



APAR INDUSTRIES LTD.

CORPORATE OFFICE :
APAR HOUSE, CORPORATE PARK,
V. N. PURAV MARG, 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/0807/2019

8th July, 2019

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

Sub. : Submission of Annual Report 2018-19 (e-filing) pursuant to amended Regulation 34 and all other applicable regulations, if any, of the SEBI (LODR) Regulations, 2015

Dear Sir,

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, we are submitting herewith Annual Report of the Company for the financial year ended 31st March, 2019 (2018-19) comprising of *inter-alia*, Notice, Directors' Report, Auditors' Report, Audited Financial Statements, both Standalone and Consolidated, Cash Flow Statements, Business Responsibility Report etc. Further, 30th Annual General Meeting of the shareholders of the Company will be held on Thursday, 8th August, 2019 at 2.15 p.m. at the Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390007 (Gujarat), India.

Kindly take the above information on your record.

Thanking you,

Yours faithfully,
For Apar Industries Ltd.


(Sanjaya Kunder)
Company Secretary

Encl. : As above



Tomorrow's Progress Today

ANNUAL REPORT
2018-19 >>>

POWERING AHEAD

APAR INDUSTRIES LTD.

CONTENTS

Corporate Information	01
Financial Highlights	02
Notice	03
Directors' Report	12
Corporate Governance Report	48
Financial Section	72
Consolidated Accounts	136
Financial Statement of Subsidiaries	194



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
Mr. F. B. Virani	Independent Director
Mr. C. N. Desai	Managing Director
Mr. Rajesh Sehgal	Independent Director
Mr. Suyash Saraogi	Independent Director – Upto 20.08.2018
Mr. Rishabh K. Desai	Non Executive and Non Independent Director – w.e.f. 7 th May, 2019

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. F. B. Virani – Chairman w.e.f. 28.08.2018
Mr. F. B. Virani	Mr. F. B. Virani	Mr. F. B. Virani	Mr. Kushal N. Desai
Mr. Rajesh Sehgal	Mr. Chaitanya N. Desai	Mrs. Nina Kapasi – w.e.f. 28.08.2018	Mr. Chaitanya N. Desai
Mr. Kushal N. Desai		Mr. Suyash Saraogi - up to 20.08.2018	Mr. Suyash Saraogi - Up to 20.08.2018
Mr. Suyash Saraogi - up to 20.08.2018			

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 | ■ Syndicate Bank | ■ Kotak Mahindra Bank Ltd. |
| ■ IDBI Bank Limited | ■ ICICI Bank Ltd. | ■ State Bank of India |
| ■ IDFC Bank Limited | ■ Axis Bank Ltd. | ■ Bank of India |
| ■ Credit Agricole – Corporate & Investment Bank | | ■ YES Bank Limited |
| ■ Societe Generale | | |

Registered Office

301, Panorama Complex,
R. C. Dutt Road,
Vadodara – 390 007 (Gujarat), India
Tel : (+91) (0265) 2339906
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	2018-19*	2017-18*	2016-17*	2015-16*	2014-15
PROFIT AND LOSS ACCOUNT DATA					
Sales (Net of Excise)	7,964	5,819	4,832	5,078	5,122
% of Growth	37	20	(5)	(1)	11
Exports	2,443	2,023	1,359	1,651	1,673
Materials, Operating and other costs	7,351	5,288	4,321	4,625	4,791
Employee cost	148	126	107	91	79
Depreciation	67	56	45	38	31
Interest and Discounting charges	200	140	114	157	150
Profit before tax, exceptional & Extraordinary Items	216	223	273	178	73
% of Growth	(3)	(19)	54	144	(44)
Taxation	80	78	97	57	23
Profit after tax (PAT)	136	145	176	120	50
Exceptional items	-	-	-	-	0
Other Comprehensive Income	2	(27)	20	3	-
Joint Venture profit/(loss)	-	-	0	1	-
Minority Interest (Profit)/loss	-	-	-	-	0
Balance of Profit	138	118	196	125	50
% of Growth	17	(40)	57	152	(44)
BALANCE SHEET DATA:					
Share Capital	38	38	38	38	38
Reserves & Surplus	1,164	1,070	998	815	691
Net worth	1,202	1,108	1,036	854	730
Minority interest	-	(0)	-	-	1
Loan Funds	253	273	254	361	361
Deferred Tax (Net)	40	35	46	31	27
Total Liabilities	1,496	1,416	1,336	1,246	1,120
Gross Block	893	769	640	★422	603
Net Block	810	663	594	444	383
Investments including Goodwill on Consolidation/amalgamation	2	5	7	13	22
Net Current assets	684	748	734	789	715
Total Assets	1,496	1,416	1,336	1,246	1,120
KEY RATIOS:-					
PAT to Sales (%)	1.71	2.49	3.65	2.37	0.97
Return on Net Worth (%)	11.78	13.50	18.65	15.37	6.98
Asset Turns (Revenue to total Assets)	1.72	1.51	1.51	1.71	1.76
Return on Capital Employed (%)	28.58	26.36	30.03	28.58	20.67
Debt to Equity Ratio	0.14	0.17	0.11	0.14	0.15
Earning per Equity Share (Basic) Rs.	35.55	37.82	45.88	32.48	12.87
Rate of dividend % p.a.	95%	95%	100%	65%	35%
Book value per Equity Share Rs.	314.19	289.59	270.75	221.82	189.58
Share Price as on 31st March (BSE)	674.05	728.00	748.85	461.80	370.10

