HDFC Small Cap Fund**	**426,000**	**1.113**	**01.04.2017**	**-**	**-**	**-**	**-**
				02.03.2018	Increase	280,000	706,000	1,845
				16.03.2018	Increase	10,000	716,000	1.871
	At the end of the year	-	-	**31.03.2018**	**-**	**-**	**716,000**	**1.871**
9.	**Kedia Securities Private Limited**	**425,191**	**1.111**	**01.04.2017**	**-**	**-**	**-**	**-**
				13.10.2017	Decrease	-33,417	391,774	1.024
				20.10.2017	Increase	22,311	414,085	1.082
				27.10.2017	Decrease	-15,389	398,696	1.042
				03.11.2017	Decrease	-9,396	389,300	1.017
				10.11.2017	Increase	35,891	425,191	1.111
	At the end of the year	-	-	**31.03.2018**	**-**	**-**	425,191	**1.111**
10.	**L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund**	**216,400**	**0.565**	**01.04.2017**	**-**	**-**	**-**	**-**
				12.05.2017	Increase	20,000	236,400	0.618
				02.06.2017	Increase	11,900	248,300	0.649

				09.06.2017	Decrease	(8,000)	240,300	0.628
				14.07.2017	Decrease	(15,000)	225,300	0.589
				25.08.2017	Decrease	(41,400)	184,200	0.481
				24.11.2017	Increase	2,654	186,854	0.489
				08.12.2017	Increase	10,145	196,999	0.515
				05.01.2018	Increase	39,665	236,664	0.618
				02.02.2018	Increase	57,645	294,309	0.769
				09.02.2018	Increase	13,820	308,129	0.805
				16.02.2018	Increase	19	308,148	0.805
				23.02.2018	Increase	4,000	312,148	0.816
				02.03.2018	Increase	10,915	323,063	0.844
				09.03.2018	Increase	70,661	393,724	1.029
				16.03.2018	Increase	2,063	395,787	1.034
	At the end of the year	**-**	**-**	**31.03.2018**	-	-	**395,787**	**1.034**

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Date	Remarks	Name of the Directors			
				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Mr. Kushal N. Desai						
		01.04.2017	At the beginning of the year	6,415,899	16.765		
		01.06.2017	**Add:** Transmission of Shares by operation of law of late Dr. N. D. Desai, Promoter	3,635,830	9.501	10,051,729	26.266
		05.06.2017	**Add:** Off Market (As per WILL of late Dr. N. D. Desai)	36,145	0.094	10,087,874	23.360
		29.06.2017	**Add:** Off Market (As per WILL of late Dr. N. D. Desai)	100	0.000	10,087,974	26.360
		06.07.2017	**Less:** Off Market (Gift)	(900,000)	-2.351	9,187,974	24.009
		31.03.2018	At the end of the year			9,187,974	24.009
2.	Mr. Chaitanya N. Desai						
		01.04.2017	At the beginning of the year	6,403,970	16.734		

		01.06.2017	**Add :** Transmission of Shares by operation of law of late Dr. N. D. Desai, Promoter	36,35,831	9.501	10,039,801	26.235
		05.06.2017	**Less:** Off Market (As per WILL of late Dr. N. D. Desai)	(36,145)	-0.094	10,003,656	26.141
		06.07.2017	**Less :** Off Market (Gift)	(900,000)	-2.352	9,103,656	23.789
		31.03.2018	**At the end of the year**			**91,03,656**	**23.789**
3.	**Mr. F. B. Virani**						
		01.04.2017	**At the beginning of the year**	**5,000**	**0.013**		
		07.04.2017	**Less :** 500 shares Sold	(500)	-0.001	4,500	0.012
		27.11.2017	**Less :** 500 Shares Sold	(500)	-0.001	4,000	0.010
		31.03.2018	**At the end of the year**			**4,000**	**0.010**
4.	**Mr. Rajesh Sehgal**						
		01.04.2017	At the beginning of the year	-	-	-	-
		31.03.2018	At the end of the year	-	-	-	-
5.	**Dr. N. K. Thingalaya***						
		01.04.2017	At the beginning of the year	-	-	-	-
		31.10.2017	At the end of the year / Period	-	-	-	-
6.	**Mr. Suyash Saraogi**						
		01.04.2017	At the beginning of the year	-	-	-	-
		31.03.2018	At the end of the year	-	-	-	-
7.	**Smt. Nina Kapasi**						
		01.04.2017	At the beginning of the year	-	-	-	-
		31.03.2018	At the end of the year	-	-	-	-

* Dr. N. K. Thingalaya resigned w.e.f. 01.11.2017.

Sr. No.	For Each of the Directors and KMP	Name of the Key Managerial Personnel					
		Date	Remarks	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Mr. Vivek C. Diwadkar	01.04.2017	At the beginning of the year	1,952	0.005		
		31.03.2018	**At the end of the year**			**1,952**	**0.005**
2.	Mr. Sanjaya R. Kunder	01.04.2017	At the beginning of the year	133	0.000		
		31.03.2018	**At the end of the year**			**133**	**0.000**

V. INDEBTEDNESS

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

(₹ in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	132.83	113.42	-	246.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.20	0.26	-	0.46
Total (i+ii+iii)	133.03	113.68	-	246.71
Change in Indebtedness during the financial year				
- Addition	339.67	322.26	-	661.93
- Reduction	(259.02)	(348.02)	-	(607.22)
- Exchange difference (Unrealised)	1.50	2.23	-	3.73
Net Change	82.14	(23.71)	-	58.44
Indebtedness at the end of the financial year				
i) Principal Amount	214.51	89.36	-	303.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.67	0.61	-	1.28
Total (i+ii+iii)	215.18	89.97	-	305.15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Mr. Kushal N. Desai CMD & CEO	Mr. C. N. Desai MD	Total Amount
	Gross Salary			
1.	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.18	1.20	2.38
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.02	0.04	0.06
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of Profit - Others, Specify.....	2.28	2.28	4.56
5.	Others, please specify	-	-	-
	Total (A)	3.48	3.52	7.00
	Ceiling as per the Act	Rs. 22.33 crore (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013		

B. Remuneration to other Directors:

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1.	Independent Directors	*Dr. N. K. Thingalaya – Upto 31.10.2017	Mr. F. B. Virani	Mr. Suyash Saraogi	Smt. Nina Kapasi	Mr. Rajesh Sehgal	
	- Fee for attending Board / Committee Meetings	-	0.02	0.03	0.02	0.03	**0.10**
	- Commission	-	-	-	-	-	-
	- Others, please specify...	-	-	-	-	-	-
	Total B (1)	**-**	**0.02**	**0.03**	**0.02**	**0.03**	**0.10**
2.	**Other Non-Executive Director - None**						
	- Fee for attending Board / Committee Meetings						
	- Commission						
	- Others, please specify...						
	Total (B) (2)						
	Total (B): B(1)+B(2)						**0.10**
	Overall Ceiling as per the act for non-executive directors	**Rs. 2.23 Crore (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)**					
	Total Managerial Remuneration**						**7.10**

*Dr. N. K. Thingalaya resigned w.e.f. 01.11.2017

** Total remuneration to Managing Directors and other Directors (being the total A and B).

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

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel –CFO and Company Secretary & Compliance Officer
1.	**Gross Salary**	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961-Basic	1.17
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 - others	0.10
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	0
2.	**Stock Option**	0
3.	**Sweat Equity**	0
4.	**Commission** - as % of Profit - Others, specify....	0
5.	**Others, please specify**	0

	Total	1.27

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

Annexure VI TO THE DIRECTORS' REPORT

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

The policies and actions of the Company are in line with the applicable guidelines on Corporate Governance with an endeavour to enhance value for shareholders.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is given below:

2. BOARD OF DIRECTORS

(a) Composition and size of the Board

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served.

The Board of Directors of the Company currently comprises of six Directors who are eminent individuals with excellent qualifications professional expertise and extensive experience and they have made outstanding contributions to the industry. The Board has an optimum combination of independent, woman director, executive as well as non- executive directors that is in conformity with the provisions of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Board of Directors has more than 50% Non-executive Directors throughout the year under review. As on date of this Report, the Board of Directors comprises of 6 Directors, including 4 Independent Directors. The Chairman of the Company is an Executive Chairman.

None of the Directors on the Board is a member of more than 10 Committees or a Chairman of more than 5 Committees as specified in Regulation 26 (1) of the Listing Regulations, across all the Indian Listed Entities in which he / she is a Director. The Company has appointed a Woman Director pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with Rule 3 of The Companies (Appointment and Qualification of Directors) Rules, 2014. The necessary disclosure regarding the committee position as has been made by the directors are given herein below:

Composition of the Board and Directorship held as on 31st March, 2018:

Name of Directors	Category	No. of Directorships in other public Companies. *	No. of other Board Committees **	
			Member	Chairman
Mr. Kushal N. Desai	Chairman & Managing Director (Executive)	--	--	--
Mr. Chaitanya. N. Desai	Managing Director (Executive)	--	--	--
Dr. N. K. Thingalaya (1)	Non-Executive & Independent Director	1	0	--
Mr. F. B. Virani	Non-Executive & Independent Director	--	--	--
Mr. Rajesh Sehgal	Non-Executive & Independent Director	--	--	--
Mr. Suyash Saraogi	Non-Executive & Independent Director	--	--	--
Mrs. Nina Kapasi	Non-Executive & Independent Director	--	--	--

Notes:

- No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under Section 2(77) of the Act, read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014 except Mr. Kushal N. Desai and Mr. Chaitanya N. Desai who are brothers.

(1) During the financial year under review, Dr. N. K. Thingalaya resigned as an Independent Director of the Company w.e.f November 01, 2017 in view of his intension to retire from active life.

* The Directorships held by Directors as mentioned above do not include Alternate Directorships and Directorships of foreign companies and deemed public companies, Companies under Section 8 of the Act, and private limited companies.

** Includes only Audit Committee and Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee of public limited companies as on 31st March, 2018.

(b) Board Meeting Procedure

The Board periodically reviews the items required to be placed before it as per Part A of Schedule II (Regulation 17 (7) of the Listing Regulations) and in particular reviews and approves quarterly / half-yearly unaudited financial statements and the audited annual accounts, corporate strategies, business plans, annual budgets, projects and capital expenditure.

It monitors overall operating performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations.

The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibility effectively, are circulated in advance to the directors. The agenda for the Board Meeting covers items set out as guidelines in Regulation 17 of the Listing Regulations, to the extent they are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

(c) Number of Board meetings and the attendance of Directors during the Financial Year 2017-18.

The Board of Directors meets at least four times in a year and more often, if considered necessary, with not more than 120 days gap between any two meetings, to review the Company's performance and financial results.

During the financial year 2017-18, four Board Meetings were held on May 30, 2017, August 9, 2017, November 1, 2017 and January 29, 2018. The last Annual General Meeting (28th AGM) was held on August 9, 2017 at 2.15 P.M. at the Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007, Gujarat.

Attendance record of each of the Directors at the Board Meetings during the Financial Year 2017-18 and at the last Annual General Meeting are given below:

Name of Directors	No. of Shares held in the Company	No. of Board meetings held during the tenure of the Directors	No. of Board meetings attended	Attendance at last AGM
Mr. Kushal N. Desai (KND)	9,187,974	4	4	Yes
Mr. Chaitanya. N. Desai (CND)	9,103,656	4	4	Yes
Dr. N. K. Thingalaya (NKT)*	Nil	2	0	No
Mr. F. B. Virani (FBV)	4,000	4	3	Yes
Mr. Rajesh Sehgal (RS)	Nil	4	4	Yes
Mr. Suyash Saraogi (SS)	Nil	4	4	Yes
Mrs. Nina Kapasi (NK)	Nil	4	4	Yes

* Dr. N. K. Thingalaya resigned as an Independent Director – Non Executive of the Company w.e.f. November 01, 2017.

(d) Profile of Directors seeking Appointment / Re-appointment

- Mr. Kushal N. Desai seeks consent of the Shareholders for his Re-appointment as Managing Director and Chief Executive Officer of the Company for a further period of 5 years w.e.f. January 1, 2018.
- Mr. Chaitanya N. Desai seeks consent of the Shareholders for his Re-appointment as Managing Director of the Company for a further period of 5 years w.e.f. January 1, 2018.
- Mr. Chaitanya N. Desai retires at the ensuing AGM and being eligible offers himself for Re-appointment.

The resolutions for their Appointment / Re-appointment along with their profile as required under Regulation 36 of the Listing Regulations have been appropriately included in the Notice of AGM forming part of this Annual Report.

(e) Details of the Members of various committees, meetings held and attended by the Members.

Audit Committee (AC)			Nomination and Compensation-Cum-Remuneration (NRC) Committee			Share Transfer & Shareholders' Grievance-Cum-Stakeholders Relationship (STCM) Committee			Corporate Social Responsibility (CSR) Committee		
Members of the Committee	No. of meetings held during the tenure of the member	No. of Meetings attended	Members of the Committee	No. of meetings held during the tenure of the member	No. of Meetings attended	Members of the Committee	No. of meetings held during the tenure of the member	No. of Meetings attended	Members of the Committee	No. of meetings held during the tenure of the member	No. of Meetings attended
NKT [1]	2	0	NKT [1]	1	0	SS **	4	4	KND **	4	4
FBV	4	3	FBV	2	1	KND	4	4	CND	4	4
RS	4	4	RS[3],**	2	2	CND	4	4	FBV	4	3
KND	4	4	SS	2	2	-	-	-	-	-	-
SS	4	4	-	-	-	-	-	-	-	-	-
NK[2],**	4	4	-	-	-	-	-	-	-	-	-

**Chairperson of the Committee

1 Resigned as Chairman of the Audit Committee and Nomination and Compensation – Cum- Remuneration Committee w.e.f. 23.05.2017 and as a member w.e.f. 01.11.2017.

2 Mrs. Nina Kapasi was appointed as Chairperson of the Audit Committee w.e.f. 30.05.2017.

3 Mr. Rajesh Sehgal was appointed as Chairman of the Nomination and Compensation-cum-Remuneration Committee w.e.f. 30.05.2017.

(f) Familiarization Programme of Independent Directors and Meeting of Independent Directors :

The Company has familiarised the Independent Directors about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters by way of providing updates at the Meetings of Board and Committee and paying visits in the factory and such other programmes. The details of such programmes are put up on the website of the Company at the link:

http://www.apar.com/pdf/financedata/compositions-committees/4-Familirisation-Programmes-for-Independent-Directors.pdf

In accordance with the provisions of Regulation 25 of the Listing Regulations, during the year under review, Independent Directors met on January 29, 2018, inter alia, to

(a) review of the performance of Non-Independent Directors and the Board as a whole;

(b) review of the performance of the Chairman of the company, taking into account the views of Executive Directors and Non-Executive Directors;

(c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the said Meeting.

3. AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Board of Directors of the Company at their Meeting held on 30th May, 2014 have approved new terms of reference for the Audit Committee as per Section 177(4) of the Companies Act, 2013.

(a) Composition and attendance during the financial year 2017 -18 :

All the members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

During the financial year 2017-18, four Audit Committee Meetings were held on May 30, 2017, August 9, 2017, November 1, 2017 and January 29, 2018. The Audit Committee includes four Independent Directors.

Details of the constitution of the Audit Committee and attendance of the members during the financial year 2017-18 is given in Para 2(e) above:

- The Chief Financial Officer, the representatives of Statutory Auditors and Internal Auditors are permanent invitees to the meeting and had attended & participated in most of the Committee Meetings.
- Mr. Sanjaya Kunder, Company Secretary is the secretary to the Committee.
- The Chairperson of the Audit Committee, Mrs. Nina Kapasi was present at the 28th Annual General Meeting of the Company held on August 09, 2017.

(b) Terms of Reference:

The Audit Committee acts as the link between the Statutory and the Internal Auditors and the Board of Directors.

The broad terms of reference of the Audit Committee include, reviewing with the management, the quarterly / half-yearly and annual financial results / statements, adequacy of internal control systems and internal audit functions, overseeing the Company's financial reporting process, recommending the appointment and removal of external and internal auditors, etc.

The broad terms of reference covering the matters specified for Audit Committee under Regulation 18 read with Part C of Schedule II to the Listing Regulations and section 177 of the Act, which are mainly as follows:

(i) recommendation for appointment, remuneration and terms of appointment of auditors of the company;
(ii) review and monitor the Auditor's independence and performance and effectiveness of audit process;
(iii) review of the financial statement and the Auditors' report thereon;
(iv) approval or any subsequent modification of transactions of the company with related parties;
(v) scrutiny of inter-corporate loans and investments;
(vi) valuation of undertakings or assets of the company, wherever it is necessary;
(vii) formulation of Policy on Related Party Transactions.
(viii) evaluation of internal financial controls and risk management systems;
(ix) monitoring the end use of funds raised through public offers and related matters;
(x) discussion with internal auditors of any significant findings and follow up thereon;
(xi) 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.

4. SHARE TRANSFER AND SHAREHOLDERS GRIEVANCE-CUM-STAKEHOLDERS RELATIONSHIP COMMITTEE (STC)

Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee has been constituted in accordance with the requirements of Section 178 of Act and Regulation 20 of the Listing Regulations with the objective of overseeing the redressal of investors' complaints pertaining to transfers / transmission of shares, issue of duplicate share certificates, non-receipt of dividend / interest, dematerialisation (Demat) of shares and all other related matters concerning investors and to consider and resolve the grievances of Security-holders of the Company.

(a) Composition and attendance during the financial year 2017 -18:

During the financial year 2017-18, four Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee meetings were held on May 30, 2017, August 9, 2017, November 1, 2017 and January 29, 2018.

Details of the constitution of the Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee and attendance of the members during the financial year 2017-18 is given in Para 2(e) above.

Mr. Sanjaya Kunder, Company Secretary is the Compliance Officer pursuant to the requirements of the Listing Regulations.

(b) Share Transfer System :

The Board of Directors and the Share Transfer & Shareholders' Grievance-cum-Stakeholders Relationship Committee have delegated the power of approval of share transfers / issue of duplicate share certificates etc. to the Company Secretary, Deputy Secretary and Assistant Manager, Secretarial of the Company jointly and severally, who approve the share transfers regularly and gist of the transfers are placed before the Share Transfer & Shareholders' Grievance-cum-Stakeholders Relationship Committee, periodically.

(c) The details of complaints received, cleared and pending during the financial year 2017-18 are given as under:

1.	No. of complaints received from SEBI (SCORES) and National Stock of India Limited (NSE)	2
2.	No. of complaints resolved	2
3.	No. of complaints not solved to the satisfaction of the investors as at 31st March, 2018.	Nil
4.	Complaints pending as at 31st March, 2018.	Nil
5.	No. of share transfers pending for approval as at 31st March, 2018.	Nil

There are no grievances of stakeholders' remaining unattended/unresolved as every effort is made at all levels to immediately redress stakeholders' grievances without delay.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

a. Composition and attendance during the financial year 2017 -18.

During the financial year 2017-18, four CSR Committee meetings were held on May 30, 2017, August 9, 2017, November 1, 2017 and January 29, 2018.

Details of the constitution of the CSR Committee and attendance of the members during the financial year 2017-18 is given in Para 2(e) above.

b. Terms of Reference:

Broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall include the activities to be undertaken by the Company as specified in Section 135 (3) and Schedule VII of the Companies Act, 2013.

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

6. NOMINATION AND COMPENSATION-CUM-REMUNERATION COMMITTEE (NRC)

In compliance with Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board has constituted Nomination and Compensation-cum-Remuneration Committee.

(a) Composition and attendance during the financial year 2017 -18 :

During the financial year 2017-18, two NRC meetings were held on May 30, 2017 and November 1, 2017.

Details of Tthe constitution of the NRC Committee and attendance of the members during the financial year 2017-18 is given in Para 2(e) above.

(b) Terms of Reference:

The broad terms of reference of the Nomination and Compensation-cum-Remuneration Committee include, over and above the administration and other related matters of the Employee Stock Option Plan, the approval of remuneration and other matters as set out under Part D (A) of the Schedule II [Regulation 19 (4) of the Listing Regulations] which shall inter alia include:

(i) Identifying the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carrying out evaluation of every director's performance.

(ii) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

(c) Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Part D (A) of the Schedule II (Regulation 19 (4) of the SEBI (LODR) Regulations, Board has carried out the annual performance evaluation of Board, the Directors including Independent Directors, individually as well as the evaluation of the working of its committees. A structured questionnaire was prepared, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

7. REMUNERATION OF DIRECTORS

(a) Remuneration policy, terms and criteria of appointment of Directors:

The Nomination and Compensation-cum-Remuneration Committee (NRC) has formulated a Remuneration and Board Diversity Policy which, inter alia, deals with the manner of selection of Board of Directors and Key Managerial Personnel and Senior Management and their remuneration. The Policy lays down criteria for determining appointment and qualification, positive attributes and independence of Director. The policy reflects the interests of the shareholders and the company taking into consideration any specific matters, including the assignments, the responsibilities undertaken and also be competitive with the external market. The company recognizes the benefit of a Board that possesses the right balance of skills, knowledge, experience, expertise and diversity of perspective. The "Senior Management" includes members of core management team excluding Board of Directors comprising all members of management one level below the executive directors including, Key Managerial Personnel, Chief Operating Officers and all the functional heads. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis and is in consonance with the existing Industry practices.

Details of the remuneration paid to the Directors are given in the attached **Form MGT -9**.

(b) Remuneration Paid To Executive Directors :

The break-up of remuneration paid / payable to the Managing Directors for the FY 2017-18 is as under:

Name of Directors	Mr. K. N. Desai	Mr. C. N. Desai
Designation	Chairman & Managing Director	Managing Director
Salary (₹)	11,778,792.00	11,983,573.00
Commission (₹)	22,783,947.00	22,783,947.00
Perquisites / Allowances (₹)	237,949.00	456,550.00
Total (₹)	34,800,688.00	35,224,070.00
Stock Option Granted (Nos.)	Nil	Nil

Service Contract	5 years from 01/01/2018 to 31/12/2022	5 years from 01/01/2018 to 31/12/2022
Notice Period	3 Months	3 Months

(c) Remuneration Paid To Non-Executive Directors :

The Non-executive Directors receive the sitting fees for attending the Board and Committee meetings, as the case may be, and reimbursement of expenses for participation in the said Meetings.

Details of remuneration paid to Independent - Non-Executive Directors for attending the meetings of Board of Directors and Committees is as given below:

Name of Directors	Sitting Fees (Gross) (₹)	No. of Stock Options granted
Dr. N. K. Thingalaya*	Nil	Nil
Mr. F. B. Virani	215,000	Nil
Mr. Rajesh Sehgal	250,000	Nil
Mr. Suyash Saraogi	290,000	Nil
Smt. Nina Kapasi	230,000	Nil

*upto 31.10.2017

(d) Pecuniary Relationship of Independent Directors with the Company

None of the Independent Directors have any pecuniary relationship or transactions with the Company, its Promoters, its management or its Subsidiaries, which in the judgement of the Board would affect the independence or judgement of Directors.

8. RISK ASSESSMENT & MINIMISATION PROCEDURES

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

9. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the Code.

10. GENERAL BODY MEETINGS :

Details of the last three Annual General Meetings (AGM) of Shareholders of the Company held is as under:

AGM and Financial Year	Date & Time	Location	Details of Special Resolutions
28th 2016-17	**August 9, 2017 at 2.15 P.M.**	The Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 (Gujarat).	Adoption of new set of Articles of Association of the Company.
27th 2015-16	**August 5, 2016 at 2.15 P.M.**		Adoption of new set of Articles of Association of the Company.
26th 2014-15	**August 7, 2015 at 2.15 P.M.**		- Re-appointment of Mr. Kushal N. Desai as Managing Director and Chief Executive Officer (CEO) of the Company for a period of three years w.e.f. 1st January, 2015 and payment of Remuneration to him. - Re-appointment of Mr. Chaitanya N. Desai as Managing Director of the Company for a period of three years i.e. from 1st January, 2015 to 31st January, 2015 as Joint Managing Director and from 1st February, 2015 to 31st December, 2017 as Managing Director and payment of Remuneration to him.

During the financial year under review, no extra ordinary general meeting was held and no resolutions were passed through Postal Ballot.

11. Transfer of Unclaimed / Undelivered Equity Shares of the Company into "Demat Suspense Account"

The Company has transferred the Unclaimed / Undelivered Equity Shares in terms of Schedule VI of SEBI (LODR) Regulations, 2015 into "Demat Suspense Account" opened for the purpose pursuant to Securities and Exchange Board of India (SEBI) Circular dated 16-12-2010. The details of Unclaimed / Undelivered Shares in the "Demat Suspense Account" as on March 31, 2018 is as follows:

Sr. No.	Description	No. of Cases	No. of Shares
i)	Aggregate number of shareholding and the outstanding shares in the Unclaimed Suspense Account at the beginning of the year i.e. April 1, 2017.	3,597	47,173
ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2017-2018.	52	948
iii)	Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2017-2018.	52	948
iv)	Number of Shareholders to whose shares were transferred from the Unclaimed Suspense Account to the IEPF Authority during the year 2017-2018.	2,147	24,114
v)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. March 31, 2018.	1,398	22,111

The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

Pursuant to the provisions of Section 124(5) and Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, the Company has transferred 47,962 Equity Shares of the shareholders whose dividend had remained outstanding for a period of 7 years from 2009-10 to 2015-16 on 28th December, 2017 to IEPF.

12. COST AUDIT

The Cost Auditors appointed by the Company pursuant to Section 148 (3) of the Act and Rule 6 (2) of the Companies (Cost Records and Audit) Rules, 2014 have submitted their Cost Audit Reports for the Financial Year ended 31st March, 2017. The said Cost Audit Reports were filed in XBRL mode with Ministry of Corporate Affairs (MCA) on 7th September, 2017 (due date of filing was 30th September, 2017).The due date for filing the Cost Audit Reports for the financial year ended 31st March, 2018 is within 30 days from the date of receipt of a copy of Cost Audit Report.

13. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Hemang M. Mehta proprietor of M/s. H. M. Mehta & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **"Annexure - I"** forming part of the Directors' Report. The Report does not contain any qualifying remark.

14. MEANS OF COMMUNICATION

Quarterly, Half Yearly and Yearly Financial Results of the Company are published in Gujarat edition of "The Business Standard", an (English) nationwide daily newspaper and "Loksatta" a (Gujarati) daily newspaper.

Additionally, the results, other important information and official news releases including presentations made for investors or analysts are also periodically updated on the Company's website viz. www.apar.com and are also sent to both the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

The company organizes investor conference calls to discuss its financial results every quarter where investors' queries are answered by the management of the company. The investor presentations and the transcripts of the call are also uploaded on the website of the Company and sent to the Stock Exchanges.

Further, the related information is uploaded / submitted to Stock Exchanges on time to time basis.

15. DISCLOSURES

a) **Related Party Transactions:** The details of all significant transactions with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year are periodically placed before the Audit Committee. The relevant details of all transactions with related parties given in Note No. 43 of the audited accounts for the FY 2017-18, and also in Directors' Report under Para 18 (refer Form AOC-2), forms part of this report also. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. These transactions were entered in the ordinary course of business and on arm's length basis.

The Board has approved a Policy for Related Party Transactions which has been uploaded on the Company's website and can be accessed through -

http://www.apar.com/pdf/financedata/our-policies/1-Policy-on-Related-Party-Transactions.pdf

b) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties or strictures have been imposed on it during the last 3 years.

c) **Whistle Blower Policy:** The Company has introduced 'Whistle Blower Policy (Apar's OMBUDSMEN Policy) effective from 1st March, 2014 by setting a vigil mechanism to enable anyone within the company and those dealing with the Company to voice their concern to the 'Ombudsmen of the Company' if they discover any information which he / she believes shows serious malpractice, impropriety, abuse of power and authority, financial wrongdoing or unethical conduct / practices, without fear of reprisal or victimization, subsequent discrimination or disadvantage. The above policy provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional case.

d) The Company has complied with mandatory requirement of Corporate Governance provisions and has not adopted discretionary requirements.

e) **Subsidiary Companies:** The Company has formulated a Policy on Material Subsidiaries in terms of the Listing Regulations. The same can be accessed through web link http://www.apar.com/pdf/financedata/our-policies/Policy%20on%20Material%20Subsidiaries.pdf

The Company has following Subsidiaries at present:

- Petroleum Specialities Pte. Ltd. Singapore (PSPL) – Wholly owned Subsidiary of the Company
- Petroleum Specialities FZE, Sharjah – Wholly owned Subsidiary of PSPL,
- Apar Transmission & Distribution Projects Private Limited – Wholly Owned Subsidiary of the Company and
- Cema Optilinks Private Limited - Majority Owned Subsidiary of the Company.

On the basis of the definition of Material Subsidiary given in Regulation 16 of the Listing Regulations, the Company does not have any Material Subsidiary as on 31st March, 2018.

The Audited Annual Financial Statements and minutes of the Board Meetings of the Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

f) Reports of Auditors on statutory financial statements of the Company do not contain any qualification.

g) The CEO & MD and the CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the Company's affairs.

h) Management Discussion & Analysis is covered under the separate head of the Directors' Report of 2017-2018.

i) **Auditors' Certificate on Corporate Governance:** The Company has obtained a Certificate from the Statutory Auditors of the Company regarding compliance with the provisions relating to Corporate Governance prescribed by Schedule V (E) (Regulation 34 (3) of the Listing Regulations which is attached herewith.

16. GENERAL INFORMATION

29th Annual General Meeting Day, Date and Time	:	Thursday, 9th August, 2018 at 2:15 P.M. at The Auditorium, Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara - 390 007 (Gujarat).
Financial Year	:	1st April, 2018 to 31st March, 2019 The financial results will be adopted as per the following tentative schedule : First Quarter: On or before 14th August, 2018. Second Quarter: On or before 14th November, 2018. Third Quarter: On or before 14th February, 2019. Fourth Quarter: On or before 30th May, 2019.
Book Closure Dates	:	Friday, 3rd August, 2018 to Thursday, 9th August, 2018, (both days inclusive)
Dividend Payment	:	Dividend Warrants will be dispatched after the AGM, but before the expiry of statutory period of 30 days from the date of AGM.
CIN	:	L91110GJ1989PLC012802
Registered Office	:	301, Panorama Complex, R. C. Dutt Road, Vadodara - 390 007 (Gujarat).

Listing of Shares on the Stock Exchanges	:	**BSE Ltd. (BSE)** **Scrip Code No. 532259** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. **National Stock Exchange of India Limited (NSE) Scrip Symbol - APARINDS** "Exchange Plaza", Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. The Company has paid the Listing Fees to both the Stock Exchanges within stipulated time.

Dematerialization of shares as on 31st March, 2018:

Particulars	31st March, 2018	
No. of Demat Shares	**No. of Shares**	**%**
- NSDL	34,991,315	91.44
- CDSL	3,107,647	8.12
No. of Physical Shares	169,657	0.44
Total	**38,268,619**	**100.00**

Distribution of shareholding as on 31st March, 2018:

No. of shares ranging From	–	To	No. of Shareholders	% to Total	No. of Shares	% to Total
1	-	500	25,763	95.26	1,164,160	3.05
501	-	1000	533	1.97	401,981	1.05
1001	-	2000	358	1.32	526,080	1.37
2001	-	3000	102	0.38	251,481	0.66
3001	-	4000	71	0.26	255,097	0.67
4001	-	5000	43	0.16	195,839	0.51
5001	-	10000	74	0.27	510,649	1.33
10001	&	above	103	0.38	34,963,332	91.36
Total:			27,047	100.00	38,268,619	100.00

ISIN for NSDL & CDSL	:	INE372A01015
Reconciliation of Share Capital Audit	:	A qualified Practicing Company Secretary carried out on quarterly basis, a Reconciliation of Share Capital Audit (RSCA) to reconcile the total dematted Share Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical share capital with the total issued and listed share capital. The RSCA Report confirms that the total issued / paid up capital is in agreement with the total number of shares in Physical form and the total number of Dematerialized shares held with NSDL and CDSL.

High / low of market price of the Company's shares traded along with the volumes at BSE and NSE during the Financial Year 2017-18 is furnished below:

Month	BSE (SENSEX)				NSE (Nifty)			
	High Price (₹)	Low Price (₹)	No. of Shares Traded	SENSEX	High Price (₹)	Low Price (₹)	No. of Shares Traded	NIFTY
Apr-17	821.95	731.00	1,47,527	29,918.40	812.65	728.10	10,53,972	9,304.05
May-17	**909.00**	787.00	94,244	31,145.80	**908.30**	778.20	6,23,420	9,621.25
Jun-17	898.00	702.05	1,79,699	30,921.61	888.00	741.00	4,69,059	9,520.90
Jul-17	840.00	734.50	60,187	32,514.94	840.00	733.20	3,94,707	10,077.10
Aug-17	808.00	690.00	1,85,061	31,730.49	807.60	675.00	4,94,021	9,917.90
Sep-17	809.90	740.00	42,176	31,283.72	810.00	735.00	3,30,785	9,788.60
Oct-17	828.00	742.00	28,944	33,213.13	791.00	740.10	2,90,856	10,335.30
Nov-17	810.00	721.00	1,34,915	33,149.35	810.90	711.65	5,87,716	10,226.55
Dec-17	852.70	751.10	1,84,843	34,056.83	849.25	757.00	7,49,963	10,530.70
Jan-18	869.95	728.05	56,006	35,965.02	869.30	726.00	6,20,450	11,027.70
Feb-18	820.00	**684.05**	66,942	34,184.04	821.00	**683.20**	3,44,439	10,492.85
Mar-18	813.05	710.00	18,652	32,968.68	807.70	707.00	2,52,008	10,113.70
Total Shares Traded			1,199,196				6,211,396	
Average Shares Traded			99,933				517,616	

Share performance of the Company in graphical comparison at NSE (Nifty) :

Shareholding Pattern as at 31st March, 2018:

Category	No. of Equity Shares	% of Share Holding
Promoters / Persons Acting in concert	22,180,558	57.96
Banks, Financial Institutions and Insurance Companies	61,304	0.16
Mutual funds	8,165,282	21.34
Foreign Institutional Investors / Foreign Portfolio Investors	2,821,716	7.37
NRIs / OCBs	191,764	0.50
Corporate Bodies	1,152,189	3.01
Central Government / State Government	47,962	0.13
Resident Individuals (Public)	3,647,844	9.53
Total	**38,268,619**	**100.00**

Registrar for Share Transfer Agent : Link Intime India Private Limited
B-102 & 103, Shangrilla Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 (Gujarat), India

Ph. Nos. (0265) 6136000, 6136001
Tele Fax. (0265) 2356791
E-mail: vadodara@linkintime.co.in

Global Depository Receipts (GDR) / American Depository Receipts (ADR) / Warrants or any Convertible instrument, conversion dates and likely impact on Equity : Nil

Plant Locations

Division	Location
Conductors	Silvassa, Athola, Rakholi, Jharsuguda and Lapanga.
Oil	Rabale and Silvassa and Hamriyah Free Zone – Sharjah – UAE (owned by Petroleum Specialities FZE, a stepdown operating subsidiary).
Cable	Umbergaon and Khatalwada (Gujarat)

Address for Communication : Shareholders' Grievances / correspondence should be addressed to the Company at the Registered Office of the Company situated at :
301, Panorama Complex, R. C. Dutt Road, Vadodara - 390 007 (Gujarat), India

Ph. (0265) 2339906
Fax (0265) 2330309.
E-mail : com_sec@apar.com

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

The Company has adopted a Code of Conduct for its Employees and Directors which is available on the Company's web site.

As per the requirements of the Listing Regulations, this is to confirm that all the Members of the Board and Senior Management Personnel have affirmed with the Code of Conduct of the Company for the financial year 2017 -18 and accordingly have received, a declaration of compliance with the Code of Conduct from them.

For the purpose of this declaration, Senior Management team means the Chief Financial Officer, the Company Secretary and all Vice Presidents and Functional Heads of the Company as on 31st March, 2018.

Place : Mumbai
Date : 30th May, 2018.

Kushal N. Desai
Chairman & Managing Director
and CEO

Independent Auditors' Certificate on Corporate Governance

To the Members of Apar Industries Limited

1. We have examined the compliance of conditions of corporate governance by **Apar Industries Limited(the'** Company') for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations').

Management's Responsibility

2. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of corporate governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither audit nor expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with corporate governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examinations of the relevant records and according to the information and explanations provided to us and representations provided by management, we certify that the Company has complied with the conditions of corporate governance as specified in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable during the year ended 31st March, 2018.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

9. The Certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

Place : Mumbai
Date : 30th May, 2018.

For SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
By the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Annexure VII TO THE DIRECTORS' REPORT

Business Responsibility Report

Section A : General Information about the Company:

1.	Corporate Identity Number (CIN)	:	L91110GJ1989PLC012802
2.	Name of the Company	:	Apar Industries Limited
3.	Registered Address	:	301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007 (Gujarat)
4.	Website	:	www.apar.com
5.	E-mail id	:	com_sec@apar.com
6.	Financial Year reported	:	2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	2710 – Transformer & Speciality Oils 7614 – AAC / AAAC / ACSR Conductors 8544 – Power / Telecom Cable
8.	List three product / services that the Company is engaged (industrial activity code wise)	:	(i) Transformer & Speciality Oils (ii) AAC / AAAC / ACSR Conductors (iii) Power / Telecom Cable
9.	Total Number of locations where business activity is undertaken by the Company	:	50 - Both International and National
i.	Number of international locations	:	2 Locations through Subsidiaries
ii.	Number of national locations	:	48 Locations (Factories, Offices including lease offices and depots)
10.	Market served by the Company	:	In addition to serving Indian markets, the Company exports its products to over 100 countries worldwide as on 31st March, 2018.

Section B : Financial Details of the Company :

1.	Paid up capital (INR)	:	Rs. 38.27 Crore
2.	Total Turnover (INR) (Gross of Excise Duty)	:	Rs. 5,635.91 Crore
3.	Total Profit after taxes (INR)	:	Rs. 144.05 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	2.45 % of Profit after Tax
5.	List of activities in which expenditure in 4 above has been incurred:	:	1. Healthcare and upliftment of poor sections of society. 2. Education, 3. Food and Mid-day meal for children 4. Environmental sustainability and, 5. Health and Welfare of Senior Citizens

Section C : Other details :

1.	Does the Company have any Subsidiary Company / Companies?	:	Yes, the Company has 4 subsidiaries.
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	:	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	:	No

Section D : BR Information :

1.	**Details of Director / Directors responsible for BR**	:	
a.	Details of the Director / Director responsible for implementation of the BR policy / policies	:	
	DIN Number	:	00008084
	Name	:	Mr. Kushal N. Desai
	Designation	:	Chairman & Managing Director
b.	**Details of the BR head**	:	
	1. DIN Number (if applicable)	:	—
	2. Name	:	Mr. Sanjay Kumar
	3. Designation	:	Vice President – HR & Admin
	4. Telephone Number	:	022-25263400
	5. Email id	:	Sanjay.kumar@apar.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under :

P1– Businesses should conduct and govern themselves with Ethics, Transparency and Accountability,

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle,

P3 – Businesses should promote the well-being of all employees,

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized,

P5 – Businesses should respect and promote human rights,

P6 – Businesses should respect, protect, and make efforts to restore the environment,

P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner,

P8 – Businesses should support inclusive growth and equitable development,

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the Policy being formulated in consultation with the relevant stakeholders?	N	N	N	N	N	N	N	N	N
3	Does the policy conform to any national / international standards? (If yes, specify (50 words)	Y. The Policies conform to the principle of National Voluntary Guidelines on Social Environment and Economic Responsibilities of Business (NVGs) notified by Ministry of Corporate Affairs.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Directors / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.apar.com/pdf/financedata/our-policies/11-Business%20Responsibility%20Policy.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

b. If answer to the question at Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)

Not applicable, as the Company has policies in place for all the 9 Principles.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company will publish the BR Report with the Annual Accounts for the Financial Year 2017-18 and upload the same on the Company's website at www.apar.com. BRR for FY 16-17 already uploaded with the Annual Accounts.

Section E : Principle-wise Performance :

Principle 1 : Business should conduct and govern themselves with Ethics, Transparency and Accountability.

The Company believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards, transparency and accountability in its dealings with all its constituents.

The driving force behind the Company's management is **"Tomorrow's Progress Today"** and backed by **"A culture of High - Tech Practices and Quality"**. Apar's quality policy is **"To satisfy customer needs and retain leadership by manufacturing and supplying quality products and services through continuous improvement by motivated employees"**. Our concept of quality addresses all the three dimensions – people, processes and products.

1. Does the policy relating to ethics, bribery and corruptions cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct and a Vigil Mechanism named Whistleblower Policy that are approved by the Board of Directors. These are applicable to all Board Members and employees of the Company, and an annual affirmation is taken from the designated employees. The Code is available on the Company's website viz. www.apar.com

2. How many stakeholders complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There were two Investor complaints from the Stakeholders during 2017-18 which were promptly attended to and resolved to the satisfaction of the Stakeholders. No complaint was remained outstanding as on 31st March, 2018.

Company's Code of Conduct has a provision for all Company's stakeholders to freely share their concerns and grievances with the Company.

Principle 2 : **Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

Company

- Understand the "Service" and a "Service attitude" to customers and fellow associates that forms the basis of its business.
- Understand that mutual Trust and Respect is the essence of its Human Values.
- Understand Accountability and Commitment in setting and meeting aggressive targets.
- Understand that Company will always conduct its business with unyielding Integrity and ethics.
- Understand Excellence and deliver products and service of the highest quality.
- Understand the importance of Change and see it as an Opportunity and not as a Threat.
- Understand Speed as a Competitive Advantage in a changing and uncertain world, delivering Better, Faster and more Competitive products and services.
- Promise to deliver to all customers, Innovative and Value based solutions. Always be an integral part of the Customers' Success.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a. Company's Conductors Divisions are using recyclable steel drums in place of wooden pallets in order to protect the environment and reduce cost to the Company. Apart, such recyclable steel drums are now more increasingly used with combination of PP sheet in place of wooden pallets (laggings), removing usage of natural wood in line with Apar's responsibility towards conservation of nature.

b. Further, conductor division is also increasingly promoting usage of hybrid drums (drums having steel frame with HDPE sheet in place of fully steel based flange) to reduce on metal, there by optimizing logistics and cost.

c. In Company's Oil Division, water is collected through rain water harvesting and using the same in boiler operations for steam generation.

Division has installed 330KWp Solar power plant for it's energy consumption.

d. Company's Cables Divisions started using recyclable steel drums on experimental basis in place of wooden drums in order to protect the environment. Approx 4500 drums were used on returnable basis.

e. Company's Cable Division has replaced highway light fittings with 150 W metal halide lamps each and replaced it with LED Lighting system 196 numbers of 90W each, thereby saving power at Umbergaon besides almost 800 Tube lights replaced by LED Tubes & Bulbs.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing / production/ distribution achieved since the previous year throughout the value chain?

The details are given in Annexure - IV relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo of Directors' Report.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products viz. Conductors are mainly used for transmission and distribution of power. Hence these products do not have any significant impact on energy during use by the consumers. However, the Company has been actively growing its presence in the High Efficient Conductors (HEC). The Company has incorporated energy efficient, state of the art, technology in its conductor division towards power consumption optimization and reducing furnace oil consumption from about 80+ kg/MT to 75 kg/MT to about 65 kg/MT at Rakholi unit and to 55 kg/MT at Athola unit.

Designs of HTLS/HEC conductors is made to sustain higher operating temperatures so that consumer benefits from less operating losses and higher throughput.

Company has entered into a long term agreement with one of the prime aluminium supplier for supply of hot liquid aluminium metal.

Similarly, the Transformer Oils and other specialty oils are used by the power utilities and hence they also have no significant impact on energy during use by the consumers.

The Company has strengthened Six Sigma culture as a business management strategy using DMAIC approach in various sections of its Speciality Oil Division. This has resulted in the overall improvement in the process efficiency, productivity, energy conservation, process capability and reduction in variation leading to cost effectiveness. .

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's Jharsuguda plant is located in Eastern part of India in Orissa where the Company can source the raw material viz. Aluminium easily. Similarly, the finished goods, viz. different kinds of Conductors can also be supplied more easily to the eastern part of India thereby saving both inward and outward freight.

Aluminium accounts for about 70% of the conventional finished product value, where company has entered into strategic alliances with key suppliers on long-term basis.

Further Company's Conductors Unit, Oils Unit are both located in Silvassa. Similarly, Company's Cable Units are located in Umbergaon and Khatalwad (Taluka Umbergaon). Thus all these units are located very near to the Mumbai Port. Hence, Procurement / Transportation of raw material as well as finished goods can be exported very easily thereby saving on both inward as well as outward freight. Oil division plant at Sharjah, UAE has direct pipeline transfer of Oil from the ship reducing dependence on surface transportation.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As long as local supplies are concerned company procures goods from local suppliers including Micro, Small and Medium Enterprises and materials are imported under Advance License Scheme to the extent possible. Company also supports vendors for improving their productivity and technical capability to reduce their operation costs.

Further, the Company procures goods and services like security, housekeeping, gardening, and such other services from the suppliers located near the factories of the Company. Major workforce of the company is employed from the surroundings of the manufacturing unit across all locations.

Company ensures right quality production at suppliers' end as well to ensure the desired quality levels of the end product, resulting into enhanced capability of supplier to produce right quality material for elevated volumes.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Company's conductor division has mainly three elements, namely aluminium, steel and wooden packaging material. Out of these, aluminium is reprocessed on 100% basis, while steel wastage is being sold to scrap processors.

As an environment friendly step, Conductor division is increasingly replacing, about 70% or more, its packaging from wooden drums/reels to steel & hybrid (made-up of steel frame and PP sheet) drums/reels for local and export customers. Likewise wooden

laggings used along with wooden drums is also increasingly being replaced with PP sheet. Both steel drums/reels and PP sheet are used for 3 or more cycles of conductor supply and yet salvageable.

In Oil division, there is a reduction in clay consumption used for percolation in Transformer Oil manufacturing thereby reduction in Hazardous waste generation.

The manufacturing processes of Aluminimum Conductors, Specialty Oils and Cables do not directly discharge any significant effluent or waste. Oil manufacturing plant in Sharjah, UAE has zero effluent discharge and Industrial wastage.

Company's Cable division recycle Aluminium, Copper and Thermoplastic compound whereas steel wastage is being sold to scrap processors. About 20% of the packing steel drums are also sent to customers on returnable basis.

Wooden laggings used for wooden drums are also increasingly being replaced with PP sheet.

Sewage Treatment Plant has been set up to treat the water, which is used for auxiliary purposes

Principle 3 : Businesses should promote the wellbeing of all employees :

Apar's Corporate Philosophy is to encourage the practice "to do what is right as a human being". It offers employment with a sense of certainty for a successful long term career that would be driven by boundless growth opportunities and exposure to immense learning opportunities.

It nurtures a cohesive team culture that inspires employees to actively participate in all organizational development initiatives with no limitation of opportunities which makes Apar an exhilarating place to be in.

With the intent of connecting people for fostering and building people interaction, Apar encourages employees to undertake fun-at-work initiatives also so that they enjoy a sense of bonding within the company. At the same time, safety and health of employees is extremely important to the Company.

Further, in order to promote the wellbeing of the employees, the Company has introduced the flexi timings in some of the offices of the Company.

The Company's Oil division had a zero accident rate during the year under review..

1. **Please indicate the Total number of employees.**

   1,323 Nos. (excluding temporary and contractual employees).

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

   a. Temporary - 64

   b. Contractual - 3128

   c. Casual - 298

3. **Please indicate the Number of permanent women employees.**

   80

4. **Please indicate the Number of permanent employees with disabilities.**

   NIL

5. **Do you have an employee association that is recognized by management.**

   Yes only one Association (Central Labour Association)

6. **What percentage of your permanent employees is members of this recognized employee association?**

   13% of the permanent employees are a part of Central Labour Association.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced Labour / involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

a. Permanent Employees	–	83%
b. Permanent Women Employees	–	90%
c. Casual / Temporary / Contractual Employees	–	90%
d. Employees with Disabilities	–	N/A

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.:

Apar recognizes the interest of all communities including those of disadvantaged, vulnerable, marginalized and weaker sections of the society and proactively engage with them. It believes that it has a responsibility to think and act beyond the interests of its shareholders to include all its' stakeholders specially interest of the weaker sections of the society.

Apar is committed to providing a safe and healthy workplace. Making sure that our employees, associates and contractors return home from work safely each day is more important than anything else. We are committed to ensuring zero harm to our employees, associates and contractors and the communities in which we operate. This is integral to our business and is laid down in our health and safety policies, standards and working procedures.

1. Has the Company mapped its internal and external stakeholders ? Yes / No.

Yes, to the extent possible.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Your Company gives significant importance to the interests of those stakeholders who are disadvantaged, vulnerable and marginalized through various initiatives including generation of employment for the local communities wherever the plants of the Company are situated, giving priority to employment to local people. In fact the Company has given options to the present employees who are residents of areas where the new Manufacturing Plants are being commissioned, to seek transfer to the said new Manufacturing Plants thereby the employees can be migrated back to their native places. The Company employs Contract labour at the manufacturing plants and other non-core activities like housekeeping, warehouse operations etc. and closely monitors that the Contractors meets their obligations towards the Contract Labour employed by them.

Wherever new Manufacturing Plant is being erected, Company sources local labour for construction, maintenance etc.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company's CSR activities aim at, inter alia, healthcare and upliftment of poor sections of Society. During the year under review, the Company has contributed for organic farming, alternative sources of energy, soil-biotechnology, tubewell, water irrigation system, organic agriculture inputs, activities relating to rehabilitation of abandoned, unclaimed, parentless and destitute children, especially girl children, in need of care and protection, Activities relating to Mid- Day Meals for Children, services to mentally under-developed girls, education to rural / slum children and development of vocation skills especially for senior citizens by arranging medical camps & yoga training, all aiming to engage with the disadvantaged, vulnerable and marginalized stakeholders / sections of society.

Principle 5: Businesses should respect and promote human rights

Apar recognizes the human rights and treat others with dignity and respect. It believes that it is one's fundamental rights to live with dignity and respect. Company has adopted a Policy on "Prevention of Sexual Harassment at Work Place" (POSH) to provide safe and healthy work environment to it's employees by establishing a guidelines to deter any sexual harassment at work.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company does recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace including that of communities, consumers and vulnerable and marginalized groups. All aspects of human rights have been included and covered in the Code of Business Conduct and in various human resource practices / policies issued by the HR Department from time to time.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were two shareholders' complaints – one from SEBI (SCORE) and another from NSE Ltd. which were promptly attended to and redressed suitably to the stakeholders / shareholders satisfaction.

Principle 6 : Business should respect, protect, and make efforts to restore the environment.

Apar is committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any products and services on the ecological environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The policy related to Principle 6 cover the Company and its other stakeholders to the extent possible.

2. **Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes. Please refer to –Annexure II to Directors' Report - Annual Report on Corporate Social Responsibility Activities and Annexure IV - Report on Conservation of Energy.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the Company has mechanism to identify and assess potential environment risks in its various plants / units.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   The Company has not carried out any particular project related to clean development mechanism, as such there is no environment compliance report filed.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes. Please refer to Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo – Annexure - IV to the Directors' Report.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the emissions / waste generated by the Company are well within the permissible limits given by CPCB / SPCB for the financial year under review.

   The Company's Oil Division at Sharjah – UAE has zero effluent discharge and Industrial wastage.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   None.

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Company engages with industry bodies and associations to influence public and regulatory policy in a responsible manner and advocating best practices for the benefit of society at large.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company is a member of :

   a. Aluminium Association of India
   b. Bombay Chamber of Commerce and Industry.
   c. Cable and Conductor Manufacturers Association of India (CACMAI)
   d. EXIM Club, Vadodara
   e. Export Engineering Promotion Council.
   f. Federation of Gujarat Industries
   g. Indian Electrical & Electronics Manufacturers' Association (IEEMA)
   h. Indian Merchant Chamber
   i. Manufacturers of Petroleum Specialties Association (MPSA)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company has developed Medium Voltage Covered Conductors (MVCC) which consist of a conductor insulated by a covering made of specialty polymer insulating material(s) as protection against accidental contacts with grounded parts such as tree branches etc. Such covered conductors reduce interruptions by contact of tree branches or creepers, reduce towering costs, cause negligible leakage current on surface, protect big birds and animals like peacocks, flamingos, elephants etc., increase the power distribution network reliability, reduce power interruptions and outages. The Company has used the platform of Indian Electrical & Electronics Manufacturers' Association (IEEMA) to promote entry of this new product to utilities.

Principle 8 : Businesses should support inclusive growth and equitable development :

Company believes in the principle of trusteeship. Apar has from its inception served society by taking forward this philosophy and catalyzing societal welfare through focused projects in the healthcare, education and nutrition sectors especially for the needy and weaker sections of the Society. The company has adopted a CSR policy through which it undertakes the projects in accordance with Schedule VII of the Companies Act, 2013. The Company's Conductor division has won Star Performance Award for Export Excellence for 7 years in the product group Metal fasteners, Springs and Allied articles Large Enterprise awarded by EEPC India.

1. **Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company's CSR programme focus, inter alia, at healthcare and poor sections of society and Environment sustainability. The Company has contributed towards rural development / organic farming / alternative energy / soil bio-technology / water irrigation systems / organic agriculture inputs etc.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The programmes / projects detailed at point no. 1 have been undertaken through external NGOs / Institutions.

3. **Have you done any impact assessment of your initiative?**

   The management closely monitors the spending of its contributions towards the above social causes and the Company's Directors are paying regular visits at the projects where the Company has given contribution.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   The details of Company's contribution as also the names of the Institutions to whom the contribution is given along with the details of their projects are given in the Annual Report on CSR activities (Please refer Annexure II to the Directors' Report), which forms part of this Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   AsAs mentioned earlier, the Company closely monitors the spending of its contributions towards the above social causes and the Company's Directors are paying regular visits at the projects where the Company has given contribution. The Company also seeks reports from the institutions the details of their spending from time to time.

   Further, the Company has undertaken tree plantation of 500 nos. in program initiated by DISH and MPCB. Further, the Company has also planted tree in and around factory and thereby increased the green belt area inside the plant. Further it has also undertaken the Rain Water Harvesting project and Solar Energy Project.

   The Company's Rabale Oil Plant has Apar Employees Co-operative Society under which, the employees get financial assistance at concessional rates.

   The Company' oil Division has received certificate for active participation in Best Welfare Practices Competition – 2017 organized by Directorate of Industrial Safety and Health, Thane Division, Maharashtra. Further, the Company has been awarded Good Manufacturing Practices Certificate in the manufacturing and testing of White Oil.

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

Apar has long standing relationships with it's customers which includes leaders in the Power and Telecom sectors built on the back of a successful track record of delivering the most high performance and cost efficient products. It has an extensive portfolio of over 400 types of specialty, Industrial and automotive oils; Largest range of conventional and new generation conductors and a comprehensive range of power and telecommunication cables.

The Company continues to strive to make available goods that are safe, competitively priced, easy to use and safe to dispose off, for the benefit of it's customers and end users..

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   A total of 296 customers complaints / consumer cases have been received which were promptly attended and redressed suitably to the customers' satisfaction 14 customers complaints / consumer cases are pending as on the end of the financial year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No / N.A. / Remarks (additional information).**

   No, the Company is only displaying information as mandated by local laws. No additional information is provided in the products of the Company. The customers are provided with Guaranteed Technical particulars, which are approved and forms part of the customer purchase order.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No such case has been filed against the Company during the last five years and pending as on the end of financial year.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   The Company has not carried out any consumer survey / customer satisfaction trend during the year. However, the Company has not come across with any kind of negative feedback on the performance while discussing with the consumers. In fact, the Company has been receiving repeat orders from the customers which itself reflects the competitiveness of Company's products in the markets, supply of quality materials and fulfillment of our commitment

Annexure VIII to the

Directors' Report

EMPLOYEE STOCK OPTION DISCLOSURES

Members' approval was obtained at the Annual General Meeting held on August 9, 2007 for introduction of Employees Stock Option Scheme to issue and grant upto 16,16,802 options and it was implemented by the Company. The options have been granted to employees in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations) read with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and amended to date (the SEBI Guidelines). The Nomination and Compensation-cum-Remuneration Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme.

The disclosures stipulated under the SEBI Regulations and Guidelines are as follows:

a.	Options granted by the Compensation Committee	:	175,150
b.	Exercise price	:	₹ 207.05 per option
c.	Options vested	:	175,150
d.	Options exercised	:	26,338 (option exercised upto 31st March, 2015 – 26,072 and on 14th May, 2015 – 266 options)
e.	The total number of shares arising as a result of exercise of options	:	26,338
f.	Options lapsed	:	148,812
g.	Variation in terms of options	:	See note 1 below
h.	Money realised by exercise of options	:	₹ 5,453,282.90
i.	Total number of options in force	:	14,41,652 options yet to be granted
j.	Employee-wise details of options granted to:		
	i. Senior Management Personnel / Directors		
	(a) Dr. N. K. Thingalaya	:	4,000 *
	(b) Shri F.B.Virani	:	4,000 **
	(c) Mr. V.C.Diwadkar, CFO and Mr. Sanjaya Kunder, CS have exercised 1,952 and 133 options respectively and equal number of shares were allotted. Balance options lapsed.		
	* All the Options lapsed.		
	** Of these, 2/3rd Options lapsed and 1/3rd Options exercised and equal no. of shares (1,333) allotted.		
	ii. Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year	:	Nil
	iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	:	Nil
k.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options.	:	Not Applicable (No options granted and exercised in Financial Year 2017-18).

Notes :

1) 175,150 options at the exercise price of ₹ 259.75 granted on January 23, 2008 were cancelled on May 27, 2008. The cancellation was necessary due to substantial reduction in the price of shares in the secondary market and simultaneously therewith, the above detailed options were granted. The confirmation of the shareholders for the said cancellation and subsequent grant were sought at the 19th Annual General Meeting held on August 29, 2008.

2) As the exercise of options would be made at the market linked price of ₹ 207.05, the issuance of equity shares pursuant to exercise of options will not affect the profit and loss account of the Company.

3) The Company obtained in-principle approval for the listing of the entire 1,616,802 equity shares to be issued and allotted on exercise of options as and when exercised under the scheme. The Company has also obtained listing and trading approvals from both the Stock Exchanges viz. BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in respect of entire 26,338 Equity Shares allotted to the employees under the scheme.

4) The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed at the Annual General Meeting held on 9th August, 2007. The Certificate would be placed at the Annual General Meeting for inspection by members.

Independent Auditor's Report

To the Members of APAR Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **Apar Industries Limited** (the 'Company'), which comprise the Balance sheet as at 31st March, 2018, the Statement of profit and loss (including Other comprehensive income), the Statement of changes in equity and the Statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'standalone financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting Policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the State of affairs (financial position) of Company as at 31st March 2018, and its profit (financial performance including other comprehensive income), its cash flows and statement of changes in equity for the year ended on that date.

Other Matter

The financial statements for the year ended 31st March 2017 included in the standalone financial statements are based on the previously issued financial statements of the Company, prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder, which were audited by another firm of chartered accountants, whose report dated 30th May, 2017 expressed an unmodified opinion on those audited standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order,

2. As required by Section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance sheet, the Statement of profit and loss, the Statement of cash flows and the Statement of changes in equity dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

   (e) on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';

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

(i) the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 44 to the standalone financial statements);

(ii) the Company have long-term contracts including derivative contracts for which there are no material foreseeable losses (Refer Note 35 - 41 and 46 to the standalone financial statements); and

(iii) there has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W / W100218
by hand of

Edwin P Augustine
Partner
Membership No.: 043385
Mumbai, 30th May, 2018

Annexure 'A' to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March 2018, We report that;

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of the fixed assets by which fixed assets are verified in a phased manner programme of verification. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion is reasonable, considering the size of the Company and nature of its assets.

(c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verification, which were not material, have been properly dealt with in the books of account.

(iii) According to the information and explanations give to us, the Company has not granted loans, secured or unsecured, to the companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provision of Paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) According to the information and explanations given to us and the records examined by us, the Company has not accepted any deposits from the public during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account and records maintained by the Company specified by the Central Government for the maintenance of cost records under Section 148(1) of the Act with respect to its manufacturing activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, the contents of these accounts and records have not been examined by us.

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records examined by us, the particulars of income tax, sales tax, service tax, duty of customs, duty of excise, and value added tax as at 31st March, 2018 which have not been deposited on account of a dispute pending, are as under:

Name of the Statute	Nature of the disputed dues	Amount (₹ in crore)	Period to which the amount relates	Forum where disputes are pending
The Central Sales Tax Act,1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, Interest and Penalty	0.13	1998-99 2001-02 2003-04 and 2004-05 2010-11	Commercial Tax Officer
		0.09	2010-11 to 2013-14	Deputy Commissioner
		6.96	2002-03 to 2004-05 2006-07 2011-12 to 2013-14	Commissioner VAT
		5.49	1998-99 2006-07 2008-09 2009-10	Tribunal
		0.13	2009-10	Additional Commissioner
		1.99	2009-10 and 2010-11	Joint Commissioner
The Central Excise Act, 1994 The Customs Act, 1962 Service Tax under the Finance Act, 1994.	Duty, Service Tax, Interest and Penalty	4.04	2004 to 2007 2007-08 2008 to 2016	Commissionerate
		2.08	1997 to 2001 2001 to 2004 2004-05 to 2006-07 2009-10 2011-12	CESTAT / Tribunal
		2.32	1999 to 2007	High Court
		5.30	1995 to 2000	Supreme Court

(viii) According to the information and explanations given to us the Company has not defaulted in repayment of loans or borrowings to banks and financial institutions. The Company has not taken any loans or borrowings from Government. The Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the explanations given to us, on an overall basis, the term loans were applied for the purposes for which those were raised.

(x) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the Paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the relevant details have been disclosed in the financial statements etc., as required by the applicable Indian Accounting Standard.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the Paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W / W100218
by hand of

Edwin P Augustine
Partner
Membership No.:043385
Mumbai, 30th May, 2018

Annexure 'B' to the Independent Auditor's Report

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **Apar Industries Limited** (the 'Company') as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements..

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W / W100218
by hand of

Edwin P Augustine
Partner
Membership No.: 043385
Mumbai, 30th May, 2018

Balance Sheet As at 31st March, 2018

(₹ in crore)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	537.61	458.05
Capital work-in-progress-Tangible	2	18.21	26.73
Goodwill	3	4.76	7.42
Other Intangible assets	3A	1.81	2.12
Capital work-in-progress-Intangible	3A	0.86	1.02
Invesments in Subsidiaries and Joint Ventures	4	0.28	0.27
Financial Assets			
Trade receivables	9A	0.86	1.90
Other non-current assets	5	6.08	6.71
Other non-current assets	6	16.21	27.72
Other Tax Assets		10.11	11.34
Total non current assets		**596.79**	**543.28**
Current Assets			
Inventories	7	1,141.38	935.36
Financial Assets			
Investments	8	-	118.57
Trade receivables	9	1,677.03	1,234.09
Cash and cash equivalents	10	205.02	83.49
Bank balances other than above	11	30.33	13.17
Short-term loans and advances	12	15.04	14.70
Derivatives	12A	6.07	37.26
Other current assets	13	264.12	162.46
Other Tax Assets		56.55	88.03
Total current assets		**3,395.54**	**2,687.13**
TOTAL ASSETS		**3,992.33**	**3,230.41**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	38.27	38.27
(b) Other equity	14B,14C		
Reserves & Surplus		950.36	852.37
Other reserves		30.93	57.41
Total equity		**1019.56**	**948.05**
Non current liabilities			
Financial liabilities			
Borrowings	15	105.80	34.77
Other financial liabilities	16	2.52	2.52
Provisions	17	4.64	4.33
Deferred tax liabilities (net)	18	32.96	44.34
Other non-current liabilities		-	-
Total non current liabilities		**145.92**	**85.96**
Current liabilities			
Financial liabilities			
Borrowings	19	169.75	186.47
Trade and other payables	20	2,425.67	1,704.05
Other financial liabilities	21	49.68	47.61
Derivatives	21A	15.22	24.80
Other current liabilities	22	91.25	140.65
Short term provisions	23	1.03	0.92
Liabilities for current tax		74.25	91.90
Total current liabilities		**2,826.85**	**2,196.40**
Total liabilities		**2,972.77**	**2,282.36**
Total Equity and Liabilities		**3,992.33**	**3,230.41**
Significant accounting policies	1		
Contingent liabilities and commitments	44		

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 30th May, 2018

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2018

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in crore)

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue			
I. Revenue from Operations (Gross of excise duty)	24	5,635.91	5,232.42
II. Other income	25	10.92	15.80
III. Total Revenue		**5,646.83**	**5,248.22**
IV. Expenses			
Cost of materials consumed	26	4,160.22	3,497.57
Purchases of Stock-in-Trade	27	87.05	79.10
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	6.10	(63.87)
Excise Duty		120.17	456.84
Employee benefits expense	29	118.77	104.74
Finance costs	30	134.93	113.66
Depreciation and amortization expense	2,3,3A	49.59	43.45
Other expenses	31	751.04	739.86
Total Expenses		**5,427.87**	**4,971.35**
Less : Transfer to capital assets		2.40	2.58
Net total expenses		**5,425.47**	**4,968.77**
V. Profit Before Exceptional Items and Tax		**221.36**	**279.45**
VI. Exceptional Items		-	-
VII. Profit Before Tax		**221.36**	**279.45**
VIII. Tax expense:			
1. Current Tax		74.25	91.90
2. Deferred Tax		3.06	4.58
3. Taxes of earlier years		-	0.65
		77.31	**97.13**
IX. Profit/(Loss) for the period from continuing operation		**144.05**	**182.32**
X. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		(0.04)	(1.11)
Income tax relating to items that will not be reclassified to profit or loss		0.01	0.38
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		(40.88)	30.66
Income tax relating to items that will be reclassified to profit or loss		14.43	(10.61)
XI. Total Comprehensive Income for the year (IX+X)		**117.57**	**201.64**
XII. Earnings per equity share	32		
Basic		37.64	47.38
Diluted		37.64	47.38

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Company Secretary

Statement of cash flows for the year ended 31st March, 2018

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	221.36	279.45
Adjustments for		
Depreciation on non current assets	45.99	40.79
Amortisation of intangible assets	3.60	2.66
(Gain)/loss on sale of property, plant and equipment	0.03	0.63
Finance costs	84.88	77.23
Finance income	(6.34)	(7.31)
Unrealised exchange loss/(gain)	13.12	(6.12)
Profit on sale of investments	(4.58)	(8.49)
Movement in working capital		
(Increase)/ Decrease in trade and other receivables	(497.78)	(236.76)
(Increase) in inventories	(206.03)	(169.41)
Increase/ (Decrease) in trade and other payables	608.76	438.36
Tax paid	(59.18)	(100.53)
Net cash generated by / (used in) operating activities	**203.83**	**310.50**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(122.51)	(111.18)
Acquisition of intangibles	(0.49)	(1.53)
Proceeds from sale of property, plant and equipment	0.28	2.77
Investment in CEMA	(0.01)	-
Investment in ATDPPL	-	(0.01)
Sale of investments	123.14	(0.84)
Net cash generated by / (used in) investing activities	**0.41**	**(110.79)**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings	(18.20)	(71.64)
Proceeds/(repayments) of long-term borrowings	74.34	(37.66)
Interest received/(paid) - net	(75.58)	(68.08)
Dividend Payment	(38.17)	(0.49)
Buyback of shares	-	(15.06)
Tax on dividends	(7.79)	-
Net cash (used in) / generated by financing activities	**(65.40)**	**(192.93)**
Net increase / (decrease) in cash and cash equivalents	138.84	6.78
Effect of exchanges rate changes on cash and cash equivalents	(0.15)	0.43
Cash and cash equivalents at the beginning of the year	96.66	89.45
Cash and cash equivalents at the end of the year	**235.35**	**96.66**

Notes :

1) Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.
2) Purchase of fixed assets includes movement of capital work-in-progress during the year.
3) Cash and cash equivalents represents cash and bank balances and include margin money of ₹ 6.03 crore; (Previous year ₹ 6.03 crore), fixed deposit under lien ₹ 4.58 crore (Previous year ₹ 4.58 Crore) and unrealised loss of ₹ 0.15 crore; (Previous year unrealised gain of ₹ 0.43 crore) on account of translation of foreign currency bank balances.

As per our report attached
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Company Secretary

Statement of changes in equity

(a) Equity share capital		As at March 31, 2018		As at March 31, 2017				
		No. of Shares	Amount (₹ in Crore)	No. of Shares	Amount (₹ in crore)			
Balance at the beginning of the reporting period Balance		38,268,619	38.27	38,496,769	38.50			
Changes in equity share capital during the year		-	-	(228,150)	(0.23)			
Balance at the end of the reporting period		38,268,619	38.27	38,268,619	38.27			
(b) Other equity	**Reserves & Surplus ₹ crore**					**Items of OCI ₹ crore**		**₹ crore**
For the year ended	Retained earnings - Surplus	General reserve	Securities premium reserve	Capital reserve	Capital Redemption Reserve	Cash flow hedging reserve	Other items of OCI	Total
Balance at April 1, 2016	**274.18**	**190.00**	**220.01**	**23.77**	**14.75**	**(0.39)**	**(0.27)**	**722.04**
Total comprehensive income for the year								
Profit for the year	182.32							182.32
Other comprehensive income for the year						20.05	(0.73)	19.32
Total comprehensive income for the year	**182.32**	**-**	**-**	**-**	**-**	**20.05**	**(0.73)**	**201.65**
Transactions with the owner of the Company - Contributions and distributions								
Dividends	0.93	-	-	-	-	-	-	0.93
Transfer / Receipt	(20.00)	20.00	-	-	-	-	-	-
Buy back of shares	(0.23)	-	(14.83)	-	0.23	-	-	(14.83)
Balance at March 31, 2017	**437.20**	**210.00**	**205.18**	**23.77**	**14.98**	**19.66**	**(1.00)**	**909.78**
Total comprehensive income for the year								
Profit for the year	144.05							144.05
Other comprehensive income for the year						(26.45)	(0.03)	(26.48)
Total comprehensive income for the year	**144.05**	**-**	**-**	**-**	**-**	**(26.45)**	**(0.03)**	**117.57**
Transactions with the owners of the Company Contributions and distributions								
Dividends	(46.07)							(46.07)
Transfer / Receipt	(15.00)	15.00				-		-
Balance at March 31, 2018	**520.18**	**225.00**	**205.18**	**23.77**	**14.98**	**(6.79)**	**(1.03)**	**981.29**

Note

i) The nature and purpose of each of the Reserves have been explained under Note 14B Other Equity and 14C Items of OCI

As per our report attached
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Mumbai, 30th May, 2018

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Chief Financial Officer

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Company Secretary

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 1 Significant Accounting Policies

1. General information

Apar Industries Limited, founded by Late Shri. Dharmsinh D. Desai in the year 1958 is one among the best established companies in India, operating in the diverse fields of electrical and metallurgical engineering. Over the ensuing years it has been offering value added products and services in Power Transmission Conductors, Petroleum Specialties and Power & Telecom Cables

2. Basis of accounting

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act/ Companies Act 1956 ("the 1956 Act"), as applicable. For all periods up to and for the year ended 31 March 2016, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

3. Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated.

4. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

- certain financial assets and liabilities (including mutual fund investments and derivatives) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value;
- share-based payments;

5. Key estimates and assumptions

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets**

  Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Note 1 Significant Accounting Policies (Contd.)

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Discounting of long-term financial assets/liabilities**

  All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities which are required to subsequently measure at amortised cost, interest is accrued using the effective interest method.

- **Fair value of financial instruments**

  Derivatives and investments in mutual funds are carried at fair value. Derivatives include Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and commodity future contracts are determined using the fair value reports provided by merchant bankers and LME brokers respectively. Fair values of Interest Rate Swaps are determined with respect to current market rate of interest.

- **Sales incentives and Customer Loyalty Programmes**

  Rebates are generally provided to distributors or dealers as an incentive to sell the Company's products. Rebates are based on purchases made during the period by distributor / customer. The company determines the estimates of benefit accruing to the distributors/ dealers based on the schemes introduced by the Company.

  The amount allocated to the loyalty program/ incentive is deferred, and is recognised as revenue when the Company has fulfilled its obligations to supply the discounted products under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

  The cash incentives offered under various schemes are in the nature of sales promotion and provisions for such incentives are provided for.

6. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. IND AS 115- Revenue from Contracts with Customers

On March 28, 2018, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible method of transition:

Note 1 Significant Accounting Policies (Contd.)

- Retrospective Approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IND AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch up approach)

The effective date of adoption of IND AS 115 is financial period beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using cumulative catch up transition method and accordingly comparative for the year ending or ended March 31, 2018 will not be retrospectively adjusted. As at the date of this report, the Company management does not expect that the impact of the Company's results of operations and financial position will be material upon adoption of IND AS 115.

8. Significant accounting policies followed by the company

A. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

Recent Accounting pronouncements – Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations

On March 28, 2018, the Ministry of Corporate Affairs ('the MCA') notified the Companies (Indian Accounting Standards) Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

B. Revenue

i. Sale of goods and Services

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks, rewards and controls of ownership in the goods are transferred to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

In respect of service activities, income is recognised as and when services are rendered.

ii. Rendering of services:

Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. The amount of revenue can be measured reliably;

2. It is probable that the economic benefits associated with the transaction will flow to the company;

3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

Note 1 Significant Accounting Policies (Contd.)

iii. Lease income:

The Company has determined that the payments by the lessee are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Accordingly rental income arising from operating leases is accounted for on an accrual basis as per the terms of the lease contract

iv. Dividend income is recognised when the right to receive the payment is established.

C. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- **Provident Fund Scheme**

The Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate.

- **Superannuation Scheme**

The Company makes specified contributions to the superannuation fund administered by the Company and the return on investments is adequate to cover the commitments under the scheme. The Company's contribution paid/payable under these schemes is recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- **Gratuity Fund**

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs..

iv. Other long-term employee benefits

Long-term Compensated Absences and Long Wages Schemes are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss.

D. Finance income and finance costs

The Company's finance income and finance costs include:

Note 1 Significant Accounting Policies (Contd.)

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

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

E. Grants/ Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the statement of profit and loss in the same period as the related cost, which they are intended to compensate, are accounted for.

F. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

Note 1 Significant Accounting Policies (Contd.)

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

G. Inventories

Inventories are measured at the lower of standard cost and net realizable value. Inventory of scrap is valued at estimated realizable value. The cost of inventories is determined using the weighted average method. Inventories of finished goods include taxes as applicable.

H. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The cost of the property, plant and equipment's at 1st April 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight Line or the Written Down Value based on the method consistently followed by the respective entities in the Company.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital expenditure in respect of which ownership does not vest with the Company is amortized over a period of five years. Leasehold land is amortised over the period of lease.

Description of Assets	Useful Life in Schedule II	Useful Life as per technical estimates
Plant and Machinery –Oil division (other than filling lines)	15 Years	20 Years
Plant and Machinery- Conductor Division	15 Years	20 Years

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 1 Significant Accounting Policies (Contd.)

Plant and Machinery -Cable Division	15 Years	25 Years

I. Intangible Assets

Intangible assets which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Enterprise resource planning cost: Cost of implementation of ERP Software including all related direct expenditure is amortized over a period of 5 years on successful implementation.

The cost of the intangible assets at 1st April 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

J. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

K. Share-based payments:

a. Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

b. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

c. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

d. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss

e. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

L. Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve.

M. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, Commodity future Contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements

i. Financial assets

Classification

Note 1 Significant Accounting Policies (Contd.)

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through profit and loss (FVTPL)

- Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.
- In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').
- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments and Mutual Funds

- All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- The company has elected to apply the exemption available in respect of the carrying value of the investments held in subsidiaries, joint ventures and associates in accordance with Ind AS 27.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In

Note 1 Significant Accounting Policies (Contd.)

that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iii. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Note 1 Significant Accounting Policies (Contd.)

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under the "effective portion of cash flow hedges". The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on the present value basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit and loss in the same period or periods during which the hedged expected future cash flows affect profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial items cost of initial recognition or for other cash flow hedges, it is reclassified to profit and loss in the same period as the hedged future cash flows affect the profit and loss.

If the hedged cash flows are no longer expected to occur, then the amounts that have been accumulated in the other equity are immediately reclassified to profit and loss.

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

N. Leases

i. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

ii. Lease assets

Assets held by the Company under leases that transfer to the Company's substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

O. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 1 Significant Accounting Policies (Contd.)

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

P. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company cash management.

Q. Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the financial statements.

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Company. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses..

R. Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Note 2 Property, plant and equipment

(₹ in crore)

	Gross Carrying Amount					Depreciation				Net Block	
	Cost As at 01-04-2017	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2018	Upto 31-03-2017	For the year	Deductions/ Adjustments	Upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
(i) Tangible assets											
Land- Freehold	25.95	0.69	-	-	26.64	-	-	-	-	26.64	25.95
Land-Leasehold	10.60	0.01	-	-	10.61	0.28	0.14	-	0.42	10.20	10.33
Building (Refer Note a. below)	140.31	37.22	-	-	177.53	10.07	6.15	-	16.22	161.32	130.24
Plant and machinery (Refer Note a. & b. below)	326.82	79.53	(1.53)	0.03	404.84	51.84	35.08	(0.85)	86.07	318.77	274.98
Furniture and fixtures	4.29	1.35	(0.14)	-	5.50	1.10	0.69	(0.13)	1.66	3.83	3.19
Equipments	12.59	5.83	(0.14)	-	18.28	3.22	2.52	(0.13)	5.61	12.68	9.37
Motor vehicles	5.76	1.75	(0.91)	-	6.61	1.76	1.43	(0.76)	2.43	4.18	4.00
Sub total (i)	**526.32**	**126.39**	**(2.72)**	**0.03**	**650.01**	**68.27**	**45.99**	**(1.86)**	**112.40**	**537.61**	**458.05**
(ii) Capital work-in-progress Tangible assets											
Buildings					-				-	3.65	6.58
Plant and machinery					-				-	14.56	20.15
Sub total (ii)	-	-	-	-	-	-	-	-	-	**18.21**	**26.73**
Grand Total										**555.82**	**484.78**

	Gross Carrying Amount					Depreciation				Net Block	
	Cost As at 01-04-2016	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions/ Adjustments	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
(i) Tangible assets											
Land- Freehold	25.95	-	-	-	25.95	-	-	-	-	25.95	25.95
Land-Leasehold	10.60	-	-	-	10.60	0.14	0.14	-	0.28	10.33	10.47
Building (Refer Note a. below)	113.10	27.21	-	-	140.31	4.84	5.23	-	10.07	130.24	108.26
Plant and machinery (Refer Note a & b below)	250.67	83.09	(6.63)	(0.31)	326.82	24.00	30.10	(2.26)	51.84	274.98	226.67
Furniture and fixtures	3.92	0.68	(0.31)	-	4.29	0.77	0.61	(0.28)	1.10	3.19	3.15
Equipments	7.20	6.10	(0.71)	-	12.59	1.87	2.01	(0.66)	3.22	9.37	5.33
Motor vehicles	5.66	0.66	(0.55)	-	5.76	0.64	1.59	(0.46)	1.76	4.00	5.02
Sub total (i)	**417.09**	**117.74**	**(8.20)**	**(0.31)**	**526.32**	**32.26**	**39.68**	**(3.66)**	**68.27**	**458.05**	**384.84**
(ii) Capital work-in-progress Tangible assets											
Buildings										6.58	6.07
Plant and machinery										20.15	14.74
Sub total (ii)										**26.73**	**20.81**
Grand Total										**484.78**	**405.65**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

	Gross Carrying Amount					Depreciation				Net Block	
	Cost As at 01-04-2016	Additions	Deductions	Effect of movement in excthange rates	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions/ Adjustments	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Sub total (i)	**417.09**	**117.74**	**(8.20)**	**(0.31)**	**526.32**	**32.26**	**39.68**	**(3.66)**	**68.27**	**458.05**	**384.84**
(ii) Capital work-in-progress Tangible assets											
Buildings										6.58	6.07
Plant and machinery										20.15	14.74
Sub total (ii)										**26.73**	**20.81**
Grand Total										**484.78**	**405.65**

(₹ in crore)

Note 3 Goodwill

Cost As at 01-04-2016	Amortisation for the year	Net Block as at 31.03.2017
10.08	2.66	7.42
Cost As at 01-04-2017	**Amortisation for the year**	**Net Block as at 31.03.2018**
7.42	2.66	4.76

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 3A A Intangible assets

(₹ in crore)

	Gross Block					Depreciation				Net Block	
	Cost As at 01-04-2017	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2018	Upto 31-03-2017	For the year	Deductions/ Adjustments	Upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Specialised software	3.89	0.65	-	-	4.54	2.05	0.88	-	2.94	1.60	1.83
Non compete fee	0.41	-	-	-	0.41	0.13	0.05	-	0.18	0.21	0.28
	4.30	0.65	-	-	4.95	2.18	0.94	-	3.12	1.81	2.12
Capital work-in-progress intangible assets									-	0.86	1.02
TOTAL	**4.30**	**0.65**	**-**	**-**	**4.95**	**2.18**	**0.94**	**-**	**3.12**	**2.67**	**3.14**

	Gross Block					Depreciation				Net Block	
	Cost As at 01-04-2016	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions/ Adjustments	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Specialised software	3.34	0.55	-	-	3.89	0.99	1.06	-	2.05	1.83	2.35
Non compete fee	0.41	-	-	-	0.41	0.07	0.05	-	0.13	0.28	0.34
TOTAL	**3.75**	**0.55**	**-**	**-**	**4.30**	**1.07**	**1.11**	**-**	**2.18**	**2.12**	**2.69**
Capital work-in-progress intangible assets										1.02	-
TOTAL	**3.75**	**0.55**	**-**	**-**	**4.30**	**1.07**	**1.11**	**-**	**2.18**	**3.14**	**2.69**

Note

a. Includes expenditure on Research and development ₹ 1.30 crore, (Previous year ₹ 1.16 crore) for Plant and machinery (Refer Note 45)

b. Addition to Fixed Assets includes, ₹ 0.03 crore for the year ended 31 March 2018 (Previous year ₹ (0.31) crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. The unamortised amount of such exchange differences, as on 31st March, 2018 is ₹ 7.31 crore (Previous year ₹ 10.30 crore)

c. The Company had contractual commitments of ₹ 17.91 crore for the year ended 31 March 2018 (Previous year ₹ 17.71 crore) for purchase of property, plant and equipment.

d. Existance and amounts of restrictions on the title, and PPE pledged as securities. Refer Note 15 (a) on Long term Borrowing

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 4 Invesments in Subsidiaries and Joint Ventures

(₹ in crore)

	31 March 2018	31 March 2017
Investment in subsidiaries, joint ventures and associate **In subsidiary companies**		
- 100,000; (Previous year 100,000) Ordinary shares of S$ 1 each fully # paid in Petroleum Specialities Pte Limited, Singapore	0.26	0.26
- 10,000 Equity shares of Apar Transmission & Distribution Projects Pvt Ltd of of ₹ 10 each, fully paid up	0.01	0.01
- 9,900 Equity shares of CEMA Optilinks Pvt Ltd of ₹ 10 each, fully paid up	0.01	-
Total	**0.28**	**0.27**

It is carried at cost

Note: Disclosure pursuant to Ind AS 27 - "Separate Financial Statements"

Subsidiary Company	Principal place of business	Effective Proportion of ownership (%)		Effective Proportion of voting power (%)	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
Petroleum Specialities Pte Limited	Singapore	100%	100%	100%	100%
Apar Transmission & Distribution Projects Pvt Ltd	India	100%	100%	100%	100%
CEMA Optilinks Pvt Ltd	India	99%	0%	99%	0%

Note 5 Other Non current Financial Assets

(₹ in crore)

	31 March 2018	31 March 2017
Unsecured, considered good		
Security deposits	6.05	6.71
Other financial assets	0.03	-
	6.08	**6.71**

Note 6 Other non current assets

(₹ in crore)

	31 March 2018	31 March 2017
Capital advances	9.62	8.78
Balance with government authority	5.57	18.18
Others	1.02	0.76
	16.21	**27.72**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 7 Inventories

(₹ in crore)

	31 March 2018	31 March 2017
Raw materials and components	506.76	321.32
Raw materials-in transit	260.76	238.00
Work-in-progress	134.27	127.02
Finished goods	183.38	209.28
Stock-in-trade	27.43	14.27
Stock-in-trade - in transit	-	0.62
Stores and spares	28.78	24.85
	1,141.38	**935.36**

Note : Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of input tax credits.

Note 8 Current investments

(₹ in crore)

	31 March 2018	31 March 2017
a. Investment in mutual funds		
Union KBC Liquid Fund Growth-Direct Plan No. of units Nil (31 March 2017: 543,352.70)	-	88.31
Axis Treasury Advantage fund - Direct Growth No. of units Nil (31 March 2017: 163,866.64)	-	30.26
	-	**118.57**

b. Market Value of Quoted Investments		
Book value	-	118.57
Market value	-	118.57
Impairment Loss	-	-

All the above securities have been classified and measured at FVTPL. Information about the Company's Fair values and risk management Disclosure are included in Note 35

Note 9 Trade receivables

(₹ in crore)

	31 March 2018	31 March 2017
Trade receivables		
Secured, considered good	0.52	0.52
Unsecured, considered good	1,676.51	1,233.57
Unsecured, considered doubtful	33.52	27.02
	1,710.55	**1,261.11**
Less: Allowances for doubtful debts	33.52	27.02
	1,677.03	**1,234.09**

Note

- For receivables secured against borrowing Refer Note 19
- Includes receivable from subsidiaries/ down-stream subsidiaries
- For allowances for Expected Credit Loss Refer Note 36

(₹ in crore)

	31 March 2018	31 March 2017
Due from a subsidiary / Joint venture		
Petroleum Specialities Pte Ltd.	-	1.13
Petroleum Specialities FZE	-	11.76
CEMA Optilinks Pvt Ltd	0.25	-
Total	**0.25**	**12.89**

The company's exposure to credit and currency risk related to trade receivables are disclosed in Note 36 and Note 38 respectively.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 9A Trade receivables (Non-Current)

(₹ in crore)

	31 March 2018	31 March 2017
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	0.86	1.90
Unsecured, considered doubtful	-	-
	0.86	**1.90**
Less: Allowances for doubtful debts	**-**	**-**
	0.86	**1.90**

Note 10 Cash and cash equivalents

(₹ in crore)

	31 March 2018	31 March 2017
On current accounts	126.76	80.87
On deposits with original maturity of less than three months	0.00	0.02
On unclaimed dividend account (Refer Note below)	0.63	0.54
Cash on hand	0.18	0.16
Cheques on hand	1.28	1.11
Funds in transit	76.17	0.79
	205.02	**83.49**

Note:

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2018

Bank balances include ₹ 2.79 Crore as at March, 31 2018 (₹ 3.61 Crore as at March 31, 2017) held in a foreign country which are not freely remissible because of exchange restrictions.

Note 11 Bank balances other than (Note 10) above

(₹ in crore)

	31 March 2018	31 March 2017
Deposits with original maturity for more than 3 months but less than 12 months (Refer Note i below)	24.30	7.14
Margin money deposit (Refer Note ii below)	6.03	6.03
	30.33	**13.17**

Note

i) Includes deposit of ₹ 4.58 crore under lien.

II) Against letters of credit for Company's import of raw materials and working capital loans.

Note 12 Short-term loans and advances

(₹ in crore)

	31 March 2018	31 March 2017
Unsecured, Considered Good, Unless Otherwise Stated #		
Loans and advances to related parties	1.87	1.63
Others		
Security Deposits	8.19	7.19
Interest accrued but not due on fixed deposits	0.41	0.37
Interest accrued but not due on security deposits	0.10	0.12
Other receivable	4.47	5.39
	15.04	**14.70**
#Loans and advances to related party		
Petroleum Specialities Pte. Ltd	1.14	1.14
Petroleum Specialities FZE	0.01	0.48
Apar Transmission & Distribution Projects Pvt Ltd	-	0.01
CEMA Optilinks Pvt Ltd	0.72	-
	1.87	**1.63**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (₹ in crore)

Loans and advances to subsidiary companies	Maximum amount due at any time during the year	
	31 March 2018	31 March 2017
Petroleum Specialities Pte. Ltd	1.14	1.14
Petroleum Specialities FZE	0.48	0.48
Apar Transmission & Distribution Projects Pvt Ltd	0.01	0.01
CEMA Optilinks Pvt Ltd	0.72	-

Note 12A Derivatives-Asset

(₹ in crore)

	31 March 2018	31 March 2017
Derivatives used for hedging	6.05	37.13
Interest rate swap used for hedging	0.02	0.13
	6.07	**37.26**

Note 13 Other Current Assets

(₹ in crore)

	31 March 2018	31 March 2017
Balances with statutory/government authorities	172.25	127.89
Prepayments and others	91.87	34.57
	264.12	**162.46**

Note 14 Equity Share Capital

(₹ in crore)

		31 March 2018	31 March 2017
a	**Authorised :**		
	101,998,750 (Previous year 101,998,750) Equity shares of ₹ 10 each	102.00	102.00
	TOTAL	**102.00**	**102.00**
b	**Issued :**		
	38,268,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27	38.27
	TOTAL	**38.27**	**38.27**
c	**Subscribed and Paid up :**		
	38,268,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27	38.27
		38.27	**38.27**

		31 March 2018	31 March 2017
d	**Reconciliation of number of shares outstanding at the beginning and end of the year :**		
	Outstanding at the beginning of the year	38,268,619	38,496,769
	Issued (Buy Back) during the year	-	(228,150)
	Outstanding at the end of the year	38,268,619	38,268,619

		31 March 2018	31 March 2017
e	**Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date:**		
	No of Equity Shares issued pursuant to Scheme of Amalgamation (in FY 2012-13)	-	2,498,037
		-	**2,498,037**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

		31 March 2018	31 March 2017
f	**Aggregate no. and class of shares bought back during the period of five years immediately preceding the reporting date:**		
	No of Equity Shares bought back	228,150	228,150
		228,150	**228,150**

g. Terms/rights attached to equity shares

i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

ii) The Company declares and pays dividends in Indian rupees. The Board of Directors of the Company has recommended dividend for the financial year 2017 -18 @ ₹ 9.50/- per share aggregating to ₹ 43.83 crore (including dividend tax ₹ 7.47 crore) on 38,268,619 Equity shares of ₹ 10/- each fully paid. This will be paid after approval by shareholders at the ensuing Annual General Meeting..

iii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

		31 March 2018		31 March 2017	
h.	**Shareholders holding more than 5% shares in the company is set out below:**	No of shares	%	No of shares	%
	Dr. N. D. Desai	-	0%	7,271,761	19.00%
	Kushal N. Desai	9,187,974	24.01%	6,415,899	16.76%
	Chaitanya N. Desai	9,103,656	23.79%	6,403,970	16.73%
	HDFC Trustee Company Limited- 1. HDFC Prudence Fund 2. HDFC Small Cap Fund	3,010,750	7.87%	3,083,150	8.06%
	Reliance Capital Trustee Company Limited - 1. Reliance Diversified Power Sector Fund 2. Reliance Small Cap Fund	2,368,341	6.19%	1,876,194	4.90%

i Shares Reserved for issue under options

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Note 14B Other Equity

(₹ in crore)

	31 March 2018	31 March 2017
Retained earnings - Surplus	520.18	437.20
General reserve	225.00	210.00
Securities premium reserve	205.18	205.18
Capital reserve	23.77	23.77
Capital Redemption Reserve	14.98	14.98
	989.11	**891.12**
Retained earnings - Surplus		
Opening balance	437.20	274.18
Increase/(Decrease) during the year	82.98	163.02
Closing Balance	**520.18**	**437.20**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

General reserve		
Opening balance	210.00	190.00
Increase/(Decrease) during the year	15.00	20.00
Closing Balance	**225.00**	**210.00**
Securities premium reserve		
Opening balance	205.18	220.01
Increase/(Decrease) during the year	-	(14.83)
Closing Balance	**205.18**	**205.18**
Capital reserve		
Opening balance	23.77	23.77
Increase/(Decrease) during the year	-	-
Closing Balance	**23.77**	**23.77**
Capital Redemption Reserve		
Opening balance	14.98	14.75
Increase/(Decrease) during the year	-	0.23
Closing Balance	**14.98**	**14.98**

Note 14C Items of OCI

(₹ in crore)

	31 March 2018	31 March 2017
Cash flow hedging reserve	(6.79)	19.66
Other items of OCI (Net of tax)	(1.03)	(1.00)
	(7.82)	**18.66**
Cash flow hedging reserve		
Opening balance	19.66	(0.39)
Increase/(Decrease) during the year	(26.45)	20.05
Closing Balance	**(6.79)**	**19.66**
Other items of OCI (Net of tax)		
Remeasurment of defined benefit liability (asset)		
Opening balance	(1.00)	(0.27)
Increase/(Decrease) during the year	(0.03)	(0.73)
Closing Balance	**(1.03)**	**(1.00)**

Nature and purpose of reserves

i. **Cash flow hedging reserve**

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges.

ii. **Securities premium reserve**

The Securities Premium used to record the premium received on the issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013. The reserve also comprises the profit on treasury shares sold 16,35,387.

iii. **Capital reserve**

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

iv. **Capital redemption reserve**

Capital redemption reserve represents amounts set aside by the Company for future redemption of capital.

v. **General reserve**

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 15 Long term borrowings

(₹ in crore)

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Non current		Current	
Term loans (Secured)				
Rupee term loans from banks	105.80	19.89	13.33	13.33
Foreign currency term loans from banks	-	14.88	14.99	11.68
	105.80	**34.77**	**28.32**	**25.01**

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Note 37, 38 and 39 respectively

Details of security:

a Rupee term loans and foreign currency loan from banks are secured as under:

i The Foreign Currency term loan from Union Bank of India, Hong Kong , is secured by first charge by way of equitable mortgage by deposit of title deeds of Company's Athola properties and exclusive hypothecation charge on the assets acquired by the Company with the proceeds of the facility situated at other locations.

ii The rupees term loan from ING Vysya Bank Ltd (now Kotak Mahindra Bank) is secured by first charge by way of mortgage of Company's Khatalwad properties and hypothecation of movable plant and machinery at Khatalwad excluding movable machinery hypothecated to ECB Lenders.

iii The rupees term loan from Kotak Mahindra Bank is secured by first charge by way of equitable mortgage by deposit of title deed of Company's Jharsuguda properties, (including hypothecation of Plant & Machinery and Mortgage of Land & Building), extension of charge on Khatalwad property (Movable & Immovable Fixed Assets) and hypothecation of identifiable movable fixed assets at other locations. [Hypothecation of identifiable movable fixed assets at other locations to be made available if the asset cover by mortgages at Khatalwad & Jharsuguda properties is less than 1.25 times of outstanding terms loans (including the term loan from ING Vysya Bank Ltd.)]

b Terms of repayment of term loan :

i In respect of Rupee Term Loan from ING Vysya Bank Ltd (now Kotak Mahindra Bank) repayment in 7 quarterly installments till September, 2019, 6 installments of ₹ 3.33 crore each and last installment of ₹ 3.34 crore.

ii In respect of Foreign Currency Term Loans from Union Bank of India,Hongkong; last installment in May, 2018 ₹ 14.88 crore.

iii In respect of Rupee Term Loan from Kotak Bank, it has a moratorium period of 18 months and loan will be repaid in 10 half yearly installments. The repayment will start from 08 September 2019 onwards, first 2 installments of ₹ 7.50 crore each, next 2 installment of ₹ 8.50 crore each, subsequent next 2 installment of ₹ 10.00 crore each and last 4 installments of ₹ 12.00 crore each

The Company does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

c Net Debt Reconciliation (Disclosure in pursuant to para 44A of Ind AS 7)

(₹ in crore)

Net Debt as at	31 March 2018	31 March 2017
Short Term Borrowings	169.75	186.47
Interest accrued but not due on above	0.61	0.26
Long Term Borrowings	134.12	59.78
Interest accrued but not due on above	0.67	0.20
Net Debt	**305.15**	**246.72**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Changes in Borrowings	Long Term Borrrowings	Short Term Borrowings	Total
As at 31.03.2016	97.71	255.94	353.65
Availed during the year	-	526.21	526.21
Paid during the year	(37.42)	(595.28)	(632.70)
Foreign Exchange Adjustments	(0.31)	(0.13)	(0.44)
Other non-cash adjustments	-	-	-
As at 31.03.2017	**59.98**	**186.74**	**246.72**
Availed during the year	99.20	562.73	661.93
Paid during the year	(24.42)	(584.94)	(609.36)
Foreign Exchange Adjustments	0.03	5.83	5.86
Other non-cash adjustments	-	-	-
As at 31.03.2018	**134.79**	**170.36**	**305.15**

Note 16 Other non-current financial liabilities

(₹ in crore)

	31 March 2018	31 March 2017
Deposits from dealers	2.52	2.52
	2.52	**2.52**

Note: Measured at amortised cost

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Note 37, 38 and 39 respectively

Note 17 Long term provisions

(₹ in crore)

	31 March 2018	31 March 2017
Provision for gratuity- In respect of directors	0.98	0.85
Provision for leave benefits (Refer Note 34)	3.66	3.48
	4.64	**4.33**

Note 18 DEFERRED TAX LIABILITIES (NET)

(a) Movement in deferred tax balances

(₹ in crore)

	March 31, 2018					
Deferred tax asset / (Liabilities)	**Net balance April 1, 2017**	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipment	(45.39)	(4.76)		(50.15)	-	(50.15)
Derivatives	(10.69)	(0.09)	14.43	3.65	3.65	-
Loans and borrowings	(0.05)	(0.25)		(0.30)	-	(0.30)
Employee benefits	1.92	0.07	0.01	2.00	2.00	-
Deferred income	0.66	(0.41)		0.25	0.25	-
Provisions	9.35	2.25		11.60	11.60	-
Investments	(0.13)	0.13		-	-	-
Security Deposits	0.00	(0.00)		(0.01)	-	(0.01)
Tax assets (Liabilities)	**(44.34)**	**(3.06)**	**14.44**	**(32.96)**	**17.50**	**(50.46)**
Set off tax						17.50
Net tax Assets (Liabilities)	**(44.34)**	**(3.06)**	**14.44**	**(32.96)**	**17.50**	**(32.96)**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(b) Movement in deferred tax balances

(₹ in crore)

	March 31, 2017					
Deferred tax asset / (Liabilities)	**Net balance April 1, 2016**	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipment	(39.75)	(5.64)	-	(45.39)	-	(45.39)
Derivatives	(0.04)	(0.04)	(10.61)	(10.69)	-	(10.69)
Loans and borrowings	1.69	(1.74)	-	(0.05)	-	(0.05)
Employee benefits	2.03	(0.49)	0.38	1.92	1.92	-
Deferred income	0.16	0.50	-	0.66	0.66	-
Provisions	6.45	2.90	-	9.35	9.35	-
Investments	(0.06)	(0.07)	-	(0.13)	-	(0.13)
Security Deposits	(0.00)	0.00	-	0.00	0.00	-
Tax assets (Liabilities)	**(29.54)**	**(4.58)**	**(10.23)**	**(44.34)**	**11.93**	**(56.27)**
Set off tax						11.93
Net tax Assets (Liabilities)	**(29.54)**	**(4.58)**	**(10.23)**	**(44.34)**	**11.93**	**(44.34)**

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note 19 Short term borrowings

(₹ in crore)

	31 March 2018	31 March 2017
Secured Loans		
Working capital loans from banks (Refer Notes below)		
Packing credit loan in foreign currency from banks	80.39	73.05
Total	**80.39**	**73.05**
Unsecured Loans		
Packing credit loan in foreign currency from banks	-	62.64
Buyer's Credit in foreign currency	89.36	50.78
	169.75	**186.47**

Note :

Working capital loans from banks (secured) are secured by :

(i) hypothecation of specified stocks, specified book debts of the Company.

(ii) first charge by way of equitable mortgage by deposit of title deeds of Company's specified immovable properties, both present and future.

The Company does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

Note 20 Trade and other payables

(₹ in crore)

	31 March 2018	31 March 2017
Due to Micro, Small and Medium Enterprises	7.69	7.76
Due to other than micro and small and medium enterprises	2417.98	1,696.29
Total	**2,425.67**	**1,704.05**

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

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

(₹ in crore)

	31 March 2018	31 March 2017
(a) i) Delayed payments due - Principal amount ii) Interest due on the above.	- -	- -
(b) Total interest paid on all delayed payments during the year under the provision of the Act	-	-
(c) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	-	-
(d) Interest accrued but not due	-	-
(e) Total interest due but not paid	-	-

Note 21 Other financial liabilities

(₹ in crore)

	31 March 2018	31 March 2017
Current portion of long-term foreign currency loan (Refer Note 15 (b))	14.99	11.68
Current portion of long-term Rupee loan (Refer Note 15 (b))	13.33	13.33
Interest accrued but not due	15.95	12.96
Creditors for capital expenditure	4.78	9.10
Unclaimed dividend (Refer Note*)	0.63	0.54
Total	**49.68**	**47.61**

Note:-

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2018.

Note 21A Derivatives-Liability

(₹ in crore)

	31 March 2018	31 March 2017
Derivatives used for hedging	15.22	24.80
	15.22	**24.80**

Note 22 Other current liabilities

(₹ in crore)

	31 March 2018	31 March 2017
Statutory dues towards Government	4.58	10.81
Other payables (Refer Note below)	86.67	129.84
	91.25	**140.65**

Note:-

Other payables includes deposit and advance from customers.

Note 23 Short term provisions

(₹ in crore)

	31 March 2018	31 March 2017
Provision for employee benefits		
Provision for leave benefits (Refer Note 34)	1.03	0.92
	1.03	**0.92**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 24 Revenue from operations (Gross)

(₹ in crore)

	2017-18	2016-17
Sale of products (Gross) (Refer Note 24.1)		
Finished goods	5,460.91	5,044.97
Raw materials	1.92	4.48
Traded goods	92.71	101.61
Total	**5,555.54**	**5,151.06**
Sale of services	38.29	40.65
Other operating revenue		-
Miscellaneous Income	42.08	40.71
Total	**42.08**	**40.71**
Revenue from operations (gross)	**5,635.91**	**5,232.42**

Note 24.1 Details of products sold

(₹ in crore)

	2017-18	2016-17
Finished goods sold		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	1,830.73	1,778.01
AAC/AAAC/ACSR- Conductor, Aluminum Rods	2,502.95	2,348.86
Cables	1,115.54	911.41
Thermoplastic Elastomers	11.69	6.69
	5,460.91	**5,044.97**
Raw materials sold		
Base Oils and additives	0.38	3.56
Ferrous metal and Non-ferrous metals	1.45	0.84
Others	0.09	0.08
	1.92	**4.48**
Traded goods sold		
Thermoplastic Elastomers	34.48	33.43
Lubricants	22.71	24.61
Aluminium,HTLS Hardware & GSW Steel Wire, etc.	33.21	33.26
others	2.31	10.31
	92.71	**101.61**
	5,555.54	**5,151.06**

Note 25 Other Income

(₹ in crore)

	2017-18	2016-17
Interest income	6.34	7.31
Financial assets at FVTPL-net change in fair value	-	0.21
Gain on sale of investments (net)	4.58	8.28
TOTAL	**10.92**	**15.80**

Note 26 Cost of materials consumed

(₹ in crore)

	2017-18	2016-17
Inventory at the beginning of the year	559.32	456.51
Add : Purchases	4,368.41	3,600.38
	4,927.73	4,056.89
Less: Closing Inventory	767.51	559.32
TOTAL	**4,160.22**	**3,497.57**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 27 Purchases of Stock-in-Trade

(₹ in crore)

	2017-18	2016-17
Thermoplastic Elastomers	42.81	30.10
Lubricants	20.81	21.31
HTLS Hardware	22.94	17.81
Others	0.49	9.88
	87.05	**79.10**

Note 28 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2017-18	2016-17
Inventories at the beginning of the year		
Finished goods	209.28	184.60
Work-in-progress	127.02	88.66
Traded goods	14.88	14.05
	351.18	**287.31**
Inventories at the end of the year (Refer Note 28.1)		
Finished goods	183.38	209.28
Work-in-progress	134.27	127.02
Traded goods	27.43	14.88
	345.08	**351.18**
	6.10	**(63.87)**

Note 28.1 Details of Inventory

(₹ in crore)

	2017-18	2016-17
Finished goods		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	56.12	51.18
AAC/AAAC/ACSR- Conductors	71.96	105.66
Cables	54.31	51.78
Thermoplastic Elastomers	0.99	0.66
	183.38	**209.28**
Work-in-progress		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	13.36	10.33
AAC/AAAC/ACSR- Conductors	65.44	65.18
Cables	55.42	51.30
Thermoplastic Elastomers	0.05	0.21
	134.27	**127.02**
Traded goods		
Thermoplastic Elastomers	22.98	10.41
Lubricants	4.40	4.20
Others	0.05	0.27
	27.43	**14.88**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 29 Employee benefits expense

(₹ in crore)

	2017-18	2016-17
Salaries, wages and Bonus	104.36	92.20
Contribution to provident and other funds	5.65	5.28
Gratuity expense	0.94	0.72
Staff welfare expenses	7.82	6.54
	118.77	**104.74**

Note 30 Finance costs

(₹ in crore)

	2017-18	2016-17
Interest on borrowings	84.88	77.23
Bank charges for borrowing	12.00	7.34
Applicable net loss on foreign currency transactions and translation	38.05	29.09
	134.93	**113.66**

Note 31 Other expenses

(₹ in crore)

	2017-18	2016-17
Consumption of Store / Spares	24.57	25.18
Packing Material	195.69	198.96
Excise duty adjustments of Finished Goods stock	(15.32)	6.07
Storage Charges	12.18	11.59
Power, electricity and fuel	59.81	61.11
Processing charges, fabrication and labour charges	103.80	94.72
Freight and forwarding charges	192.52	166.93
Rent	2.55	1.78
Rates and taxes	4.82	6.13
Insurance	6.83	5.84
Repairs and maintenance		
Plant and machinery	6.07	4.20
Buildings	2.22	3.02
Others	5.62	4.98
Advertising and sales promotion	3.27	2.40
Sales commission	32.75	29.60
Travelling and conveyance	19.17	17.74
Printing and stationery	1.60	1.91
Legal and professional fees	10.90	10.83
Directors sitting fees	0.10	0.11
Commission to Chairman, Managing Director and Joint Managing Director	4.56	7.27
Discount and rebates	0.05	0.06
Lease rental	1.57	1.85
CSR Activities*	3.52	4.07
Donations	0.04	0.02
Royalty	5.75	5.34
Bank charges and commission	16.61	14.99
Bad debts and advances written-off	1.73	5.33
Less: Allowances for doubtful debts utilised	(0.26)	(0.92)
Allowances for doubtful debts and advances	7.10	10.84
Loss on sale of fixed assets (net)	0.03	0.63
Miscellaneous expenses (Refer note below)	41.19	37.28
	751.04	**739.86**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note : Miscellaneous Expenses (includes Auditors' Remuneration)

(₹ in crore)

Auditor remuneration	2017-18	2016-17
Audit fees	0.27	0.27
Cost auditor's remuneration	0.01	0.01
Other services	0.13	0.12
Reimbursement of expenses	0.01	0.01
	0.42	**0.41**

* Gross amount required to be spent by the Company during the year on CSR Activities : ₹ 3.42 crore.

(₹ in crore)

Details of corporate social responsibility expenditure	2017-18	2016-17
Amount required to be spent by the Company during the year	3.42	2.35
Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.53	4.07
Yet to be paid in cash (including earlier years)	**Nil**	**0.10**

Note 32 Earning per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

(₹ in crore)

i. Profit attributable to ordinary shareholders (basic)	2017-18	2016-17
Profit (loss) for the year, attributable to the owners of the Company	144.05	182.32
Profit (loss) for the year, attributable to ordinary shareholders	**144.05**	**182.32**
ii. Weighted average number of ordinary shares (basic)	**2017-18**	**2016-17**
Issued ordinary shares at April 1	38,268,619	38,496,769
Effect of buy back	-	(13,752)
Weighted average number of shares at March 31	38,268,619	**38,483,017**
Basic EPS (₹)	**37.64**	**47.38**
Face value per Share (₹)	10.00	10.00

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2018 and as at 31/03/2017, hence diluted earnings per share is same as basic earnings per share.

Note 33 Tax expense

(a) Amounts recognised in profit and loss

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax	74.25	91.90
Taxes of earlier years	-	0.65
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	3.06	4.58
Reduction in tax rate	-	-
Change in recognised deductible temporary differences	-	-
Deferred tax expense	3.06	4.58
Tax expense for the year	**77.31**	**97.13**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(b) Amounts recognised in other comprehensive income

(₹ in crore)

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(0.04)	0.01	(0.03)	(1.11)	0.38	(0.73)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	(40.88)	14.43	(26.45)	30.66	(10.61)	20.05
	(40.92)	**14.44**	**(26.48)**	**29.55**	**(10.23)**	**19.32**

(c) Reconciliation of effective tax rate

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	221.36	279.45
Enacted Income tax rate in India	34.608%	34.608%
Tax using the Company's domestic tax rate	76.61	96.72
Tax effect of:		
Non-deductible tax expenses	0.62	0.41
Incremental deduction allowed for research and development costs	(0.35)	(0.65)
Deduction under chapter VI A	(0.29)	-
Others	0.72	-
Recognition of tax effect of previously unrecognised tax losses\(gain)	-	0.65
	77.31	**97.13**

Note 34 Employee benefits

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised ₹ 1.71 crore (previous year ₹ 1.69 crore) for superannuation contribution and other retirement benefit contributions in the Statement of Profit and Loss.

The Company recognised ₹ 3.94 crore (previous year ₹ 3.58 crore) for provident fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Movement in net defined benefit (asset) liability

(₹ in crore)

Particulars	31 March 2018	31 March 2017
	Gratuity	Gratuity
	Funded	Funded
Table showing change in benefit obligation		
Defined Benefit obligation at beginning of the year	**10.90**	**8.68**
a) Included in Profit or Loss		
Current Service Cost	0.94	0.72
Interest Cost	0.82	0.72
Actuarial (gain) / loss	**-**	**-**
	1.76	**1.44**
b) Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
demographic assumptions	-	-
financial assumptions	(0.46)	0.55
experience adjustment	0.48	0.74
	0.01	**1.28**
c) Other		
Benefits paid	(1.04)	(0.51)
Liability transferred in /Acquisitions	-	-
	(1.04)	**(0.51)**
Defined Benefit obligation at end of the year	**11.63**	**10.90**

(₹ in crore)

Table showing change in Fair Value of Plan Assets	31 March 2018	31 March 2017
	Gratuity	Gratuity
	Funded	Funded
Fair value of plan assets at beginning of the year	10.90	8.68
Expected return on plan assets	0.82	0.72
Actuarial gain / (loss)	(0.03)	0.17
Employer Contribution	0.98	1.83
Benefit paid	(1.04)	(0.51)
Assets transferred in /Acquisitions	-	-
Fair value of plan assets at year end	11.63	10.90
Actual return on plan assets	0.79	0.89

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Defined benefit obligations

i) Actuarial assumptions

In arriving at the valuation for gratuity & leave salaries following assumptions were used:

Particulars	31 March 2018	31 March 2017
	Gratuity	Gratuity
	Funded	Funded
Mortality Table (LIC)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	60 years	60 years
Attrition rate	2.00%	2.00%
Discount Rate	8.09%	7.52%
Expected rate of return on plan assets (per annum)	8.09%	7.52%
Rate of escalation in salary (per annum)	5.00%	5.00%

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in crore)

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(7,261,361)	8,430,702	(7,179,556)	8,359,535
Future salary growth (1% movement)	8,610,317	(7,525,967)	8,489,182	(7,404,463)
Employee Turnover (1% movement)	2,099,565	(2,383,641)	1,613,077	(1,840,369)

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Comapany's financial statements as at balance sheet date:

(₹ in crore)

Net Asset / (liability) recognised in the Balance Sheet as at	31 March 2018	31 March 2017
	Gratuity	Gratuity
	Funded	Funded
Fair Value of plan assets	11.63	10.90
Present value of obligation	(11.63)	(10.90)
Amount recognised in balance sheet	-	-
Recognised under:		
Long term Provision (Refer Note 17)	-	-
Short term Provision (Refer Note 23)	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Expense recognised during the year	31 March 2018	31 March 2017
	Gratuity	Gratuity
	Funded	Funded
Included in Profit or Loss		
Current Service Cost	**0.94**	0.72
Interest Cost	0.82	0.72
Net Actuarial (gain) / loss		-
Return on plan assets,excluding acturial gain or loss	(0.82)	**(0.72)**
Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
financial assumptions	(0.46)	0.55
experience adjustment	0.48	0.74
Return on plan assets,excluding acturial gain or loss	0.03	**(0.17)**
Net Cost	**0.98**	**1.83**

Note 35 Financial instruments – Fair value measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crore)

	Note No.	Carrying amount					Fair value			
March 31, 2018		Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Investments										
- Mutual Fund	8		-			-	-			-
Loans & advances										
- Non-current										-
- Current	12				15.04	15.04				-
Trade Receivables										-
- Non-current					0.86	0.86				
- Current	9				1,677.03	1,677.03				
Cash and Cash Equivalents	10				205.02	205.02				-
Other Bank Balances	11				30.33	30.33				-
Other financial assets										
- Non-current	5				6.08	6.08				-
- Current					-	-				-
Derivatives	12A	4.91	1.16			6.07		6.07		6.07
Total financial assets		**4.91**	**1.16**	**-**	**1,934.36**	**1,940.42**	**-**	**6.07**	**-**	**6.07**
Financial liabilities										
Borrowings	15, 19				275.55	275.55				-
Other financial liabilities										
- Non-current	16				2.52	2.52				-
- Current	21				49.68	49.68				-
Derivatives	21A	14.92	0.31			15.22		15.22		15.22
Trade Payables	20				2,425.67	2,425.67				-
Total financial liabilities		**14.92**	**0.31**	**-**	**2,753.42**	**2,768.64**	**-**	**15.22**	**-**	**15.22**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

	Notes	Carrying amount					Fair value			
March 31, 2017		Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Investments										
- Mutual Fund	8		118.57			118.57	118.57			118.57
Loans & advances										
- Non-current						-				-
- Current	12				14.70	14.70				-
Trade Receivables	9					-				-
- Non-current					1.90	1.90				
- Current					1,234.09	1,234.09				
Cash and Cash Equivalents	10				83.49	83.49				-
Other Bank Balances	11				13.17	13.17				-
Other financial assets										
- Non-current	5				6.71	6.71				-
- Current					-	-				-
Derivatives	12A	37.26				37.26		37.26		37.26
Total financial assets		**37.26**	**118.57**	**-**	**1,354.06**	**1,509.90**	**118.57**	**37.26**	**-**	**155.83**
Financial liabilities										
Borrowings	15, 19				221.24	221.24				-
Other financial liabilities										
- Non-current	16				2.52	2.52				-
- Current	21				47.61	47.61				-
Derivatives	21A	6.77	18.03			24.80		24.80		24.80
Trade Payables	20				1,704.05	1,704.05				-
Total financial liabilities		**6.77**	**18.03**	**-**	**1,975.42**	**2,000.22**	**-**	**24.80**	**-**	**24.80**

Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to ₹ 270.18 Crore and ₹ 181.40 Crore as of March 31, 2018 & March 31, 2017, respectively, are not included.

Our Liabilites that are not financial liabilities (Such as statutory dues payable. deffered revenue, advances from customers & certain other accruals) amounting to ₹ 96.91 Crores & ₹ 145.89 crores as of March 31, 2018 & March 31, 2017 respectively are not included.

Note: The fair value for financial instruments such as trade receivables, cash and cash equivalents, trade payables etc have not been disclosed because the carrying values approximate the fair value.

B. Measurement of fair values

Valuation techniques and significant observable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant observable inputs used (if any).

Financial instruments measured at fair value

Type	Valuation technique
Mutual fund investments	Quoted NAV
Commodity futures	Basis the quotes given by the LME broker/dealer.
Derivative liability Forward contracts for foreign exchange	FEDAI rate adjusted for interpolated spreads based on residual maturity
Interest rate swap for variable foreign currency loans	Basis the quotes given by the Bank

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management.

The Company's risk management framework, are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Note 36 Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. The companies export receivables are covered under ECGC credit insurance policy.

The carrying amount of following financial assets represents the maximum credit exposure:

At March 31, the maximum exposure to credit risk for trade and other receivables age wise was as follows.

(₹ in crore)

	March 31, 2018	March 31, 2017
Neither past due nor impaired	1,128.72	890.40
past due 1-90 days	399.27	237.89
past due 91 -180 days	83.10	56.13
past due 180 days	66.80	51.56
	1,677.89	**1,235.98**

Short term loans and advances

At March 31, the maximum exposure to credit risk for short term loans and advances age wise was as follows.

(₹ in crore)

	March 31, 2018	March 31, 2017
Neither past due nor impaired	15.04	14.70
past due 1-90 days	-	-
past due 91 -180 days	-	-
past due 180 days	-	-
	15.04	**14.70**

Management believes that the unimpaired amounts which are past due are fully collectable.

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances.

The Company follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a division wise provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows :

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

	Oil Division	Cable Division	Conductor Division
Neither past due nor impaired	0.00%	0.02%	0.00%
past due 1-90 days	0.00%	0.02%	0.00%
past due 91 -180 days	0.00%	0.40%	0.00%
past due 180 days	6.31%	2.80%	0.26%
	0.15%	**0.15%**	**0.01%**

* Expected credit loss is worked out on the trade receivables for which no specific provision is made.

The movement in the allowance for impairment in respect of trade receivable and short term loans and advances as as follows

(₹ in crore)

Allowances for Doubtful Debts	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2016	18.63	-
Amounts provided	10.84	-
Amount written back	(2.45)	-
Balance as on 31 March 2017	27.02	-
Amounts provided	5.87	-
Amount written back	(0.60)	-
Balance as on 31 March 2018	32.29	-

Allowances for Expected Credit Loss	As at 31.3.2018	As at 31.3.2017
Balance at the beginning of the year	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.23	-
Balance at the end of the year	1.23	-

Other non-current financial assets

Other non-current financial assets includes earnest money deposit, security deposits to customers. This advances and deposits were made in continuation of business related activities and are made after review as per companies policy.

Cash and cash equivalents

The Company holds cash and cash equvalents of ₹ 235.35 Crore as on 31 March 2018 (₹ 96.66 Crore as on 31 March 2017). The cash and cash equivalents are held with the bank and financial institutions, with good credit ratings.

Derivatives

Derivatives are entered with counterparties who have good credit ratings.

Guarantee given by the Company for credit facilities enjoyed by subsidiary.

Guarantees were given by Apar Industries Limited for credit facilities enjoyed by Petroleum Specialities Pte Ltd.,a wholly-owned subsidiary ₹ 81.48 Crore* (Previous Year ₹ 81.08 Crore*) and by Petroleum Specialities FZE ,a downstream subsidiary company ₹ 263.98 Crore* (Previous Year ₹ 275.66 Crore*).

Guarantees to the bank are for punctual performance by the Company of all the Company's obligation under facility agreement.

'* Guarantee amount are in USD and are translated using closing rate as on 31 st March.

Note 37 Financial instruments – Fair values and risk management Liquidity Risk

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in crore)

		Contractual cash flows				
March 31, 2018	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	134.12	134.12	28.32	20.80	61.00	24.00
Short term loan from bank (Secured)	80.39	80.39	80.39	-	-	-
Short term loan from bank (Unsecured)	89.36	89.36	89.36	-	-	-
Trade and other payables	2,425.67	2,425.67	2,425.67	-	-	-
Other financial liabilities	21.36	21.36	21.36	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Inflow	0.85	0.85	0.85	-	-	-
Interest Rate Swap						
- Outflow	-	0.66	0.66	-	-	-
- Inflow	0.02	0.68	0.68	-	-	-

		Contractual cash flows				
March 31, 2017	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	59.78	59.78	25.01	28.06	6.71	-
Short term loan from bank (Secured)	73.05	73.05	73.05	-	-	-
Short term loan from bank (Unsecured)	113.42	113.42	113.42	-	-	-
Trade and other payables	1,704.05	1,704.05	1,704.05	-	-	-
Other financial liabilities	25.12	25.12	25.12	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	24.80	24.80	24.80	-	-	-
Interest Rate Swap						
- Outflow	-	1.16	1.16	-	-	-
- Inflow	0.13	1.29	1.29	-	-	-

'The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Note 38 Financial instruments – Fair values and risk management Risk

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Commodity risk

The Company is affected by the price volatility of certain commodities viz. Aluminum, Copper and Oil. Its operating activities require the ongoing purchase and manufacture of the conductors, cables and Oil and thus requires continuous supply of these commodities. Due to the increase in volatility of the price of the commodities namely Aluminum and Copper, the Company has purchased forward contracts (for which there is an active market).

Currency risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Company do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2018:

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date.

Fig. in Crore

	March 31, 2018				
	USD	EUR	CAD	ETB	NPR
Trade receivables	4.90	0.00	1.68	-	-
Cash and cash equivalents	0.28	0.00	0.23	0.69	1.92
Long term Borrowings	-	-	-	-	-
Short term borrowings	(1.23)	-	-	-	-
Trade payables	(13.59)	(0.71)	-	-	-
Net Exposure	**(9.65)**	**(0.71)**	**1.92**	**0.69**	**1.92**

Fig. in Crore

	March 31, 2017				
	USD	EUR	CAD	ETB	NPR
Trade receivables	4.04	0.12	-	-	-
Cash and cash equivalents	0.59	0.00	-	0.71	2.64
Long term Borrowings	(0.41)	-	-	-	-
Short term borrowings	(1.49)	(0.57)	-	-	-
Trade payables	(4.14)	(0.02)	-	-	-
Net Exposure	**(1.41)**	**(0.46)**	**-**	**0.71**	**2.64**

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
USD	64.45	67.09	65.18	64.85
EUR	75.42	73.61	80.30	69.07
GBP	50.31	51.34	50.56	48.65
JPY	0.58	0.62	0.61	0.58
ETB	2.56	2.93	2.32	2.81
NPR	0.62	0.61	0.62	0.61

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

	Profit or loss	
	Strengthening	Weakening
March 31, 2018		
USD (1% movement)	6.22	(6.22)
EUR (1% movement)	0.54	(0.54)
CAD (1% movement)	(0.96)	0.96
ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.01)	0.01
	5.76	**(5.76)**

(₹ in crore)

	Profit or loss	
	Strengthening	Weakening
March 31, 2017		
USD (1% movement)	0.91	(0.91)
EUR (1% movement)	0.32	(0.32)
CAD (1% movement)	-	-
ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.02)	0.02
	1.20	**(1.20)**

Note 39 Financial instruments – Fair values and risk management Interest rate risk

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

In order to manage the risk of changing interest rates, the Company has entered into Interest Rate Swaps, whereby it switches its existing floating USD interest rate to USD fixed interest rates. This structure helps it hedge the risk of fluctuations in USD 6 month LIBOR on its USD Loan.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in crore)

	Nominal amount	
	March 31, 2018	March 31, 2017
Variable-rate instruments	134.12	59.78
	134.12	59.78

Interest rate sensitivity for fixed rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in crore)

	Profit or loss	
	100 bp increase	100 bp decrease
March 31, 2018		
Variable-rate instruments	(1.34)	1.34
Interest rate swaps	0.15	(0.15)
Cash flow sensitivity (net)	(1.19)	1.19
March 31, 2017		
Variable-rate instruments	(0.60)	0.60
Interest rate swaps	0.27	(0.27)
Cash flow sensitivity (net)	(0.33)	0.33

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 40 Financial instruments – Hedge accounting

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss.

Currency risk-

The Company's risk management policy is to hedge its estimated foreign currency exposure in respect of highly forecasted sales. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges. Company's policy is to match the critical terms of the forward exchange contracts with that of the hedged item.

Commodity risk

The Company's risk management policy is mitigate the impact of fluctuations in the aluminium/copper prices on highly forecast purchase transactions. The Company uses futures contract to hedge its commodity risk. Such contracts are generally designated as cash flow hedges.

Interest rate

The Company's risk management policy is to mitigate its interest rate risk exposure on floating rate borrowings by entering into fixed-rate instruments like interest rate swaps to eliminate the variability of cash flows attributable to movements in interest rates. Such hedges are designated as cash flow hedges.

For derivative contracts designated as hedge, the Company documents at inception the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The hedging book consists of transactions to hedge Balance Sheet assets or liabilities. The tenor of hedging instrument may be less than or equal to the tenor of underlying hedged asset or liability.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method/Dollar offset method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss

Sr. No.	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Interest rate hedge	Floating rate financial asset or liability	Floating rate financial asset or liability is converted into a fixed rate financial asset or liability using a floating to fixed interest rate swap. This is usually denominated in the currency of the underlying (which in most cases is the functional currency). if not, it may be combined currency swap.	Interest rate swap	Interest rate swap is a derivative instrument whereby the Company recieves or pays (in case of asset or a liability respectively) at a floating rate in return for a fixed rate asset or liability.	Cash flow hedge
2	Future contract	Highly probable purchase transaction	Mitigate the impact of fluctuations in aluminium and copper prices, on projected purchase contracts for metal	Futures contract	Company enters into a forward derivative contract to purchase a commodity at a fixed price and at a future date. These are customized contracts transacted in the over–the–counter market. Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over–the–counter market.	Cash flow hedge

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Sr. No.	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
3	Forward contract	foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Company enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts These are customized contracts transacted in the over–the–counter market.	Cash flow hedge

The Company, inter alia, takes into account the following criteria for constructing a hedge structure as part of its hedging strategy:

(a) The hedge is undertaken to reduce the variability in the profit & loss i.e the profit or loss arising from the hedge structure should be lesser than the profit & loss on the standalone underlying exposure. In case of cash flow hedge for covering interest rate risk the hedge shall be only undertaken to convert floating cash flows to fixed cash flows i.e. the underlying has to be a floating rate asset or liability.

(b) At any point in time the outstanding notional value of the derivative deal(s) undertaken for the purpose of hedging shall not exceed the underlying portfolio notional. The hedge ratio therefore does not exceed 100% at the time of establishing the hedging relationship.

(c) At any point in time the maturity of each underlying forming a part of the cluster/portfolio hedged shall be higher than the maturity of the derivative hedging instrument.

(₹ in crore)

As at 31 March 2018									
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	14.99	0.02	-	0.11	0.11	NA	NA	4.74	Finance Cost
Foreign exchange forward contracts	214.80	-	2.61	(3.94)	(3.94)	NA	NA	(17.73)	Finance Cost
Commodity contracts	189.82	4.89	12.31	44.71	44.71	NA	NA	44.85	COGS

(₹ in crore)

As at 31 March 2017									
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	26.59	0.13	-	(0.12)	(0.12)	NA	NA	(0.02)	Finance Cost
Foreign exchange forward contracts	92.02	-	6.55	5.67	5.67	NA	NA	(20.70)	Finance Cost
Commodity contracts	349.97	36.99	0.23	(36.21)	(36.21)	NA	NA	65.12	COGS

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

The tables below provide details of the Company's hedged items under cash flow hedges:

(₹ in crore)

	As at 31 March 2018			As at 31 March 2017		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve		Change in the value of hedged item for the year	Balance in cash flow hedge reserve	
		Where hedge accounting is continued	Where hedge accounting is discontinued		Where hedge accounting is continued	Where hedge accounting is discontinued
Floating rate borrowing	0.11	(0.02)	NA	(0.12)	(0.13)	NA
Highly probable purchases	(3.94)	2.61	NA	5.67	6.55	NA
Highly probable highly probable forecast transactions	44.71	7.42	NA	(36.21)	(36.77)	NA

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

(₹ in crore)

	Movement in Cash flow hedge reserve for the years ended	
	March 31, 2018	March 31, 2017
Opening balance	**(30.49)**	**0.17**
Effective portion of changes in fair value:		
a) Interest rate risk	-	(0.10)
b) Commodity price risk	(0.14)	(101.33)
c)Foreign currency risk	13.79	26.37
Net amount reclassified to profit or loss:		
a) Interest rate risk	0.11	(0.02)
b) Commodity price risk	44.85	65.12
c)Foreign currency risk	(17.73)	(20.70)
Tax on movements on reserves during the year		
Closing balance	**10.39**	**(30.49)**

Disclosure of effects of hedge accounting on financial performance
31st March, 2018

(₹ in crore)

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	0.11	NA	4.74	Finance Cost
Foreign exchange risk	(3.94)	NA	(17.73)	Finance Cost
Commodity price risk	44.71	NA	44.85	COGS

31st March, 2017

(₹ in crore)

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	(0.12)	NA	(0.02)	Finance Cost
Foreign exchange risk	5.67	NA	(20.70)	Finance Cost
Commodity price risk	(36.21)	NA	65.12	COGS

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 41 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
Borrowings	303.87	246.25
Less : Cash and cash equivalent	235.35	96.67
Adjusted net debt	68.52	149.58
Total equity	1,019.57	948.05
Less : Hedging reserve	(6.79)	19.66
Adjusted equity	1,026.36	928.39
Adjusted net debt to adjusted equity ratio	0.07	0.16

Note 42 Segment reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation -

The operations of the Company are segmented into Primary Segment (Business Segment) & Secondary Segment (Geographical Segment).

(b) Following are reportable segments

Reportable segment
Conductor
Transformer & Specialities Oils
Power/Telecom Cables

(c) Identification of segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Profit or Loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products / services.

(d) Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(e) Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

B. Information about reportable segments

For the year ended March 31, 2018

(₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	2,601.14	1,858.72	1,129.52	5,589.37	46.54		5,635.91
Other income	2.71	1.96	1.08	5.75	5.17		10.92
Intersegment revenue	9.32	5.50	6.81	21.63	0.01	(21.64)	-
Segment revenue	**2,613.17**	**1,866.18**	**1,137.40**	**5,616.75**	**51.72**	**(21.64)**	**5,646.83**
Segment profit (loss) before tax & Finance Cost	129.25	158.63	91.30	379.18	2.74		381.92
Less :- Interest expense							134.93
Less:- Other unallocated expenditure net of unallocable income	-						25.63
Profit before tax							221.36
Tax expenses							77.31
Profit after tax							144.05
Capital employed							
Segment assets	1,876.95	1,055.74	827.17	3,759.86	43.08		3,802.95
Unallocable corporate and other assets				-			189.38
Total Asset	1,876.95	1,055.74	827.17	3,759.86	43.08	-	3,992.33
Segment liabilities	1,500.53	788.72	417.88	2,707.13	2.36		2,709.49
Unallocable corporate and other liabilities							263.28
Total Liabilities	1,500.53	788.72	417.88	2,707.13	2.36	-	2,972.76
Capital expenditure	56.31	16.27	46.32	118.90	2.27		121.17
Capital expenditure -Unallocable							1.83
Depreciation and Amortisation expense	18.83	9.63	18.14	46.60	0.16		46.76
Depreciation and Amortisation- Unallocable				-			2.83

For the year ended March 31, 2017

(₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	2,447.54	1,820.69	923.77	5,192.00	40.42	-	5,232.42
Other income	0.09	2.11	2.58	4.78	11.02	-	15.80
Intersegment revenue	13.95	3.93	3.07	20.95	0.48	(21.43)	-
Segment revenue	**2,461.58**	**1,826.73**	**929.42**	**5,217.73**	**51.92**		**5,248.22**
Segment profit (loss) before tax & Finance Cost	179.02	174.21	61.39	414.63	2.24	-	416.86
Less :- Interest expense							113.66
Less:- Other unallocated expenditure net of unallocable income							23.75
Profit before tax							279.45
Tax expenses							97.13
Profit after tax							182.32
Capital employed							
Segment assets	1,313.77	943.19	702.33	2,959.28	25.48	-	2,984.76

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
Unallocable corporate and other assets				-			245.66
Total Segment Asset	1,313.77	943.19	702.33	2,959.28	25.48	-	3,230.42
Segment liabilities	1,069.14	645.59	355.49	2,070.22	2.31		2,072.53
Unallocable corporate and other liabilities				-			209.84
Total Segment Liabilities	1,069.14	645.59	355.49	2,070.22	2.31	-	2,282.37
Capital expenditure	54.48	3.60	49.78	107.86	0.15		108.00
Capital expenditure -Unallocable					-		4.71
Depreciation and Amortisation expense	14.90	9.33	15.99	40.22	0.09		40.32
Depreciation and Amortisation- Unallocable				-			3.14

C. Information about geographical areas

(₹ in crore)

(a) Revenue from external customers	For the year ended March 31, 2018	For the year ended March 31, 2017
- Within India*	3,912.42	3,943.84
- Outside India	1,723.49	1,288.58
	5,635.91	**5,232.42**

* include deemed exports ₹ 63.81 crore (Previous year ₹ 121.43 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	For the year ended March 31, 2018	For the year ended March 31, 2017
USD (US Dollor)	1,338.55	1,222.93
EUR (EURO)	41.65	29.39
CAD (Canadian Dollor)	162.40	0.51
JPY (Japanese Yen)	0.16	0.15
INR	180.73	35.60
Total	**1,723.49**	**1,288.58**

(₹ in crore)

b) Segment Assets	As at March 31, 2018	As at March 31, 2017
- Within India	3,554.86	2,947.74
- Outside India	437.47	282.68
	3,992.33	**3,230.42**

(₹ in crore)

Segment assets outside India currency wise	As at March 31, 2018	As at March 31, 2017
USD (US Dollor)	337.62	270.41
EUR (EURO)	0.22	8.66
NPR (Nepalese Rupee)	1.18	1.62
CAD (Canadian Dollor)	96.85	-
ETB (Ethiopian Birr)	1.60	1.99
Total	**437.47**	**282.68**

C. Information about Major Customers

Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Note 43 Related party relationships, transactions and balances

A. List of Related Parties

a). Subsidiary Companies:

(1). Petroleum Specialities Pte. Ltd, Singapore (Wholly owned subsidiary of Apar Industries Limited - 100%)

(2). Petroleum Specialities FZE, Sharjah (Wholly owned subsidiary of Petroleum Specialities Pte. Ltd - 100%)

(3). Apar Transmission & Distribution Projects Private Limited (Wholly owned subsidiary of Apar Industries Limited - 100%)

(4). CEMA Optilinks Private Limited (Majority owned subsidiary of Apar Industries Limited - 99%)

b). Key Managerial Personnel:

Mr. K. N. Desai - Chairman & Managing Director
Mr. C. N. Desai - Managing Director
Mr. V. C. Diwadkar- Chief Financial Officer
Mr. Sanjaya Kunder- Company Secretary

c). Chairman having significant influence:

Dr. N. D. Desai - Non Executive Chairman - Upto 16.10.2016

d). Relatives of Key Managerial Personnel

Ms. Maithili N. Desai
Mrs. Noopur Kushal Desai
Mr. Rishabh K. Desai
Ms. Gaurangi K. Desai
Mrs. Jinisha C. Desai
Mr. Devharsh C. Desai
Ms Nitika C. Desai
Mrs. Vineeta R. Srivastava
Mr. Rajeev Srivastava
Ms. Krishangi R. Srivastava
Mrs. Vinaya S. Kunder
Master Akshat S. Kunder
Mrs. Arti V. Diwadkar
Mr. Amit V. Diwadkar

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

Apar Corporation Private Ltd
Scope Private Limited and its' subsidiaries, viz
a) Apar Investment (Singapore) Pte. Ltd
b) Apar Investment Inc.
Kushal N. Desai Family Trust
Apar Technologies Private Ltd
Apar Technologies Pte. Ltd.
Chaitanya N. Desai Family Private Trust
Maithili N. Desai Family Private Trust
Catalis World Private Ltd
Gayatri Associates
AIL Benefit Trust
Maithili Trusteeship Services Private Limited
Kushal N. Desai Family Private Trust
Narendra D. Desai Family Private Trust

B. Related Party Transactions

(i) Subsidiary companies:

(₹ in crore)

Sr No.	Transactions	2017-18	2016-17
1	Sale of finished goods/ Raw materials / traded ggods	2.12	13.39
2	Purchase of finished goods/ Raw materials / traded ggods	6.08	-
3	Services rendered	1.65	-
4	Rent Received	0.01	-
5	Guarantee given by the company on behalf of subsidiary	345.45	356.73
6	Guarantee commission from the subsidiary	-	0.57

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

7.	Balance outstanding as on		
	a) Receivable from subsidiary company for supply of raw material, finished goods, capital goods, dividend and services	1.83	12.90
	b) Payable to subsidiary company for supply of raw material, finished goods, capital goods, dividend and services	1.65	-
8	Reimbursement of Expenses	0.63	-

(ii) Key Managerial Personnel :

(₹ in crore)

Sr No.	Transactions	2017-18	2016-17
1	Remuneration	8.28	9.18
2	Dividends paid (payment basis)	18.29	-
3	Buy back of shares	-	14.90

(iii) Chairman having significant influence

(₹ in crore)

Sr No.	Transactions	2017-18	2016-17
1	Director's commission	-	1.56
2	Legal and professional fees	-	-
3	Sitting fees	-	0.01
4	Dividends paid (payment basis)	0.17	-

(iv) Relatives of key managerial personnel

(₹ in crore)

Sr No.	Transactions	2017-18	2016-17
1	Dividends paid (payment basis)	1.71	-

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

(₹ in crore)

Sr No.	Transactions	2017-18	2016-17
1	Rent paid	1.13	0.09
2	Dividends paid (payment basis)	2.01	-
3	Buy back of shares	-	0.14

C. Disclosure pursuant to Section 186 of the Companies Act, 2013

(₹ in crore)

Sr. No.	Nature of Transactions (Loans given/ Investment made/ guarantee provided)	Purpose of the transactions	2017-18	2016-17
a	**Loan & Advances**			
i	**Subsidiary Companies**			
	Petroleum Specialities Pte. Ltd	Reimbursement of Expenses	1.14	1.14
	Petroleum Specialities FZE	Reimbursement of Expenses	0.01	0.48
	Apar Transmission & Distribution Projects Pvt Ltd	Short Term Funding	-	0.01
	CEMA Optilinks Pvt Ltd	Short Term Funding	0.72	-
b	**Investment made**			
i	**Subsidiary Companies**			
	Petroleum Specialities Pte. Ltd	Capital Contribution	0.26	0.26
	Apar Transmission & Distribution Projects Pvt Ltd	Capital Contribution	**0.01**	**0.01**
	CEMA Optilinks Pvt Ltd	Capital Contribution	0.01	-
c	**Guarantees**			
i	**Subsidiary Companies**			
	Petroleum Specialities Pte. Ltd	Corporate Guarantee for subsidiary's debt	81.48	81.08
	Petroleum Specialities FZE	Corporate Guarantee for subsidiary's debt	263.98	275.66

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(d) Compensation of Key Management Personnel of the company (₹ in crore)

Sr No.	Nature of transaction	2017-18	2016-17
1	Short-term employment benefits	8.10	8.96
2	Post Employment benefis	0.13	0.11
3	Other Long term employee benefits	0.04	0.10
		8.27	**9.18**

Note 44 Contingent liabilities and commitments

(₹ in crore)

	:	March 31, 2018	March 31, 2017
A)	**Contingent liabilities not provided for**		
a)	Claims against the Company not acknowledged as debts -		
	i) Demand/ Show cause-cum-demand notices received and contested by the Company with the relevant appellate authorities:		
	Excise duty (also refer note (iii) below)	8.54	5.61
	Customs duty	2.87	7.18
	Sales tax	15.32	14.34
	ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	11.14	10.52
	iii) Interest on delayed payment of excise duty, (which duty payment was revenue neutral) on certain deemed exports. Department has filed appeal in the Supreme Court against High Court Order in Company's favour.	5.12	5.12
	iv) Labour matters	2.33	2.17
	v) Others	6.59	6.59
b)	i) Guarantee given by the Company for credit facilities enjoyed by Petroleum Specialities Pte Ltd.,a wholly-owned subsidiary	81.48	81.08
	ii) Guarantee given by the Company for term loan facilities enjoyed by Petroleum Specialities FZE ,a downstream subsidiary company.	263.98	275.66
c)	Bills of exchange discounted	4.33	51.58
d)	Taxation:		
	Disputed demands of income tax	-	-
B)	**Capital commitments**		
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	17.91	17.71

Note 45 Research and Development Expenses :

(A) R & D Center-OIL (Rabale - DSIR Recognised) (₹ in crore)

		2017-18	2016-17
a)	Salary, wages and other benefits	1.61	1.64
	Consumables and Other expenses	0.43	0.23
	sub-Total	2.04	1.87
b)	Capital expenditure		
	Building	-	-
	Plant and machinery	0.92	-
		0.92	-
	Total	**2.96**	**1.87**

(B) R & D Center-Conductor (Silvassa) (₹ in crore)

		2017-18	2016-17
a)	Salary, wages and other benefits	-	-
	Consumables and Other expenses	3.63	3.70
	sub-Total	3.63	3.70
b)	Capital expenditure		
	Building		-
	Plant and machinery	0.38	1.15
		0.38	1.15
	Total	**4.01**	**4.85**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(C) R & D Center-Cable (Khatalwad)

(₹ in crore)

		2017-18	2016-17
a)	Salary, wages and other benefits	0.13	0.11
	Consumables and Other expenses	0.38	0.41
	sub-Total	0.51	0.51
b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	0.01
		-	0.01
	Total	**0.51**	**0.52**
	Grand Total (A+B+C)	**7.48**	**7.24**

Note 46 Master Netting

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2018 and March 31, 2017.

(₹ in crore)

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
31 March 2018			
Financial assets			
Derivative instruments			
Forward contract	6.05	4.89	1.16
Interest rate swap	0.02	-	0.02
Total	6.07	4.89	1.18
Financial liabilities			
Derivative instruments			
Forward contract	15.22	4.89	10.33
Interest rate swap	-	-	
Total	15.22	4.89	10.33

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
31 March 2017			
Financial assets			
Derivative instruments			
Forward contract	37.13	0.23	36.91
Interest rate swap	0.13	-	0.13
Total	37.26	0.23	37.04
Financial liabilities			
Derivative instruments			
Forward contract	24.80	0.23	24.57
Interest rate swap	-	-	-
Total	24.80	0.23	24.57

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Company enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreement. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in same currency are aggregated into a single net amount that is payable by one party to other.

In certain circumstances e.g. when a credit event such as default occurs-all outstanding transactions under the agreement are terminated, the termination value is assessed and only a net amount is payable in the settlement of all transactions.

The ISDA master netting agreement do not meet the criteria for offsetting in the balance sheet. This is because the Company does not have currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on default.

SHARP & TANNAN LLP
Chartered Accountants
Firm Registration No.127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 30th May, 2018

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2018

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Independent Auditors' Report

To the Members of **Apar Industries Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Apar Industries Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries constitute the 'Group'),comprising of the Consolidated Balance sheet as at 31st March, 2018, the Consolidated Statement of profit and loss (including Other comprehensive income),the Consolidated Statement of cash flows and the Consolidated Statement of changes in equity for the year ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to

the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in india including Ind AS, of consolidated state of affairs (consolidated financial position) of the Group, as at 31st March, 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in the equity for the year ended.

Other Matters

The consolidated financial statements contains information on Holding Company and two subsidiary companies incorporated outside India and two subsidiary companies incorporated in India which are as follows.

Sr. No.	Entity Name	Country of Incorporation
	Subsidiaries	
1	Petroleum Specialities Pte. Ltd	Singapore
2	Petroleum Specialities FZE	U. A. E
3	Apar Transmission & Distribution Projects Private Limited	India
4	CEMA Optilinks Private Limited	India

a) The consolidated financial statements include the information of two subsidiary companies incorporated outside India, which have been audited by the other auditors of the respective companies, whose financial statements reflect total assets of ₹ 271.11 crore, total revenue of ₹ 300.07 crore and net loss of ₹ 0.24 crore for the financial year ended 31st March, 2018, as considered in the consolidated financial statements respectively.

b) The consolidated financial statements include information of two subsidiary companies incorporated in India, whose financial statements reflect total assets of ₹ 7.97 crore, total revenue of ₹ 6.68 crore and total profit of ₹ 0.98 crore for the financial year ended 31st March 2018 respectively, whose financial statements have been audited by us.

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

The consolidated financial statements for the year ended 31st March, 2017 included in the consolidated financial statements are based on the previously issued consolidated financial statements of the Company, prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder, which were audited by another firm of chartered accountants, whose report dated 30th May,2017 expressed an unmodified opinion on those audited consolidated financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section143(3) of the Act, we report, to the extent applicable, that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) the consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

(e) on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'**; and

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

i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 43 to the consolidated financial statements);

(ii) the Group has long-term contracts including derivative contracts for which there are no material foreseeable losses. (Refer Note 34-40 and 45 to the consolidated financial statements); and

(iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W/W100218
by hand of

Edwin P Augustine
Partner
Membership No.043385
Mumbai, 30 May, 2018

Annexure 'A' to the Independent Auditor's Report

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013('the Act')

In conjunction with our audit of the consolidated financial statements of Apar Industries Limited (the 'Company'/ the 'Holding Company') for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries which are incorporated in India (the Holding Company and its subsidiaries constitute the 'Group'), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No.127145W/W100218
by the hand of

Edwin P Augustine
Partner
Membership No.: 043385
Mumbai, 30 May, 2018

Consolidated Balance Sheet As at 31st March, 2018

(₹ in crore)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	641.95	564.33
Capital work-in-progress-Tangible	2	18.64	26.73
Goodwill	3	4.76	7.42
Other Intangible assets	3A	1.81	2.12
Capital work-in-progress-Intangible	3A	0.86	1.02
Invesments in Subsidiaries and Joint Ventures	4	-	0.00
Financial Assets			
Trade receivables	9A	0.86	1.90
Other non-current assets	5	7.28	7.29
Other non-current assets	6	16.71	28.47
Other Tax Assets		10.10	11.36
Total non current assets		**702.97**	**650.64**
Current Assets			
Inventories	7	1,212.26	993.54
Financial Assets			
Investments	8	-	118.57
Trade receivables	9	1,727.88	1,254.32
Cash and cash equivalents	10	244.04	109.80
Bank balances other than above	11	30.33	13.17
Short-term loans and advances	12	13.17	12.15
Derivatives	12A	6.07	37.26
Other current assets	13	275.87	170.75
Other Tax Assets		56.66	88.02
TOTAL CURRENT ASSETS		**3,566.28**	**2,797.58**
TOTAL ASSETS		**4,269.25**	**3,448.22**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	38.27	38.27
(b) Other equity	14B, 14C		
Reserves & Surplus		1,035.63	936.96
Other reserves		34.35	60.89
Equity attributable to equity holders of the parent		**1,108.25**	**1,036.12**
Non-controlling interests		(0.00)	-
Total equity		**1,108.25**	**1,036.12**
Non current liabilities			
Financial liabilities			
Borrowings	15	161.86	90.55
Other financial liabilities	16	2.52	2.51
Provisions	17	4.91	4.39
Deferred tax liabilities (net)	18	34.62	46.11
Other non-current liabilities		-	-
Total non current liabilities		**203.91**	**143.56**
Current liabilities			
Financial liabilities			
Borrowings	19	169.75	186.47
Trade and other payables	20	2,551.12	1,772.49
Other financial liabilities	21	52.46	50.86
Derivatives	21A	15.22	24.80
Other current liabilities	22	92.54	140.79
Short term provisions	23	1.03	0.91
Liabilities for current tax		74.97	92.22
Total current liabilities		**2,957.09**	**2,268.54**
Total liabilities		**3,161.00**	**2,412.10**
Total Equity and Liabilities		**4,269.25**	**3,448.22**
Significant accounting policies	1		
Contingent liabilities and commitments	43		

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of
Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2018

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of profit and loss for the year ended March 31, 2018

(₹ in crore)

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue			
I. Revenue from Operations (Gross of excise duty)	24	5,938.70	5,288.82
II. Other income	25	11.11	15.96
III. Total Revenue		**5,949.81**	**5,304.78**
IV. Expenses			
Cost of materials consumed	26	4,405.50	3,559.29
Purchases of Stock-in-Trade	27	87.05	79.10
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	2.49	(65.55)
Excise Duty		120.17	456.84
Employee benefits expense	29	126.08	107.37
Finance costs	30	140.00	114.36
Depreciation and amortization expense	2,3,3A	55.87	44.97
Other expenses	31	792.87	748.07
Total Expenses		**5,730.03**	**5,044.45**
Less : Transfer to capital assets		2.99	13.07
Net total expenses		**5,727.04**	**5,031.38**
V. Profit Before Exceptional Items and Tax		**222.77**	**273.40**
VI. Exceptional Items		-	-
VII. Profit Before Tax		**222.77**	**273.40**
VIII. Tax expense:			
1. Current Tax		75.03	92.25
2. Deferred Tax		3.00	4.51
3. Taxes of earlier years		-	0.39
		78.03	**97.15**
IX. Profit before minority interest/Share in net profit (loss) of JV		**144.74**	**176.25**
X. Share in net profit (loss) of JV		**-**	**0.32**
XI. Net Profit for the year (IX+X)		**144.74**	**176.57**
XII.Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		(0.04)	(1.11)
Income tax relating to items that will not be reclassified to profit or loss		0.01	0.38
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		(40.98)	31.30
Income tax relating to items that will be reclassified to profit or loss		14.47	(10.83)
XIII. Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**118.19**	**196.31**
XIV. Earnings per equity share (Face value of ₹ 10 each)	32		
Basic		37.82	45.88
Diluted		37.82	45.88
Significant accounting policies	1		

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 30th May, 2018

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2018

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31st March, 2018

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	222.77	273.40
Adjustments for		
Depreciation on non current assets	52.28	42.31
Amortisation of intangible assets	3.59	2.66
(Gain)/loss on sale of property, plant and equipment	0.03	0.63
Foreign currency translation reserve	(0.11)	0.63
Finance costs	88.96	77.93
Finance income	(6.49)	(7.47)
Unrealised exchange loss/(gain)	13.12	(6.12)
Profit on sale of investments	(4.58)	(8.49)
Movement in working capital		
(Increase)/ Decrease in trade and other receivables	(533.29)	(239.45)
(Increase)/ Decrease in inventories	(218.75)	(223.78)
Increase/ (Decrease) in trade and other payables	667.16	500.69
Tax paid	(59.66)	(100.50)
Net cash generated by / (used in) operating activities	**225.04**	**312.44**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(127.54)	(169.43)
Acquisition of intangibles	(0.46)	(1.53)
Proceeds from sale of property, plant and equipment	0.28	2.77
Purchase of investments (net)	123.15	(0.84)
Dividend on investments and from subsidiaries	-	2.71
Net cash generated by / (used in) investing activities	**(4.57)**	**(166.31)**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings	(18.20)	(71.64)
Proceeds/(repayments) of long-term borrowings	74.63	(2.48)
Proceeds/(repayments) of Capital Contribution	0.00	-
Sale of Shares	-	0.68
Interest received/(paid) - net	(79.39)	(68.46)
Dividend Payment	(38.18)	(0.49)
Buyback of shares	-	(15.06)
Tax on dividends	(7.79)	-
Net cash (used in) / generated by financing activities	**(68.92)**	**(157.45)**
Net increase / (decrease) in cash and cash equivalents	151.55	(11.32)
Effect of exchanges rate changes on cash and cash equivalents	(0.15)	0.43
Cash and cash equivalents at the beginning of the year	**122.97**	**133.86**
Cash and cash equivalents at the end of the year	**274.37**	**122.97**

Notes :

1) Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.
2) Purchase of fixed assets includes movement of capital work-in-progress during the year.
3) Cash and cash equivalents represents cash and bank balances and include margin money of ₹ 6.03 crore; (Previous year ₹ 6.03 crore), fixed deposit under lien ₹ 4.58 crore (Previous year ₹ 4.58 Crore) and unrealised loss of ₹ 0.15 crore; (Previous year unrealised gain of ₹ 0.43 crore) on account of translation of foreign currency bank balances.

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 30th May, 2018

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2018

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of changes in equity

(a) Equity share capital	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Balance at the beginning of the reporting period Balance	38,268,619	38.27	38,496,769	38.50
Changes in equity share capital during the year	-	-	(228,150)	(0.23)
Balance at the end of the reporting period	38,268,619	38.27	38,268,619	38.27

(b) Other equity	Reserves & Surplus					Items of OCI				Attributable to	
For the year ended	Retained earnings - Surplus	General reserve	Securities premium reserve	Capital reserve	Capital Redemption Reserve	Currency Fluctuation Reserve	Cash flow hedging reserve	Other items of OCI	Total	Owners of the Parent	Non - controlling interest
Balance at April 1, 2016	**364.51**	**190.00**	**220.01**	**23.77**	**14.75**	**3.06**	**(0.39)**	**(0.27)**	**815.44**	**815.44**	**-**
Total comprehensive income for the year											
Profit for the year	176.57								176.57	176.57	-
Other comprehensive income for the year						0.41	20.05	(0.73)	19.74	19.74	-
Total comprehensive income for the year	**176.57**	**-**	**-**	**-**	**-**	**0.41**	**20.05**	**(0.73)**	**196.31**	**196.31**	**-**
Transactions with the owners of the Company Contributions and distributions											
Refund of Dividend tax	0.93								0.93	0.93	-
Transfer / Receipt	(20.00)	20.00							-	-	-
Buy back of shares	(0.23)		(14.83)		0.23				(14.83)	(14.83)	-
Balance at March 31, 2017	**521.78**	**210.00**	**205.18**	**23.77**	**14.98**	**3.47**	**19.66**	**(1.00)**	**997.85**	**997.85**	**-**
Total comprehensive income for the year											
Capital Contribution											
Profit for the year	144.74	-							144.74	144.74	(0.00)
Other comprehensive income for the year						(0.07)	(26.44)	(0.03)	(26.54)	(26.54)	-
Total comprehensive income for the year	**144.74**	**-**	**-**	**-**	**-**	**(0.07)**	**(26.44)**	**(0.03)**	**118.20**	**118.20**	**(0.00)**
Transactions with the owners of the Company Contributions and distributions											
Dividends (including tax on dividend)	(46.07)								(46.07)	(46.07)	-
Transfer / Receipt	(15.00)	15.00							-	-	-
Balance at March 31, 2018	**605.45**	**225.00**	**205.18**	**23.77**	**14.98**	**3.40**	**(6.78)**	**(1.03)**	**1,069.98**	**1,069.98**	**(0.00)**

Note

i) The nature and purpose of each of the Reserves have been explained under Note 14B Other Equity and 14C Items of OCI

As per our report attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 30th May, 2018

Kushal N. Desai
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DIN : 00008084
Mumbai, 30th May, 2018

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 1 Significant Accounting Policies

1. General information

Apar Industries Limited, founded by Late Shri. Dharmsinh D. Desai in the year 1958 is one among the best established companies in India, operating in the diverse fields of electrical and metallurgical engineering. Over the ensuing years it has been offering value added products and services in Power Transmission Conductors, Petroleum Specialities and Power & Telecom Cables.

2. Basis of accounting

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act/ Companies Act 1956 ("the 1956 Act"), as applicable. For all periods up to and for the year ended 31 March 2016, the Group has prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Effective April 1, 2016, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

3. Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (INR), which is the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated.

4. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- certain financial assets and liabilities (including mutual fund investments and derivatives) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value;
- share-based payments;

5. Key estimates and assumptions

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets**

  Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Evaluation of control**

  The Group makes assumptions, when assessing whether it exercises control, joint control or significant influence over companies in which it holds less than 100 percent of the voting rights. These assumptions are made based on the contractual rights with the other shareholders, relevant facts and circumstances which indicate that the Group has power over the potential subsidiary or that joint control exists. Changes to contractual arrangements or facts and circumstances are monitored and are evaluated to determine whether they have a potential impact on the assessment as to whether the Group is exercising control over its investment

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 1 Significant Accounting Policies

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Discounting of long-term financial assets/liabilities**

  All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities which are required to subsequently measure at amortised cost, interest is accrued using the effective interest method.

- **Fair value of financial instruments**

  Derivatives and investments in mutual funds are carried at fair value. Derivative includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and Commodity future contracts are determined using the fair value reports provided by merchant bankers and LME brokers respectively.Fair values of Interest Rate Swaps are determined with respect to current market rate of interest.

- **Sales incentives and Customer Loyalty Programmes**

  Rebates are generally provided to distributors or dealers as an incentive to sell the Group's products. Rebates are based on purchases made during the period by distributor / customer. The Group determines the estimates of benefit accruing to the distributors/ dealers based on the schemes introduced by the Group.

  The amount allocated to the loyalty program/ incentive is deferred, and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

  The cash incentives offered under various schemes are in the nature of sales promotion and provisions for such incentives are provided for.

6. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. IND AS 115- Revenue from Contracts with Customers

On 28 March 2018, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible method of transition:

- Retrospective Approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IND AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch up approach)

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note	1	Significant Accounting Policies

The effective date of adoption of IND AS 115 is financial period beginning on or after April 1, 2018.

The Group will adopt the standard on April 1, 2018 by using cumulative catch up transition method and accordingly comparative for the year ending or ended March 31, 2018 will not be retrospectively adjusted. As at the date of this report, the management does not expect that the impact of the Group's results of operations and financial position will be material upon adoption of IND AS 115.

8. Significant accounting policies followed by the company

A. Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in equity under the head 'Capital reserve'. Transaction costs are expensed as incurred, except if related to the issue of equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated.

v. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 1 Significant Accounting Policies

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

B. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

Recent Accounting pronouncements – Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations

On March 28, 2018, the Ministry of Corporate Affairs ('the MCA') notified the Companies (Indian Accounting Standards) Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

C. Revenue

i. Sale of goods and Services

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks, rewards and controls of ownership in the goods are transferred to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

In respect of service activities, income is recognised as and when services are rendered.

ii. Rendering of services:

Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied

1. The amount of revenue can be measured reliably;
2. It is probable that the economic benefits associated with the transaction will flow to the company;
3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

iii. Lease income:

The Group has determined that the payments by the lessee are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Accordingly rental income arising from operating leases is accounted for on an accrual basisas per the terms of the lease contract.

Note	1	Significant Accounting Policies

iv. Dividend income is recognised when the right to receive the payment is established.

D. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- **Provident Fund Scheme**

The Group makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate.

- **Superannuation Scheme**

The Group makes specified contributions to the superannuation fund administered by the Group and the return on investments is adequate to cover the commitments under the scheme. The Group's contribution paid/payable under these schemes is recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- Gratuity Fund

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Long-term Compensated Absences and Long Wages Schemes are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss.

E. Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

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

F. Grants/ Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 1 Significant Accounting Policies

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the statement of profit and loss in the same period as the related cost, which they are intended to compensate are accounted for.

G. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously..

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

H. Inventories

Inventories are measured at the lower of standard cost and net realizable value. Inventory of scrap is valued at estimated realizable value.The cost of inventories is determined using the weighted average method. Inventories of finished goods include excise duty as applicable.

I. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

Note 1 Significant Accounting Policies

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The cost of the property, plant and equipment's at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight Line or the Written DownValue based on the method consistently followed by the respective entities in the Group.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital expenditure in respect of which ownership does not vest with the Group is amortized over a period of five years. Leasehold land is amortised over the period of lease.

Description of Assets	Useful Life in Schedule II	Useful Life as per technical estimates
Plant and Machinery –Oil division (other than filling lines)	15 Years	20 Years
Plant and Machinery- Conductor Division	15 Years	20 Years
Plant and Machinery -Cable Division	15 Years	25 Years

J. Intangible Assets

Intangible assets which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Enterprise resource planning cost:Cost of implementation of ERP Software including all related direct expenditure is amortized over a period of 5 years on successful implementation.

The cost of the intangible assets at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date..

K. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

L. Share-based payments:

a. Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

b. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

c. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

d. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss

e. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

M. Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve.

N. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, commodity future contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Financial assets

Classification

The Group shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through profit and loss (FVTPL)

- Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.
- In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').
- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments and Mutual Funds

- All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Note 1 Significant Accounting Policies

- The Group has elected to apply the exemption available in respect of the carrying value of the investments held in subsidiaries, joint ventures and associates in accordance with Ind AS 27.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. Financial liabilities

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 1 Significant Accounting Policies

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iii. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other..

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under the "effective portion of cash flow hedges". The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on the present value basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit and loss in the same period or periods during which the hedged expected future cash flows affect profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial items cost of initial recognition or for other cash flow hedges, it is reclassified to profit and loss in the same period as the hedged future cash flows affect the profit and loss.

If the hedged cash flows are no longer expected to occur, then the amounts that have been accumulated in the other equity are immediately reclassified to profit and loss. .

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

O. Leases

i. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

i. Lease assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

P. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of

impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Groupcash management.

R. Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the consolidated financial statements.

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

S. Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 2 Property, plant and equipment

(₹ in crore)

	Gross Carrying Amount					Depreciation				Net Block	
	Cost As at 01-04-2017	Additions	Deductions	Effect of Movement in exchange rates	As at 31-03-2018	Upto 31-03-2017	For the year	Deductions/ Adjustments	Upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
(i) Tangible assets											
Land- Freehold	25.95	0.69	-	-	26.64	-	-	-	-	26.64	25.95
Land-Leasehold	10.60	0.03	-	-	10.63	0.28	0.14	-	0.42	10.21	10.32
Building (Refer Note below)	168.41	37.25	-	-	205.66	10.24	6.96	-	17.20	188.46	158.18
Plant and machinery (Refer Note below)	405.63	84.40	(1.56)	0.03	488.50	53.97	40.24	(0.78)	93.43	395.07	351.66
Furniture and fixtures	4.60	1.43	(0.14)	-	5.88	1.06	0.78	(0.13)	1.71	4.17	3.54
Equipments	13.10	5.24	(0.14)	-	18.21	3.07	2.52	(0.13)	5.45	12.76	10.04
Motor vehicles	7.29	1.79	(0.91)	-	8.17	2.65	1.63	(0.76)	3.53	4.64	4.64
Sub total (i)	**635.58**	**130.83**	**(2.75)**	**0.03**	**763.69**	**71.26**	**52.27**	**(1.79)**	**121.74**	**641.95**	**564.33**
(ii) Capital work-in-progress Tangible assets											
Buildings										3.66	6.58
Plant and machinery										14.98	20.15
Sub total (ii)										**18.64**	**26.73**
Grand Total										**660.59**	**591.06**

	Gross Carrying Amount					Depreciation				Net Block	
	Cost As at 01-04-2016	Additions	Deductions	Effect of Movement in exchange rates	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions/ Adjustments	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
(i) Tangible assets											
Land- Freehold	25.95	-	-	-	25.95	-	-	-	-	25.95	25.95
Land-Leasehold	10.60	-	-	-	10.60	0.14	0.14	-	0.28	10.32	10.46
Building (Refer Note below)	113.10	55.31	-	-	168.41	4.84	5.39	-	10.24	158.18	108.25
Plant and machinery (Refer Note below)	251.62	160.94	(6.63)	(0.31)	405.63	25.07	31.16	(2.26)	53.97	351.66	226.55
Furniture and fixtures	3.85	1.02	(0.27)	-	4.60	0.65	0.64	(0.24)	1.06	3.54	3.19
Equipments	6.93	6.65	(0.47)	-	13.10	1.36	2.12	(0.42)	3.07	10.04	5.56
Motor vehicles	6.38	1.38	(0.47)	-	7.29	1.28	1.75	(0.38)	2.65	4.64	5.10
Sub total (i)	**418.43**	**225.30**	**(7.84)**	**(0.31)**	**635.58**	**33.36**	**41.20**	**(3.30)**	**71.26**	**564.33**	**385.07**
(ii) Capital work-in-progress Tangible assets											
Buildings										6.58	22.24
Plant and machinery										20.15	33.87
Sub total (ii)										**26.73**	**56.11**
Grand Total										**591.06**	**441.18**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 3 Goodwill

Cost As at 01-04-2016	Amortisation for the year	Net Block as at 31-03-2017
10.08	2.66	7.42
Cost As at 01-04-2017	Amortisation for the year	Net Block as at 31-03-2018
7.42	2.66	4.76

Note 3A Intangible assets

	Gross Block					Depreciation				Net Block	
	Cost As at 01-04-2017	Additions	Deductions	Other Adjustment	As at 31-03-2018	Upto 31-03-2017	For the year	Deductions/ Adjustments	Upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Specialised software	3.85	0.62			4.47	2.02	0.88		2.90	1.57	1.83
Non compete fee	0.41				0.41	0.12	0.05		0.17	0.24	0.29
	4.26	0.62	-	-	4.88	2.14	0.94	-	3.07	1.81	2.12
Capital work-in-progress intangible assets										0.86	1.02
TOTAL	**4.26**	**0.62**	-	-	**4.88**	**2.14**	**0.94**	**-**	**3.07**	**2.67**	**3.14**

	Gross Block					Depreciation				Net Block	
	Cost As at 01-04-2016	Additions	Deductions	Other Adjustment	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions/ Adjustments	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Specialised software	3.31	0.54	-	-	3.85	0.96	1.06	-	2.02	1.83	2.36
Non compete fee	0.41		-	-	0.41	0.07	0.05	-	0.12	0.29	0.34
	3.73	0.54			4.26	1.03	1.11		2.14	2.12	2.70
Capital work in progress - intangible assets										1.02	
TOTAL	**3.73**	**0.54**	**-**	**-**	**4.26**	**1.03**	**1.11**	**-**	**2.14**	**3.14**	**2.70**

a. Includes expenditure on Research and development ₹ 1.30 crore , (Previous year ₹ 1.16 crore) for Plant and machinery (Refer Note 44).

b. Addition to Fixed Assets includes, ₹ 0.03 crore for the year ended 31 March 2018 (Previous year ₹ (0.31) crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. The unamortised amount of such exchange differences, as on 31st March, 2018 is ₹ 7.31 crore (Previous year ₹ 10.30 crore)

c. As on 31 March 2018, the Company had contractual commitments of ₹ 17.91 crore for the year ended 31 March 2018 (Previous year ₹ 17.71 crore) for purchase of property, plant and equipment.

d. Refer Note 15 (a) on Long term Borrowing for amounts of restrictions on the title and PPE pledged as securities.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 4 Equity accounted investees

(₹ in crore)

	31 March 2018	31 March 2017
Interest in joint venture	-	0.00
	-	**0.00**
Aggregate book value of unquoted investments	-	0.00

Apar, through its wholly owned subsidiary Petroleum Specialties Pte Ltd (PSPL) holds 65% of the share capital of Quantum Apar Specialty Oils PTY Ltd (Quantum Apar). The balance 35% is held by Quantum Specialty Oils Pty Ltd and having participative rights in managing the operations of the company

The following table summarises the financial information of Quantum Apar and the carrying amount of the Group's interest in Quantum Specialty Oils Pty Ltd

(₹ in crore)

	31 March 2018	31 March 2017
Percentage ownership interest	**65%**	**65%**
Non Current assets	-	-
Current assets	-	0.13
Non-current liabilities	-	-
Current liabilities	-	0.13
Net Assets	-	**0.00**
Group's share of net assets (65%)	-	0.00
Carrying amount of interest in joint venture		

(₹ in crore)

	31 March 2018	31 March 2017
Percentage ownership interest	**65%**	**65%**
Revenue	-	9.16
COGS	-	7.79
Depreciation and amortisation	-	0.02
Interest expenses	-	-
Other expenses	-	0.71
Income tax expenses	-	0.14
Profit	-	0.50
Total comprehensive income	-	0.50
Group's share of Profit (65%)	-	0.32
Group's share of OCI (65%)	-	-
Group's share of total comprehensive income (65%)		**0.32**

Note 5 Other Non-current Financial Assets

(₹ in crore)

	31 March 2018	31 March 2017
Unsecured, considered good		
Security deposits	7.25	7.29
Other financial assets	**0.03**	**-**
	7.28	**7.29**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 6 Other Non-current Assets

(₹ in crore)

	31 March 2018	31 March 2017
Capital advances	10.01	9.53
Others loans and advances	6.70	18.94
	16.71	**28.47**

Note 7 Inventories

(₹ in crore)

	31 March 2018	31 March 2017
Raw materials and components	571.37	377.49
Raw materials-in transit	260.76	238.00
Work-in-progress	137.34	127.12
Finished goods	185.56	210.84
Stock-in-trade	27.43	14.27
Stock-in-trade - in transit	-	0.62
Stores and spares	29.80	25.20
	1,212.26	**993.54**

Note : Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of input tax credits.

Note 8 Current investments

(₹ in crore)

	31 March 2018	31 March 2017
a. Investment in mutual funds		
Union KBC Liquid Fund Growth-Direct Plan No. of units Nil (31 March 2017: 543,352.70)	-	88.31
Axis Treasury Advantage fund - Direct Growth No. of units Nil (31 March 2017: 163,866.64)	-	30.26
	-	**118.57**
b. Market Value of Quoted Investments		
Book value	-	118.57
Market value	-	118.57
Impairment Loss	-	-

All the above securities have been classified and measured at FVTPL. Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 36 to Note 38

Note 9 Trade receivables (Current)

(₹ in crore)

	31 March 2018	31 March 2017
Trade receivables		
Secured, considered good	0.52	0.52
Unsecured, considered good	1,727.36	1,253.80
Unsecured, considered doubtful	33.52	27.02
	1,761.40	**1,281.34**
Less: Allowances for doubtful debts	33.52	27.02
	1,727.88	**1,254.32**

Note :

i) For receivables secured against borrowing refer note 19

ii) For allowances for Expected Credit Loss refer note 35

iii) The company's exposure to credit and currency risk related to trade receivables are disclosed in note 35 and note 37 respectively.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 9A Trade receivables (Non-Current)

(₹ in crore)

	31 March 2018	31 March 2017
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	0.86	1.90
Unsecured, considered doubtful	-	-
	0.86	1.90
Less: Allowances for doubtful debts	-	-
	0.86	**1.90**

Note 10 Cash and cash equivalents

(₹ in crore)

	31 March 2018	31 March 2017
On current accounts	165.77	107.18
On deposits with original maturity of less than three months	0.00	0.02
On unclaimed dividend account (Refer Note below)	0.63	0.54
Cash on hand	0.18	0.16
Cheques on hand	1.29	1.11
Funds in transit	76.17	0.79
	244.04	**109.80**

Note:

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2018.

Bank balances include Rs. 2.79 Crore as at March, 31 2018 (Rs. 3.61 Crore as at March 31, 2017) held in a foreign country which are not freely remissible because of exchange restrictions.

Note 11 Bank balances other than (Note 10) above

(₹ in crore)

	31 March 2018	31 March 2017
Deposits with original maturity for more than 3 months but less than 12 months (Refer Note i below)	24.30	7.14
Margin money deposit (Refer Note ii below)	6.03	6.03
	30.33	**13.17**

Note:

i Includes deposit of ₹ 4.58 crore under lien.

ii Against letters of credit for Company's import of raw materials and working capital loans.

Note 12 Short-term loans and advances

(₹ in crore)

	31 March 2018	31 March 2017
Unsecured, Considered Good, Unless Otherwise Stated		
Loans and advances to related parties	0.00	0.00
Others		
Advances recoverable in cash or in kind or for value to be received	8.19	6.27
Interest accrued but not due on fixed deposits	0.41	0.37
Interest accrued but not due on security deposits	0.10	0.12
Other receivable	4.47	5.39
	13.17	**12.15**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 12A Derivatives-Asset

(₹ in crore)

	31 March 2018	31 March 2017
Forward exchange contract used for hedging	6.05	37.13
Interest rate swap used for hedging	0.02	0.13
	6.07	**37.26**

Note 13 Other current assets

(₹ in crore)

	31 March 2018	31 March 2017
Balances with statutory/government authorities	173.33	128.83
Prepayments and others	102.54	41.92
	275.87	**170.75**

Note 14 Equity Share Capital

(₹ in crore)

		31 March 2018	31 March 2017
a	**Authorised :**		
	101,998,750 Equity shares of ₹ 10 each (Previous year 101,998,750 Equity shares of ₹ 10 each)	102.00	102.00
	TOTAL	102.00	102.00
b	**Issued :**		
	38,268,619 Equity shares of ₹ 10 each (Previous year 38,268,619 Equity shares of ₹ 10 each)	38.27	38.27
	TOTAL	38.27	38.27
c	**Subscribed and Paid up :**		
	38,268,619 Equity shares of ₹ 10 each (Previous year 38,268,619 Equity shares of ₹ 10 each)	38.27	38.27
		38.27	38.27
		31 March 2018	31 March 2017
d	**Reconciliation of number of shares outstanding at the beginning and end of the year :**		
	Outstanding at the beginning of the year	38,268,619	38,496,769
	Issued (Buy Back) during the year	-	(228,150)
	Outstanding at the end of the year	**38,268,619**	**38,268,619**
e	**Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date:**		
	No of Shares allotted	31 March 2018	31 March 2017
	No of Equity Shares Issued pursuant to scheme of amalgamation (In FY 2012 - 13)	-	2,498,037
		-	**2,498,037**

f	**Aggregate no. and class of shares bought back during the period of five years immediately preceding the reporting date:**		
	No of Shares bought back	31 March 2018	31 March 2017
	No of Equity Shares bought back	228,150	228,150
		228,150	**228,150**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

g Terms/rights attached to equity shares

(i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

(ii) The Company declares and pays dividends in Indian rupees. The Board of Directors of the Company has recommended dividend for the financial year 2017 -18 @ ₹ 9.50/- per share aggregating to ₹ 43.83 crore (including dividend tax ₹ 7.47 crore) on 38,268,619 Equity shares of ₹ 10/- each fully paid. This will be paid after approval by shareholders at the ensuing Annual General Meeting.

(iii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

h	Shareholders holding more than 5% shares in the company is set out below:	31 March 2018		31 March 2017	
		No of shares	%	No of shares	%
	Dr. N. D. Desai	-	0.00%	7,271,761	19.00%
	Kushal N. Desai	9,187,974	24.01%	6,415,899	16.76%
	Chaitanya N. Desai	9,103,656	23.79%	6,403,970	16.73%
	HDFC Trustee Company Limited - HDFC Prudence fund and HDFC Small Cap Fund	3,010,750	7.87%	3,083,150	8.06%
	Reliance Capital Trustee Company Limited -Reliance Diversified Power Sector Fund and Reliance Small Cap Fund	2,368,341	6.19%	1,876,194	4.90%

i Shares Reserved for issue under options

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Note 14B Other Equity

(₹ in crore)

	31 March 2018	31 March 2017
Retained earnings - Surplus	605.45	521.78
General reserve	225.00	210.00
Securities premium reserve	205.18	205.18
Capital reserve	23.77	23.77
Capital Redemption Reserve	14.98	14.98
	1,074.38	**975.71**
Retained earnings - Surplus		
Opening balance	521.78	364.51
Increase/(Decrease) during the year	83.67	157.27
Closing Balance	**605.45**	**521.78**
General reserve		
Opening balance	210.00	190.00
Increase/(Decrease) during the year	15.00	20.00
Closing Balance	**225.00**	**210.00**
Securities premium reserve		
Opening balance	205.18	220.01
Increase/(Decrease) during the year	-	(14.83)
Closing Balance	**205.18**	**205.18**
Capital reserve		
Opening balance	23.77	23.77
Increase/(Decrease) during the year	-	-
Closing Balance	**23.77**	**23.77**
Capital Redemption Reserve		
Opening balance	14.98	14.75
Increase/(Decrease) during the year	-	0.23
Closing Balance	**14.98**	**14.98**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 14C Items of OCI

(₹ in crore)

	31 March 2018	31 March 2017
Currency Fluctuation Reserve	3.40	3.47
Cash flow hedging reserve	(6.78)	19.66
OCI	(1.03)	(1.00)
	(4.40)	**22.14**
Currency Fluctuation Reserve		
Opening balance	3.47	3.06
Increase/(Decrease) during the year	(0.07)	0.41
Closing Balance	3.40	3.47
Cash flow hedging reserve		
Opening balance	19.66	(0.39)
Increase/(Decrease) during the year	(26.44)	20.05
Closing Balance	(6.78)	19.66
OCI		
Opening balance	(1.00)	(0.27)
Increase/(Decrease) during the year	(0.03)	(0.73)
Closing Balance	(1.03)	(1.00)

Nature and purpose of reserves

i. **Cash flow hedging reserve**

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

ii. **Securities premium reserve**

The Securities Premium used to record the premium received on the issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013. The reserve also comprises the profit on treasury shares sold off 16,35,387.

iii. **Capital reserve**

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

iv. **Capital redemption reserve**

Capital redemption reserve represents amounts set aside by the Company for future redemption of capital.

v. **General reserve**

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Note 15 Long term borrowings

(₹ in crore)

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Non current		Current	
Term loans (Secured)				
Rupee term loans from banks	105.80	19.89	13.33	13.33
Foreign currency term loans from banks	56.06	70.66	17.59	14.27
	161.86	**90.55**	**30.92**	**27.60**

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Note 36, 37 and 38 respectively

Details of security:

a **Rupee term loans and foreign currency loan from banks are secured as under:**

i The Foreign Currency term loan from Union Bank of India, Hong Kong , is secured by first charge by way of equitable mortgage by deposit of title deeds of Company's Athola properties and exclusive hypothecation charge on the assets acquired by the Company with the proceeds of the facility situated at other locations.

ii The rupees term loan from ING Vysya Bank Ltd (now Kotak Mahindra Bank) is secured by first charge by way of mortgage of Company's Khatalwad properties and hypothecation of movable plant and machinery at Khatalwad excluding movable machinery hypothecated to ECB Lenders.

iii The foreign currency term loan from Arab Banking Corporation (ABC) Bank, kingdom of Bahrain is secured by :

a) Mortgage over specified assets situated at Plot No. 1C-02D1, Hamriyah Free Zone,Sharjah - UAE.

b) Joint and several guarantees of Petroleum specialities PTE Ltd - Singapore and Apar Industries Limited - India.

iv The rupees term loan from Kotak Mahindra Bank is secured by first charge by way of equitable mortgage by deposit of title deed of Company's Jharsuguda properties, (including hypothecation of Plant & Machinery and Mortgage of Land & Building), extension of

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

charge on Khatalwad property (Movable & Immovable Fixed Assets) and hypothecation of identifiable movable fixed assets at other locations. [Hypothecation of identifiable movable fixed assets at other locations to be made available if the asset cover by mortgages at Khatalwad & Jharsuguda properties is less than 1.25 times of outstanding terms loans (including the term loan from ING Vysya Bank Ltd.)]

b Terms of repayment of term loan :

i In respect of Rupee Term Loan from ING Vysya Bank Ltd (now Kotak Mahindra Bank) in 7 quarterly installments till September, 2019, 6 installments of ₹ 3.33 crore each and last of ₹ 3.34 crore

ii In respect of Foreign Currency Term Loans from Union Bank of India,Hongkong; in May, 2018 ₹ 14.88 crore.

iii In respect of foreign currency term loan from ABC Bank, Kingdom of Bahrain; it has a moratorium period of 12 months and the loan will be repaid in 14 quarterly installments; the repayment of which will start from 29 March 2019 onwards, first 2 installments of ₹ 2.60 crore each, next 4 installments of ₹ 3.42 crore each, next 4 installments of ₹ 4.24 crore each, next 3 installments of ₹ 5.70 crore each and last installment of ₹ 5.72 crore.

iv In respect of Rupee Term Loan from Kotak Bank, it has a moratorium period of 18 months and loan will be repaid in 10 half yearly installments. The repayment will start from 08 September 2019 onwards, first 2 installments of ₹ 7.50 crore each, next 2 installment of ₹ 8.50 crore each, next 2 installment of ₹ 10.00 crore each and last 4 installments of ₹ 12.00 crore each

The Group does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

c. Net Debt Reconciliation (Disclosure in pursuant to para 44A of IND AS 7)

(₹ in crore)

	31 March 2018	31 March 2017
Short Term Borrowings	169.75	186.47
Interest accrued but not due on above	0.61	0.27
Long Term Borrowings	192.78	118.15
Interest accrued but not due on above	0.67	0.20
Net Debt	**363.81**	**305.09**

Changes in Borrowings	Long Term Borrrowings	Short Term Borrowings	Total
As at 31.03.2016	120.90	255.95	376.85
Availed during the year	35.18	526.20	561.38
Paid during the year	(37.42)	(595.28)	(632.70)
Foreign Exchange Adjustments	(0.31)	(0.13)	(0.44)
Other non-cash adjustments	-	-	-
As at 31.03.2017	**118.35**	**186.74**	**305.09**
Availed during the year	99.20	562.73	661.93
Paid during the year	(24.41)	(584.94)	(609.35)
Foreign Exchange Adjustments	0.31	5.83	6.14
Other non-cash adjustments	-	-	-
As at 31.03.2018	**193.45**	**170.36**	**363.81**

Note 16 Other non-current financial liabilities

(₹ in crore)

	31 March 2018	31 March 2017
Deposits from dealers	2.52	2.51
	2.52	**2.51**

Note: Measured at amortised cost

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Note 36, 37 and 38 respectively

Note 17 Long term provisions

(₹ in crore)

	31 March 2018	31 March 2017
Provision for gratuity- In respect of directors	0.98	0.85
Provision for leave benefits (Refer Note 34)	3.66	3.49
Provision for gratuity- In respect of other employees	0.27	0.05
	4.91	**4.39**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 18 DEFERRED TAX LIABILITIES (NET)

(a) Movement in deferred tax balances

(₹ in crore)

		2017-2018		31 March 2018		
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(45.39)	(4.76)		(50.15)	-	(50.15)
Derivatives	(10.69)	(0.09)	14.43	3.65	3.65	-
Loans and borrowings	(0.05)	(0.25)		(0.30)	-	(0.30)
Employee benefits	1.92	0.07	0.01	2.00	2.00	-
Deferred income	0.66	(0.41)		0.25	0.25	-
Provisions	9.35	2.25		11.60	11.60	-
Investments	(0.13)	0.13		-	-	-
Security Deposits	0.00	0.00		0.00	0.00	-
Other items	(1.77)	0.06	0.04	(1.67)	-	(1.67)
Tax assets (Liabilities)	**(46.11)**	**(3.00)**	**14.48**	**(34.62)**	**17.50**	**(52.12)**
Set off tax						**17.50**
Net tax Assets (Liabilities)	**(46.11)**	**(3.00)**	**14.48**	**(34.62)**	**17.50**	**(34.62)**

b) Movement in deferred tax balances

(₹ in crore)

		2016-2017		31 March 2017		
	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(39.76)	(5.64)	-	(45.39)	-	(45.39)
Derivatives	(0.04)	(0.04)	(10.61)	(10.69)	-	(10.69)
Loans and borrowings	1.69	(1.74)	-	(0.05)	-	(0.05)
Employee benefits	2.03	(0.49)	0.38	1.92	1.92	-
Deferred income	0.16	0.50	-	0.66	0.66	-
Provisions	6.45	2.90	-	9.35	9.35	-
Investments	(0.13)	(0.00)	-	(0.13)	-	(0.13)
Security Deposits	0.00	(0.00)	-	0.00	0.00	-
Other items	(1.48)	-	(0.29)	(1.77)	-	(1.77)
Tax assets (Liabilities)	**(31.09)**	**(4.51)**	**(10.52)**	**(46.11)**	**11.93**	**(58.04)**
Set off tax						**11.93**
Net tax Assets (Liabilities)	**(31.09)**	**(4.51)**	**(10.52)**	**(46.11)**	**11.93**	**(46.11)**

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note 19 Short term borrowings

(₹ in crore)

	31 March 2018	31 March 2017
Secured Loans		
Working capital loans from banks (Refer Notes below)		
Packing credit loan in foreign currency from banks	80.39	73.05
	80.39	**73.05**
Unsecured Loans		
Packing credit loan in foreign currency from banks	-	62.64
Buyer's Credit in foreign currency	89.36	50.78
	169.75	**186.47**

Note :

Working capital loans from banks Rs. 80.39 crore (secured) are secured by :

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

(i) hypothecation of specified stocks, specified book debts of the Company.

(ii) first charge by way of equitable mortgage by deposit of title deeds of Company's specified immovable properties, both present and future.

The Company does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

Note 20 Trade and other payables

(₹ in crore)

	31 March 2018	31 March 2017
Due to Micro, Small and Medium Enterprises	7.69	7.77
Due to other than micro and small and medium enterprises	2,543.43	1,764.72
Total	**2,551.12**	**1,772.49**

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

Note 21 Other financial liabilities

(₹ in crore)

	31 March 2018	31 March 2017
Current portion of long-term foreign currency loan (Refer Note 15 (b))	17.59	14.27
Current portion of long-term Rupee loan (Refer Note 15 (b))	13.33	13.33
Interest accrued but not due on borrowings	16.12	13.02
Creditors for capital expenditure	4.78	9.70
Unclaimed dividend	0.64	0.54
	52.46	**50.86**

Note:-

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2018.

Note 21A Derivatives-Liability

(₹ in crore)

	31 March 2018	31 March 2017
Forward exchange contract used for hedging	15.22	24.80
	15.22	**24.80**

Note 22 Other current liabilities

(₹ in crore)

	31 March 2018	31 March 2017
Statutory dues towards Government	4.60	10.81
Other payables (Refer Note below)	87.94	129.98
	92.54	**140.79**

Note:-

Other payables includes security deposit and advance from customers.

Note 23 Short term provisions

(₹ in crore)

	31 March 2018	31 March 2017
Provision for employee benefits		-
Provision for leave benefits	1.03	0.91
	1.03	**0.91**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 24 Revenue from operations (Gross)

(₹ in crore)

	2017-18	2016-17
Sale of products (Gross)		
Finished goods	5,738.79	5,111.75
Raw materials	19.54	4.48
Traded goods	92.12	91.12
Total	**5,850.45**	**5,207.36**
Sale of services	44.97	40.65
Other operating revenue		-
Others	43.28	40.81
Total	**43.28**	**40.81**
Revenue from operations (gross)	**5,938.70**	**5,288.82**

Note 25 Other Income

(₹ in crore)

	2017-18	2016-17
Interest income	6.49	7.47
Financial assets at FVTPL-net change in fair value	-	0.21
Net gain on sale of current investments	4.58	8.28
Other Non-Operating Income	0.04	-
	11.11	**15.96**

Note 26 Cost of materials consumed

(₹ in crore)

	2017-18	2016-17
Inventory at the beginning of the year	615.49	460.37
Add : Purchases	4,622.13	3,714.41
	5,237.62	4,174.78
Less: Closing Inventory	832.12	615.49
	4,405.50	**3,559.29**

Note 27 Purchases of Stock-in-Trade

(₹ in crore)

	2017-18	2016-17
Thermoplastic Elastomers	42.81	30.10
Lubricants	20.81	21.31
Aluminium,HTLS Hardware & GSW Steel Wire, etc.	22.93	17.81
Others	0.50	9.88
	87.05	**79.10**

Note 28 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2017-18	2016-17
Inventories at the beginning of the year		
Finished goods	210.86	184.60
Work-in-progress	127.12	88.66
Traded goods	14.88	14.05
	352.86	**287.31**
Inventories at the end of the year		
Finished goods	185.60	210.86
Work-in-progress	137.34	127.12
Traded goods	**27.43**	**14.88**
	350.37	352.86
	2.49	**(65.55)**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 29 Employee benefits expense

(₹ in crore)

	2017-18	2016-17
Salaries, wages and bonus	111.22	94.75
Contribution to provident and other funds	5.65	5.28
Gratuity expense	0.94	0.72
Staff welfare expenses	8.27	6.62
	126.08	**107.37**

Note 30 Finance costs

(₹ in crore)

	2017-18	2016-17
Interest expenses	88.96	77.93
Bank charges for borrowing	12.99	7.34
Applicable net loss on foreign currency transactions and translation	38.05	29.09
	140.00	**114.36**

Note 31 Other expenses

(₹ in crore)

	2017-18	2016-17
Consumption of stores and spares	25.18	25.25
Packing materials	206.51	199.07
Excise duty adjustment of finished goods stock	(15.32)	6.07
Storage charges	13.81	13.22
Power, electricity and fuel	60.49	61.18
Processing charges, fabrication and labour charges	108.17	94.83
Freight and forwarding charges	203.85	167.46
Rent	3.14	1.97
Rates and taxes	4.84	6.18
Insurance	7.75	5.98
Repairs and maintenance		
Plant and machinery	6.09	4.20
Buildings	2.22	3.02
Others	6.01	5.01
Advertising and sales promotion	3.49	2.40
Sales commission	34.04	29.87
Travelling and conveyance	20.08	18.01
Printing and stationery	1.69	1.94
Legal and professional fees	11.51	11.27
Directors' sitting fees	0.11	0.11
Commission to Chairman,Managing Director and Joint Managing Director	4.56	7.27
Discount and rebates	0.05	0.06
Lease rental	3.89	2.33
CSR Activities	3.52	4.07
Donations	0.04	0.02
Royalty	5.75	5.34
Bank charges and commission	18.07	16.16
Bad debts and advances written-off	1.73	5.33
Less: Allowances for doubtful debts utilised	(0.26)	(0.92)
Allowances for doubtful debts and advances	7.10	10.84
Loss on sale of fixed assets (net)	0.03	0.63
Miscellaneous expenses (Refer note below)	44.73	39.90
	792.87	**748.07**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 32 Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

(₹ in crore)

	Note	March 31, 2018	March 31, 2017
Profit (loss) for the year, attributable to the owners of the Company		144.74	176.57
Profit (loss) for the year, attributable to ordinary shareholders	A	144.74	176.57

ii. Weighted average number of ordinary shares (basic)

	Note	March 31, 2018	March 31, 2017
Issued ordinary shares at April 1		38,268,619	38,496,769
Effect of buy back		-	(13,752)
Effect of treasury shares sold		-	-
Effect of share options exercised		-	-
Weighted average number of shares at March 31	B	**38,268,619**	**38,483,017**
Basic EPS (₹)	A / B	**37.82**	**45.88**
Face Value per Share (₹)		**10**	**10**

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2018 and as at 31/03/2017, hence diluted earnings per share is same as basic earnings per share.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 32A **Additional information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries**
Statement of net assets & profit or loss attributable to owners & minority interest

Name of the entity	Net Assets i.e. Total assets minus Total liabilities		Share in profit/(loss)		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount ₹ in crore	As % of consolidated profit or loss	Amount ₹ in crore	As % of consolidated profit or loss	Amount ₹ in crore	As % of consolidated profit or loss	Amount ₹ in crore
Parent								
Apar Industries Limited	92.00	1,019.57	99.49	144.00	99.73	(26.48)	99.44	117.52
Subsidiaries								
Indian								
Apar Transmission & Distribution Projects Pvt Ltd	0.10	1.16	0.80	1.16	-	-	0.98	1.16
CEMA Optilinks Private Limited	(0.02)	(0.17)	(0.12)	(0.18)	-	-	(0.15)	(0.18)
Foreign								
Petroleum Specialities Pte Limited	8.97	99.46	1.84	2.66	1.29	(0.34)	1.96	2.32
Petroleum Specialities FZE	4.69	52.03	(2.00)	(2.90)	(1.02)	0.27	(2.23)	(2.63)
Minority Interests in all subsidiaries	-	-	-	-	-	-		
Adjustments / Eliminations	(5.76)	(63.79)	-	-	-	-	-	-
Total	**100.00**	**1,108.25**	**100.00**	**144.74**	**100.00**	**(26.55)**	**100.00**	**118.19**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 33 Tax expense

(a) Amounts recognised in profit and loss

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax	75.03	92.64
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	3.00	4.51
On amalgamation of ALL	-	-
Deferred tax expense	3.00	4.51
Tax expense for the year	**78.03**	**97.15**

(b) Amounts recognised in other comprehensive income

(₹ in crore)

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(0.04)	0.01	(0.03)	(1.11)	0.38	(0.73)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	(40.98)	14.47	(26.51)	31.30	(10.83)	20.46
	(41.02)	**14.48**	**(26.54)**	**30.18**	**(10.45)**	**19.74**

(c) Reconciliation of effective tax rate

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	**222.77**	**273.40**
Enacted Income tax rate in India	34.608%	34.608%
Tax using the Company's domestic tax rate	77.10	94.62
Tax effect of:		
Non-deductible tax expenses	0.63	0.41
Incremental deduction allowed for research and development costs	(0.35)	(0.65)
Deduction under chapter VIA	(0.29)	
Income exempt from tax	-	-
Others	0.72	-
Recognition of tax effect of previously unrecognised tax losses\(gain)	-	0.39
Subsidiary profit taxed at different rate	0.23	2.38
	78.03	**97.15**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 34 Financial instruments – Fair value measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crore)

		Carrying amount					Fair value			
March 31, 2018	**Note No.**	**Fair value-hedging instruments**	**FVTPL**	**FVTOCI**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets										
Investments										
- Mutual Fund	8					-	-			-
Loans & advances										
- Non-current						-				-
- Current	12				13.17	13.17				-
Trade Receivables										-
- Non-current					0.86	0.86				-
- Current	9				1,727.88	1,727.88				-
Cash and Cash Equivalents	10				244.04	244.04				-
Other Bank Balances	11				30.33	30.33				-
Other financial assets						-				
- Non-current	5				7.28	7.28				-
- Current					-	-				-
Derivatives	12A	4.91	1.16			6.07		6.07		6.07
Total financial assets		**4.91**	**1.16**	**-**	**2,023.56**	**2,029.63**	**-**	**6.07**	**-**	**6.07**
Financial liabilities										
Borrowings	15/19				331.61	331.61				-
Other financial liabilities										
- Non-current	16				2.52	2.52				-
- Current	21				52.46	52.46				-
Derivatives	21A	14.92	0.31			15.22		15.22		15.22
Trade Payables	20				2,551.12	2,551.12				-
Total financial liabilities		**14.92**	**0.31**	**-**	**2,937.72**	**2,952.94**	**-**	**15.22**	**-**	**15.22**

(₹ in crore)

		Carrying amount					Fair value			
March 31, 2017	**Note No.**	**Fair value-hedging instruments**	**FVTPL**	**FVTOCI**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets										
Investments										
- Mutual Fund	8		118.57			118.57	118.57			118.57
Loans & advances										-
- Non-current						-				-
- Current	12				12.15	12.15				-
Trade Receivables						-				-
- Non-current					1.90	1.90				
- Current	9				1,254.32	1,254.32				
Cash and Cash Equivalents	10				109.80	109.80				-
Other Bank Balances	11				13.17	13.17				-
Other financial assets										-
- Non-current	5				7.29	7.29				-
- Current					-	-				-
Derivatives	12A	37.26				37.26		37.26		37.26

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Total financial assets		**37.26**	**118.57**	**-**	**1,398.64**	**1,554.47**	**118.57**	**37.26**	**-**	**155.83**
Financial liabilities										
Borrowings	15/19				277.03	277.03				
Other financial liabilities										
- Non-current	16				2.51	2.51				
- Current	21				50.86	50.86				
Derivatives	21A	6.77	18.03			24.80		24.80		24.80
Trade Payables	20			-	1,772.49	1,772.49				-
Total financial liabilities		**6.77**	**18.03**	**-**	**2,102.88**	**2,127.68**	**-**	**24.80**		**24.80**

Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to ₹ 292.58 Crore and ₹ 199.22 Crore as of March 31, 2018 and March 31, 2017, respectively, are not included.

Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to ₹ 98.47 crores and ₹ 146.09 crores as of March 31, 2018 and March 31, 2017 respectively, are not included

Note: The fair value for financial instruments such as trade receivables, cash and cash equivalents, trade payables etc have not been disclosed because the carrrying values approximate the fair value.

B. Measurement of fair values

Valuation techniques and significant observable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant observable inputs used (if any).

Financial instruments measured at fair value

Type	Valuation technique	Level
Mutual fund investments	Quoted NAV	1
Commodity futures	Basis the quotes given by the LME broker/dealer.	2
Derivative liability Forward contracts for foreign exchange	FEDAI rate adjusted for interpolated spreads based on residual maturity	2
Interest rate swap for variable foreign currency loans	Basis the quotes given by the Bank	1

Note 34A Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors are responsible for developing and monitoring the Group's risk management.

The Group's risk management framework, are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note	35	Financial instruments – Fair values and risk management Credit Risk

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. The companies export receivables are covered under ECGC credit insurance policy.

The carrying amount of following financial assets represents the maximum credit exposure:

At March 31, the maximum exposure to credit risk for trade and other receivables age wise was as follows.

(₹ in crore)

	March 31, 2018	March 31, 2017
Neither past due nor impaired	1,136.52	879.14
past due 1-90 days	435.83	266.16
past due 91 -180 days	89.59	59.37
past due 180 days	66.80	51.56
	1,728.74	**1256.23**

Management believes that the unimpaired amounts which are past due are fully collectable.

Short term loans and advances

At March 31, the maximum exposure to credit risk for short term loans and advances age wise was as follows.

(₹ in crore)

	March 31, 2018	March 31, 2017
Neither past due nor impaired	13.17	12.15
past due 1-90 days	-	-
past due 91 -180 days	-	-
past due 180 days	-	-
	13.17	**12.15**

Management believes that the unimpaired amounts which are past due are fully collectable.

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances.

The Group follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a division wise provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows :

Expected credit loss (%)	Oil Division	Cable Division	Conductor Division
Neither past due nor impaired	0.00%	0.02%	0.00%
past due 1-90 days	0.00%	0.02%	0.00%
past due 91 -180 days	0.00%	0.40%	0.00%
past due 180 days	6.31%	2.80%	0.26%
	0.15%	**0.15%**	**0.01%**

* Expected credit loss is worked out on the trade receivables for which no specific provision is made.
The movement in the allowance for impairment in respect of trade receivable and short term loans and advances as as follows

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

(₹ in crore)

	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2016	18.48	-
Amounts provided	10.99	-
Amount written back	(2.45)	-
Balance as on 31 March 2017	27.02	-
Amounts provided	5.87	-
Amount written back	(0.60)	-
Balance as on 31 March 2018	32.29	-

Allowances for Expected Credit Loss

(₹ in crore)

	As at 31.3.2018	As at 31.3.2017
Balance at the beginning of the year	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.23	-
Balance at the end of the year	1.23	-

Other non-current financial assets

Other non-current financial assets includes earnest money deposit, security deposits to customers. This advances and deposits were made in continuation of business related activities and are made after review as per companies policy.

Cash and cash equivalents

The Group holds cash and cash equvalents of Rs. 274.37 Crore as on 31 March 2018 (Rs. 122.97 Crore as on 31 March 2017). The cash and cash equvalents are held with the bank and financial institutions, with good credit ratings.

Derivatives

Derivatives are entered with counterparties who have good credit ratings.

Note 36 Financial instruments – Fair values and risk management Liquidity Risk

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in crore)

	Contractual cash flows					
March 31, 2018	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	192.78	192.78	30.92	33.67	104.19	24.00
Short term loan from bank (Secured)	80.39	80.39	80.39	-	-	-
Short term loan from bank (Unsecured)	89.36	89.36	89.36	-	-	-
Trade and other payables	2,551.12	2,551.12	2,551.12	-	-	-
Other financial liabilities	24.06	24.06	24.06	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	0.85	0.85	0.85	-	-	-
Interest Rate Swap						
- Outflow	-	0.66	0.66	-	-	-
- Inflow	0.02	0.68	0.68	-	-	-

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

(₹ in crore)

March 31, 2017	Carrying amount	Contractual cash flows Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	118.15	118.15	27.60	56.91	33.64	-
Short term loan from bank (Secured)	73.05	73.05	73.05	-	-	-
Short term loan from bank (Unsecured)	113.42	113.42	113.42	-	-	-
Trade and other payables	1,772.49	1,772.49	1,772.49	-	-	-
Other financial liabilities	25.77	25.77	25.77	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging	-	-	-			
- Outflow	24.80	24.80	24.80	-	-	-
Interest Rate Swap	-	-	-			
- Outflow	-	1.16	1.16	-	-	-
- Inflow	0.13	1.29	1.29	-	-	-

*The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Note 37 Financial instruments – Fair values and risk management

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Commodity risk

The Group is affected by the price volatility of certain commodities viz. Aluminum, Copper and Oil. Its operating activities require the ongoing purchase and manufacture of the conductors, cables and Oil and thus requires continuous supply of these commodities. Due to the increase in volatility of the price of the commodities namely Aluminum and Copper, the Company has purchased forward contracts (for which there is an active market).

Currency risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Holding Company's is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Group do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2018:

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date.

(Figures in crore)

	March 31, 2018				
	USD	EUR	CAD	ETB	NPR
Trade receivables	5.58	0.00	1.68	-	-
Cash and cash equivalents	0.87	0.00	0.23	0.69	1.92
Long term Borrowings	(0.90)	-	-	-	-
Short term borrowings	(1.23)	-	-	-	-
Trade payables	(15.39)	(0.71)	-	-	-
Net Exposure	**(11.07)**	**(0.71)**	**1.92**	**0.69**	**1.92**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Figures in crore

	March 31, 2017				
	USD	EUR	CAD	ETB	NPR
Trade receivables	4.59	0.12	-	-	-
Cash and cash equivalents	0.99	0.00	-	0.71	2.64
Long term Borrowings	(1.31)	-	-	-	-
Short term borrowings	(1.49)	(0.57)	-	-	-
Trade payables	(5.14)	(0.02)	-	-	-
Net outstanding payable / (receivable)	**(2.35)**	**(0.46)**	**-**	**0.71**	**2.64**

The following significant exchange rates have been applied during the year.

	Average Rate		Year end Spot Rate	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
USD	64.45	67.09	65.18	64.85
EUR	75.42	73.61	80.30	69.07
CAD	50.31	51.34	50.56	48.65
ETB	2.56	2.93	2.32	2.81
NPR	0.62	0.61	0.62	0.61

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in crore)

	Profit or loss	
	Strengthening	Weakening
March 31, 2018		
USD (1% movement)	7.21	(7.21)
EUR (1% movement)	0.57	(0.57)
CAD (1% movement)	(0.97)	0.97
ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.01)	0.01
	6.79	**(6.79)**

	Profit or loss	
	Strengthening	Weakening
March 31, 2017		
USD (1% movement)	1.53	(1.53)
EUR (1% movement)	0.32	(0.32)
CAD (1% movement)	-	-
ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.02)	0.02
	1.81	**(1.81)**

Note 38 Financial instruments – Fair values and risk management Interest rate risk

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

In order to manager the risk of changing interest rates, the Company has entered into Interest Rate Swaps, whereby it switches its existing floating USD interest rate to USD fixed interest rates. This structure helps it hedge the risk of fluctuations in USD 6 month LIBOR on its USD Loan.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

(₹ in crore)

	Nominal amount	
	March 31, 2018	March 31, 2017
Variable-rate instruments	192.78	118.15
	192.78	**118.15**

Interest rate sensitivity for fixed rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
INR Crore	**100 bp increase**	**100 bp decrease**
March 31, 2018		
Variable-rate instruments	(1.93)	1.93
Interest rate swaps	0.15	(0.15)
Cash flow sensitivity (net)	(1.78)	1.78
March 31, 2017		
Variable-rate instruments	(1.18)	1.18
Interest rate swaps	0.27	(0.27)
Cash flow sensitivity (net)	(0.92)	0.92

Note 39 Financial instruments – Hedge accounting

The objective of hedge accounting is to represent, in the Group's financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss.

Currency risk-

The Group's risk management policy is to hedge its estimated foreign currency exposure in respect of highly forecasted purchase transactions. The Group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges. Group's policy is to match the critical terms of the forward exchange contracts with that of the hedged item.

Commodity risk

The Group's risk management policy is mitigate the impact of fluctuations in the aluminium/copper prices on highly forecast purchase transactions. The Group uses futures contract to hedge its commodity risk. Such contracts are generally designated as cash flow hedges.

Interest rate

The Group's risk management policy is to mitigate its interest rate risk exposure on floating rate borrowings by entering into fixed-rate instruments like interest rate swaps to eliminate the variability of cash flows attributable to movements in interest rates. Such hedges are designated as cash flow hedges.

For derivative contracts designated as hedge, the Company documents at inception the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The hedging book consists of transactions to hedge Balance Sheet assets or liabilities. The tenor of hedging instrument may be less than or equal to the tenor of underlying hedged asset or liability.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method/Dollar offset method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Interest rate hedge	Floating rate financial asset or liability	Floating rate financial asset or liability is converted into a fixed rate financial asset or liability using a floating to fixed interest rate swap. This is usually denominated in the currency of the underlying (which in most cases is the functional currency). if not, it may be combined currency swap.	Interest rate swap	Interest rate swap is a derivative instrument whereby the Company recieves or pays (in case of asset or a liability respectively) at a floating rate in return for a fixed rate asset or liability.	Cash flow hedge
2	Future contract	Highly probable purchase transaction	Mitigate the impact of fluctuations in aluminium and copper prices, on projected purchase contracts for metal	Futures contract	Company enters into a forward derivative contract to purchase a commodity at a fixed price and at a future date. These are customized contracts transacted in the over–the–counter market. Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over–the–counter market.	Cash flow hedge
3	Forward contract	foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Company enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts These are customized contracts transacted in the over–the–counter market.	Cash flow hedge

The Company, inter alia, takes into account the following criteria for constructing a hedge structure as part of its hedging strategy:
(a) The hedge is undertaken to reduce the variability in the profit & loss i.e the profit or loss arising from the hedge structure should be lesser than the profit & loss on the standalone underlying exposure. In case of cash flow hedge for covering interest rate risk the hedge shall be only undertaken to convert floating cash flows to fixed cash flows i.e. the underlying has to be a floating rate asset or liability.

(b) At any point in time the outstanding notional value of the derivative deal(s) undertaken for the purpose of hedging shall not exceed the underlying portfolio notional. The hedge ratio therefore does not exceed 100% at the time of establishing the hedging relationship.

(c) At any point in time the maturity of each underlying forming a part of the cluster/portfolio hedged shall be higher than the maturity of the derivative hedging instrument.

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

(₹ in crore)

As at 31 March 2018									
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	14.99	0.02	-	0.11	0.11	NA	NA	4.74	Finance Cost
Foreign exchange forward contracts	214.80	-	2.61	(3.94)	(3.94)	NA	NA	(17.73)	Finance Cost
ommodity contracts	189.82	4.89	12.31	44.71	44.71	NA	NA	44.85	COGS

(₹ in crore)

As at 31 March 2017									
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	26.59	0.13	-	(0.12)	(0.12)	NA	NA	(0.02)	Finance Cost
Foreign exchange forward contracts	92.02	-	6.55	5.67	5.67	NA	NA	(20.70)	Finance Cost
ommodity contracts	349.97	36.99	0.23	(36.21)	(36.21)	NA	NA	65.12	COGS

The tables below provide details of the Company's hedged items under cash flow hedges:

(₹ in crore)

	As at 31 March 2018			As at 31 March 2017		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve		Change in the value of hedged item for the year	Balance in cash flow hedge reserve	
		Where hedge accounting is continued	Where hedge accounting is discontinued		Where hedge accounting is continued	Where hedge accounting is discontinued
Floating rate borrowing	0.11	(0.02)	NA	(0.12)	(0.13)	NA
Highly probable purchases	(3.94)	2.61	NA	5.67	6.55	NA
Highly probable highly probable forecast transactions	44.71	7.42	NA	(36.21)	(36.91)	NA

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting::

(₹ in crore)

	Movement in Cash flow hedge reserve for the years ended	
	31-Mar-18	31-Mar-17
Opening balance	(30.49)	0.17
Effective portion of changes in fair value:		-
a) Interest rate risk	-	(0.10)
b) Commodity price risk	(0.14)	(101.33)
c)Foreign currency risk	13.79	26.37
Net amount reclassified to profit or loss:		

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

a) Interest rate risk	0.11	(0.02)
b) Commodity price risk	44.85	65.12
c)Foreign currency risk	(17.73)	(20.70)
Tax on movements on reserves during the year		-
Closing balance	10.39	(30.49)

Disclosure of effects of hedge accounting on financial performance

(₹ in crore)

31st March, 2018				
Type of hedge	**Change in the value of the hedging instrument recognised in OCI**	**Hedge ineffectiveness recognisd in profit or loss**	**Amount reclassified from cash flow hedging reserve to profit or loss**	**Line item affected in statement of profit and loss because of the reclassification**
Cash Flow Hedge				
Interest rate risk	0.11	NA	4.74	Finance Cost
Foreign exchange risk	(3.94)	NA	(17.73)	Finance Cost
Commodity price risk	44.71	NA	44.85	COGS

(₹ in crore)

31st March, 2017				
Type of hedge	**Change in the value of the hedging instrument recognised in other comprehensive income**	**Hedge ineffectiveness recognisd in profit or loss**	**Amount reclassified from cash flow hedging reserve to profit or loss**	**Line item affected in statement of profit and loss because of the reclassification**
Cash Flow Hedge				
Interest rate risk	(0.12)	NA	(0.02)	Finance Cost
Foreign exchange risk	5.67	NA	(20.70)	Finance Cost
Commodity price risk	(36.21)	NA	65.12	COGS

Note 40 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
Total liabilities (Comprising of Interest bearing borrowing)	362.53	304.62
Less : Cash and cash equivalent	274.37	122.97
Adjusted net debt	**88.16**	**181.65**
Total equity	1,108.25	1,036.12
Less : Hedging reserve	(6.78)	19.66
Adjusted equity	**1,115.03**	**1,016.46**
Adjusted net debt to adjusted equity ratio	0.08	0.18

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 41 Segment reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation -

The operations of the Company are segmented into Primary Segment (Business Segment) & Secondary Segment (Geographical Segment).

(b) Following are reportable segments

Reportable segment
"Conductor"
"Transformer & Speciality Oils"
"Power/Telecom Cables"

(c) Identification of segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Profit or Loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products / services.

(d) Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(e) Segment assets and liabilities::

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

B. Information about reportable segments

(₹ in crore)

For the year ended March 31, 2018							
Particulars	**Conductor**	**Transformer & Speciality Oils**	**Power/ Telecom Cables**	**Total Reportable segments**	**Other segments**	**Elimination**	**Total**
External revenues (Gross)	2,606.16	2,156.73	1,129.27	5,892.16	46.54	-	5,938.70
Other income	2.71	2.15	1.08	5.94	5.17	-	11.11
Intersegment revenue	9.32	5.50	6.81	21.63	0.01	(21.64)	-
Segment revenue	**2,618.20**	**2,164.38**	**1,137.15**	**5,919.73**	**51.72**	**(21.64)**	5,949.81
Segment profit (loss) before tax & Finance Cost	130.81	163.79	91.06	385.66	2.74	-	388.40
Less :- Interest expense							140.00
Less:- Other unallocated expenditure net of unallocable income							25.64
Profit before tax							222.77
Tax expenses							78.03
Share in net profit (loss) of associates / JV accounted by Equity method	-	-	-	-	-	-	-
Profit after tax							144.74
Capital employed							
Segment assets	1,884.21	1,326.81	826.91	4,037.93	43.08		4,081.01
Unallocable corporate and other assets				-			188.23
Total Asset	1,884.21	1,326.81	826.91	4,037.93	43.08	-	4,269.24
Segment liabilities	1,506.64	970.94	417.80	2,895.38	2.36		2,897.74
Unallocable corporate and other libilities				-			263.28
Total Liabilities	1,506.64	970.94	417.80	2,895.38	2.36	-	3,161.01
Capital expenditure	56.31	20.85	46.74	123.90	2.27		126.17
Capital expenditure -Unallocable							1.83
Depreciation and Amortisation expense	18.83	15.91	18.14	52.88	0.16		53.04
Depreciation and Amortisation-Unallocable							2.83

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

(₹ in crore)

For the year ended March 31, 2017							
Particulars	**Conductor**	**Transformer & Speciality Oils**	**Power/ Telecom Cables**	**Total Reportable segments**	**Other segments**	**Elimination**	**Total**
External revenues (Gross)	2,447.54	1,877.09	923.77	5,248.40	40.42	-	5,288.82
Other income	0.09	2.27	2.58	4.94	11.02	-	15.96
Intersegment revenue	13.95	3.93	3.07	20.95	0.48	(21.43)	-
Segment revenue	**2,461.58**	**1,883.29**	**929.42**	**5,274.29**	**51.92**	**(21.43)**	**5,304.78**
Segment profit (loss) before tax & Finance Cost	179.01	168.88	61.39	409.28	2.23		411.51
Less :- Interest expense							114.36
Less:- Other unallocated expenditure net of unallocable income							23.75
Profit before tax							273.40
Tax expenses							97.15
Share in net profit (loss) of associates / JV accounted by Equity method	-	0.32	-	0.32	-	-	0.32
Profit after tax							176.57
Capital employed							
Segment assets	1,313.77	1,162.61	702.33	3,178.70	25.47	-	3,204.17
Unallocable corporate and other assets							244.04
Total Asset	1,313.77	1,162.61	702.33	3,178.70	25.47	-	3,448.22
Segment liabilities	1,069.14	773.16	355.49	2,197.79	2.31		2,200.10
Unallocable corporate and other liabilities							212.00
Total Liabilities	1,069.14	773.16	355.49	2,197.79	2.31	-	2,412.10
Capital expenditure	54.48	61.84	49.78	166.10	0.15		166.25
Capital expenditure -Unallocable							4.71
Depreciation and Amortisation expense	14.90	10.84	15.99	41.74	0.09		41.83
Depreciation and Amortisation- Unallocable				-			3.14

C. Information about geographical areas

(₹ in crore)

(a) Revenue from external customers	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
- Within India*	3,915.33	3,930.25
- Outside India	2,023.37	1,358.57
	5,938.70	**5,288.82**

* Includes deemed exports ₹ 63.81 Crore (Previous Year ₹ 121.43 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
USD (US Dollor)	1,638.43	1,292.92
EUR (EURO)	41.65	29.39
CAD (Canadian Dollor)	162.40	0.51
JPY (Japanese Yen)	0.16	0.15
INR	180.73	35.60
Total	**2023.37**	**1,358.57**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

(₹ in crore)

(b) Segment Assets	As at March 31, 2018	As at March 31, 2017
- Within India	3,562.82	2,947.74
- Outside India	706.42	500.48
	4,269.24	**3,448.22**

(₹ in crore)

Segment assets outside India currency wise	As at March 31, 2018	As at March 31, 2017
USD (US Dollor)	606.57	488.21
EUR (EURO)	0.22	8.66
NPR (Nepalese Rupee)	1.18	1.62
CAD (Canadian Dollor)	96.85	-
INR	1.60	1.99
Total	**706.42**	**500.48**

C. Information about Major Customer

Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the group's total revenue.

Note 42 Related party relationships, transactions and balances

A. List of Related Parties

a). Key Managerial Personnel:

Mr. K. N. Desai - Chairman and Managing Director
Mr. C. N. Desai - Managing Director
Mr. Rishabh Kushal Desai - Director - Petroleum Specialities FZE
Mr. V. C. Diwadkar- Chief Financial Officer
Mr. Sanjaya Kunder- Company Secretary
Mr.G.Sudhakar - Director -Petroleum Specialities Pte. Ltd / Petroleum Specialities FZE

b). Chairman having significant influence:

Dr. N. D. Desai - Non Executive Chairman - Upto 16.10.2016

c). Relatives of Key Managerial Personnel

Ms. Maithili N. Desai
Mrs. Noopur Kushal Desai
Ms. Gaurangi K. Desai
Mrs. Jinisha C. Desai
Mr. Devharsh C. Desai
Ms Nitika C. Desai
Mrs. Vineeta R. Srivastava
Mr. Rajeev Srivastava
Ms. Krishangi R. Srivastava
Mrs. Arti V. Diwadkar
Mr. Amit V. Diwadkar
Mrs. Vinaya S. Kunder
Master Akshat S. Kunder

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

Apar Corporation Private Ltd
Scope Private Limited and its' subsidiaries, viz
a) Apar Investment (Singapore) Pte. Ltd
b) Apar Investment Inc.
Apar Technologies Private Ltd
Apar Technologies Pte Ltd
Maithili Trusteeship Services Private Ltd
Chaitanya N. Desai Family Private Trust
Maithili N. Desai Family Private Trust
Kushal Chaitanya N. Desai Family Trust
Chaitanya N. Desai Family Trust
Catalis World Private Ltd
Gayatri Associates

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Kushal N. Desai Family Private Trust
Narendra D. Desai Family Private Trust
Quantum Chemical Pty Ltd

B. Related Party Transactions

(i) Key Managerial Personnel :

(₹ in crore)

Sr No.	Transactions	2017-18	2016-17
1	Remuneration	8.90	9.69
2	Dividends paid (payment basis)	18.29	-
3	Buy back of shares	-	14.90

(ii) Chairman having significant influence Upto 16.10.2016 (₹ in crore)

Sr No.	Transactions	2017-18	2016-17
1	Director's commission	-	1.56
2	Legal and professional fees	-	-
3	Sitting fees	-	0.01
4	Dividends paid (payment basis)	0.17	-

(iii) Relatives of Key Managerial Personnel: (₹ in crore)

Sr No.	Transactions	2017-18	2016-17
1	Dividends paid (payment basis)	1.71	-

(iv) Entities over which key management personnel/individual having significant influence (₹ in crore)

Sr No.	Transactions	2017-18	2016-17
1	Rent paid	1.13	0.21
2	Dividends paid (payment basis)	2.01	-
3	Management Fees	-	0.23
4	Buy back of shares	-	0.14
5	Outstanding as on March 31		-
	Loans and advances receivable	-	3.37

C. Compensation of Key Management Personnel of the company ₹ in crore)

Sr No.	Transactions	2017-18	2016-17
1	Short-term employment benefits	8.70	9.48
2	Post Employment benefis	0.16	0.11
3	Other Long term employee benefits	0.04	0.10
	Total	**8.90**	**9.69**

Note 43 Contingent liabilities and commitments

A) Contingent liabilities and commitments (to the extent not provided for)

		March 31, 2018	March 31, 2017
	Contingent liabilities		
a)	Claims against the Company not acknowledged as debts -		
i)	Demand/ Show cause-cum-demand notices received and contested by the Company with the relevant appellate authorities:		
	Excise duty (also refer note (iii) below)	8.54	5.61
	Customs duty	2.87	7.18
	Sales tax	15.32	14.34
ii)	Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	11.14	10.52
iii)	Interest on delayed payment of excise duty, (which duty payment was revenue neutral) on certain deemed exports. Department has filed appeal in the Supreme Court against High Court Order in Company's favour.	5.12	5.12
iv)	Labour matters	2.33	2.17
v)	Others	6.59	6.59
b)	Bills of exchange discounted	4.33	51.58

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

B) Capital commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	17.91	17.71

Note 44 Research and Development Expenses :

A. R & D Center-OIL Division (Rabale - DSIR Recognised) (₹ in crore)

	Transactions	2017-18	2016-17
(a)	Salary, wages and other benefits	1.61	1.64
	Consumables and Other expenses	0.43	0.23
	sub-Total	2.04	1.87
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	0.92	-
		0.92	-
	Total	**2.96**	**1.87**

B. R & D Center-Conductor Division (₹ in crore)

	Transactions	2017-18	2016-17
(a)	Salary, wages and other benefits	-	-
	Consumables and Other expenses	3.63	3.70
	sub-Total	3.63	3.70
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	0.38	1.15
		-	-
	Total	**0.38**	**1.15**
		4.01	**4.85**

C. R & D Center-Cable Division (₹ in crore)

	Transactions	2017-18	2016-17
(a)	Salary, wages and other benefits	0.13	0.11
	Consumables and Other expenses	0.38	0.41
	sub-Total	0.51	0.51
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	0.01
		-	0.01
	Total	**0.51**	**0.52**
	Grand Total (A+B+C)	**7.48**	**7.24**

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2018 and March 31, 2017.

Note 45 Master Netting (₹ in crore)

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
31 March 2018			
Financial assets			
Derivative instruments			
Forward contract	6.05	4.89	1.16
Interest rate swap	0.02	-	0.02
Total	**6.07**	**4.89**	**1.18**
Financial liabilities			

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2018

Derivative instruments			
Forward contract	15.22	4.89	10.33
Interest rate swap	-	-	-
Total	**15.22**	**4.89**	**10.33**

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
31 March 2017			
Financial assets			
Derivative instruments			
Forward contract	37.13	0.23	36.91
Interest rate swap	0.13	-	0.13
Total	**37.26**	**0.23**	**37.04**
Financial liabilities			
Derivative instruments			
Forward contract	24.80	0.23	24.57
Interest rate swap	-	-	-
Total	24.80	0.23	24.57

Company enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreement. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in same currency are aggregated into a single net amount that is payable by one party to other.

In certain circumstances e.g. when a credit event such as default occurs-all outstanding transactions under the agreement are terminated, the termination value is assessed and only a net amount is payable in the settlement of all transactions.

The ISDA master netting agreement do not meet the criteria for offsetting in the balance sheet. This is because the Company does not have ant currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on default.

SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Edwin P Augustine
Partner
Membership No. 043385
Mumbai, 30th May, 2018

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 30th May, 2018

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Annexure IX to the Directors' Report

FORM AOC- 1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries companies

Sr. No	Particulars	Petroleum Specialities Pte. Limited, Singapore		Petroleum Specialities FZE, Sharjah		Apar Transmission and Distribution Projects Pvt. Ltd.	Cema Optilinks Private Limited (Note 2)
		In USD	₹ in Crore	In USD	₹ in Crore	₹ in Crore	₹ in Crore
(a)	Capital	59,101	0.26	9,536,784	61.85	0.01	0.01
(b)	Reserve	15,249,371	99.20	(1,544,872)	(9.82)	1.15	(0.18)
(c)	Total Assets	15,708,648	102.07	35,485,399	231.23	8.67	1.01
(d)	Total Liabilities	400,175	2.61	27,493,487	179.20	7.51	1.17
(e)	Details of investment (Except in case of investment in Subsidiaries)	-	-	-	-	-	-
(f)	Turnover	6,858,411	44.08	39,456,408	254.32	12.51	0.24
(g)	Profit before taxation	487,565	3.04	(519,716)	(2.90)	1.56	(0.24)
(h)	Provision for taxation	54,365	0.38	-	-	0.40	(0.06)
(i)	Profit after taxation	433,200	2.66	(519,716)	(2.90)	1.16	(0.18)
(j)	Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil
(k)	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	99.00%

Notes :

1) As on 31.03.2018: 1 U.S. Dollar(USD) = ₹ 65.1800
2) A Majority-Owned Subsidiary incorporated on 12th June 2017.

Annexure X to the Diretors' Report

FORM AOC- 2

(Pursuant to claused (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

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

(a)	Name(s) of the related party and nature of relationship	:	Not Applicable
(b)	Nature of contracts/arrangements/transactions	:	Not Applicable
(c)	Duration of the contracts / arrangements/transactions	:	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Not Applicable
(e)	Justification for entering into such contracts or arrangements or transactions	:	Not Applicable
(f)	Date(s) of approval by the Board	:	Not Applicable
(g)	Amount paid as advances, if any	:	Not Applicable
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	:	Not Applicable
(b)	Nature of contracts/arrangements/transactions	:	Not Applicable
(c)	Duration of the contracts / arrangements/transactions	:	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Not Applicable
(e)	Date(s) of approval by the Board, if any	:	Not Applicable
(f)	Amount paid as advances, if any	:	Not Applicable

Notes :

There are no material contract or arrangement or transaction entered in to by the Company with related party as envisaged u/s 188 of the Companies Act, 2013. Related party transactions as per IND AS are reported on Note No. 43 of Audited Financial Statements annexed hereto.

On behalf of the Board of Directors

(Kushal N. Desai)
Chairman & Managing Director

Mumbai, 30th May, 2018

FORM NO. MGT-11

APAR INDUSTRIES LIMITED

(CIN : L91110GJ1989PLC012802)

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

Phone : 0265-2339906 Fax : 0265- 2330309

Email : com_sec@apar.com Website : www.apar.com

TWENTY NINTH ANNUAL GENERAL MEETING

Thursday, 9th August, 2018

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	:
Registered Address	:
E-mail Id	:
Folio No. / Client Id	:
DP Id	:

I / We, being the member(s), holding _____ Shares of the above named company, hereby appoint :

1. Name :
   Address :
   Email Id :
   Signature _____ or failing him / her;
2. Name :
   Address :
   Email Id :
   Signature _____ or failing him / her;
3. Name :
   Address :
   Email Id :
   Signature _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 29th Annual General Meeting of the Company to be held on **Thursday, 9th August, 2018** at **2.15 P.M.** at the Auditorium of the **Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007**, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional *	
Ordinary Business :		For	Against
1.	Adoption of the Accounts.		
2.	Declaration of dividend on the Equity shares of the Company.		
3.	Re-appointment of Mr. Chaitanya N. Desai as Director who retires by rotation and being eligible offers himself for re-appointment.		
Special Business :			
4.	Re-appointment of Mr. Kushal N. Desai as Managing Director and Chief Executive Officer (CEO) of the Company for a period of 5 years w.e.f. 1st January, 2018.		
5.	Re-appointment of Mr. Chaitanya N. Desai as Managing Director of the Company for a period of 5 years w.e.f. 1st January, 2018.		
6.	Payment of remuneration to Cost Auditors.		

Signed this _____ day of _____, 2018.

Signature of shareholder_____

Signature of Proxy hol der(s) _____

Affix Revenue Stamp

Notes :

1. This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Ninth Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

APAR INDUSTRIES LIMITED
(CIN : L91110GJ1989PLC012802)
Regd. Office : 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007 (Gujarat), India
Phone : 0265-2339906 Fax : 0265- 2330309
Email : com_sec@apar.com Website : www.apar.com

TWENTY NINTH ANNUAL GENERAL MEETING
Thursday, 9th August, 2018

ATTENDANCE SLIP

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

Registered Folio No. / DP ID No. / Client ID No. :

Number of Equity Shares held:

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the **29th Annual General Meeting** of the Company on **Thursday, 9th August, 2018 at 2.15 p.m.** at the **Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007, Gujarat.**

Name of the Member / Proxy
(in Block Letters)

Signature of the Member / Proxy

Notes : 1) Please fill the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the entrance of the Meeting Hall.

2) Members / Proxies are requested to bring attendance slip with them. Duplicate slips will not be issued at the venue of the Meeting.

Form No. MGT – 12

APAR INDUSTRIES LIMITED
(CIN : L91110GJ1989PLC012802)
Regd. Office : 301, Panorama Complex, R. C. Dutt Road, Vadodara – 390 007 (Gujarat), India
Phone : 0265-2339906 Fax : 0265- 2330309
Email : com_sec@apar.com Website : www.apar.com

Twenty Ninth Annual General Meeting
Thursday, 9th August, 2018

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered folio No. / *Client ID No. (* Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my **assent** or **dissent** to the said resolution in the following manner:

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
ORDINARY BUSINESS:				
1.	To receive, consider and adopt the Audited Financial statements including Consolidated Financial statements comprising the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss and Cash flow for the year ended on that date together with Reports of Directors and Auditors thereon **(Ordinary Resolution).**			
2.	To declare dividend on the Equity Shares of the Company **(Ordinary Resolution).**			
3.	To appoint a Director in place of Mr. Chaitanya N. Desai (DIN – 00008091) who retires by rotation and, being eligible offers himself for re-appointment **(Ordinary Resolution).**			
SPECIAL BUSINESS:				
4.	To approve Re-appointment of Mr. Kushal N. Desai as Managing Director and Chief Executive Officer (CEO) of the Company for a period of 5 years w.e.f. 1st January, 2018 **(Special Resolution).**			
5.	To approve Re-appointment of Mr. Chaitanya N. Desai as Managing Director of the Company for a period of 5 years w.e.f. 1st January, 2018 **(Special Resolution).**			
6.	To confirm appointment and ratify payment of remuneration not exceeding Rs. 1,20,000/- p.a. to Mr. T. M. Rathi, the Cost Auditors for the Financial Year ending 31st March, 2018 **(Ordinary Resolution).**			

Place :

Date : **(Signature of the shareholder)**

COURIER

If undelivered please return to:

APAR INDUSTRIES LTD.
301, Panorama Complex, R. C. Dutt Road,
Vododara - 390007, Gujarat

www.apar.com

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