* 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 **30th (Thirtieth)** Annual General Meeting (**AGM**) of the Equity Shareholders of **APAR INDUSTRIES LIMITED** ('the Company') will be held on **Thursday, 8th August, 2019 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, 2019 including the Balance Sheet as at March 31, 2019, 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 2018-19.
3. To appoint a Director in place of Mr. Kushal N. Desai (DIN – 00008084), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business :

4. **Appointment of Mr. Rishabh K. Desai, as Non-executive and Non-Independent Director of the Company,**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), all relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended to date and on the basis of recommendation of the Nomination and Compensation-cum-Remuneration Committee, Mr. Rishabh Kushal Desai (holding DIN 08444660), who was appointed as an Additional Director, Non-Executive (Non Independent) with effect from 07/05/2019, by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member signifying his intention to propose the candidature of Mr. Rishabh Kushal Desai for the office of Director of the Company, be and is hereby appointed as a Director Non-Executive (Non Independent) of the Company, whose term of office shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company be and are hereby authorized to do all acts, deeds, matters and things, necessary and expedient to give effect to the resolution."

5. **Re-appointment of Mr. F. B. Virani as Non-Executive Independent Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149,

152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(1)(C)(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Compensation-cum-Remuneration Committee, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. F. B. Virani (holding DIN 00062278), Director of the Company, who is holding the office of an Independent Director for five consecutive years upto the conclusion of 30th Annual General Meeting (AGM) of the Company to be held in the calendar year 2019, as an Independent Director of the Company, not liable to retire by rotation, being eligible, for his second term of five consecutive years with effect from the conclusion of this AGM upto the conclusion of 35th Annual General Meeting of the Company to be held in the calendar year 2024 and to continue to hold such directorship on and after attaining the age of seventy five (75) years.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, deeds and things as may be necessary or expedient to give effect to above-said resolution."

6. **Re-appointment of Mrs. Nina Kapasi as Non-Executive Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Compensation-cum-Remuneration Committee, approval of the members of the Company be and is hereby accorded to the re-appointment of Mrs. Nina Kapasi (holding DIN 02856816), Director of the Company, who is holding the office of an Independent Director for five consecutive years upto the conclusion of 30th Annual General Meeting (AGM) of the Company to be held in the calendar year 2019, as an Independent Director of the Company, not liable to retire by rotation, being eligible, for her second term of five consecutive years with effect from the conclusion of this AGM upto the conclusion of 35th Annual General Meeting of the Company to be held in the calendar year 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company be



and are hereby severally authorized to do all acts, deeds and things as may be necessary or expedient to give effect to above-said resolution."

7. Payment of remuneration to the Cost Auditors of the Company for the FY 2019-20

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 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), M/s. Rahul Ganesh Dugal and Co., a Proprietary Firm of Cost Accountant, the Cost Auditor having Firm Registration no. 103425 and Membership no. 36459, 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, 2020 in place of T. M. Rath, who has expressed his inability to act as Cost Auditor of the Company, 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
CIN: L91110GJ1989PLC012802
Website: www.apar.com
E-mail: com_sec@apar.com
Tel.: (+91) (0265) 2339906
Fax : (+91) 0265) 2330309

**By Order of the Board
For Apar Industries Limited**

**Sanjaya Kunder
Company Secretary**

Place : Mumbai
Date : May 29, 2019.

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 organization.

3. Corporate Members intending to send their Authorised Representative(s) to attend the Annual General Meeting in terms of 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 / Proxies/ Authorised Representatives 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. Members, who hold shares in dematerialised form, are requested to write their Client ID and DP ID numbers and those, who hold shares in physical form, are requested to write their Folio Number in the attendance slip for attending the Meeting.

6. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from 2nd August, 2019 to 8th August, 2019, 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. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. With the said change coming into effect from April 1, 2019, Equity Shares of the Company shall be eligible for transfer only in Dematerialized form. Therefore, the Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

9. 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.

10. 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.
11. 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.
12. 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 and Second Saturday of each Month 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.
13. **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 2011-12 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
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
2017-18	09.08.2018	13.09.2025

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 2010-11 (Final Dividend) has been transferred to IEPF as on 9th October, 2018.

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, 2018 (date of last Annual General Meeting) on the website of the Company (www.apar.com).

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 –

- (1) 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 and
- (2) 6,520 Equity Shares of the shareholders whose dividend had remained outstanding for a period of 7 years from 2010-11 to 2016-17 on 16th November, 2018

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://www.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 as 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.

14. 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.
15. 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.
16. A route map showing directions to reach the venue of the 30th AGM is given at the end of this Notice as per the requirement of Secretarial Standard - 2 on "General Meeting".
17. (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 three Subsidiaries with the Annual Report of the Company for the financial year ended March 31, 2019.
- (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.



18. The Annual Report 2018-19 of the Company, circulated to the Members of the Company, will be made available on the Company's website at www.apar.com.

19. 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.

20. 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 30th Annual General Meeting to be held on Thursday, 8th August, 2019 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, 4th August, 2019 and ends on 17:00 Hrs. of Wednesday, 7th August, 2019. 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, 1st August, 2019 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 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 voted on an earlier voting of 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details	<ul style="list-style-type: none"> 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.
OR	
Date of Birth (DOB)	<ul style="list-style-type: none"> 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 directly reach the Company 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. on which you choose to vote.
- (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 Resolution details.
- (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 votes cast 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. 1st August, 2019 should follow the same procedure as mentioned above for e-Voting.

Shareholders can also use Mobile app "m-Voting" for voting. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s). 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.

(xvii) 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 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 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.
- (xviii) 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.
- (xix) For any grievances connected with facility for e-voting, members may contact:

Name : Mr. Rakesh Dalvi
 Designation : Manager
 Address : A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400013.
 Email id : helpdesk.evoting@cdslindia.com
 Phone number : 1800225533

- (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.

21. 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, 4th August, 2019
End of e-voting period	Upto 17:00 Hrs. of Wednesday, 7th August, 2019

E-voting shall not be allowed beyond 17.00 Hrs of 7th August, 2019. 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 1st August, 2019. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 1st August, 2019.

- (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.

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

- (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.

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: vadodara@linkintime.co.in
Website: www.linkintime.co.in

ANNEXURE TO NOTICE

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

ITEM NO. 4:

Item No. 4 of the Notice relates to appointment of Mr. Rishabh Kushal Desai as Director of the Company to hold the office as Non-Executive and Non-Independent Director.

Pursuant to provisions of Section 161 of the Companies Act, 2013 read with applicable rules made thereunder, provisions of Article 134 of the Articles of Association (AOA) of the Company and on the recommendation of the Nomination and Compensation-cum-Remuneration Committee, the Board of Directors of the Company has appointed Mr. Rishabh Kushal Desai (DIN : 08444660) as an Additional Director (in the category of Non-Executive and Non-Independent Director) of the Company w.e.f. 7th May, 2019 by passing Circular Resolution under Section 175 of the Companies Act, 2013 which was subsequently ratified by the Board of Directors at their meeting held on 29th May, 2019.

In pursuance of the provisions of Section 161 of the Companies Act, 2013, Mr. Rishabh K. Desai will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Rishabh K. Desai for the Office of Director.

Mr. Rishabh Desai has graduated from Babson College, a School of Business, Massachusetts, USA with a degree in Bachelor of Science in Entrepreneurship and Business Management. He was in-charge of green field project on establishing state of the art Petroleum Specialties plant in Hamriyah Free Zone, Sharjah, UAE. Prior to that

he had a stint in Ergon Inc., and UBS, AG, Singapore to have blend of exposures in Finance and commodities & metal trading.

Hamriyah Plant is now fully operating as step down wholly owned subsidiary of the Company under the name "Petroleum Specialties FZE", Sharjah having manufacturing capacity of 100,000 KL. Presently, Mr. Rishabh is Executive Director of said subsidiary.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Except Mr. Kushal N. Desai and Mr. Chaitanya N. Desai, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

ITEM NO. 5 & 6:

The Shareholders of the Company at the 25th Annual General Meeting held on 1st August, 2014 had approved the appointments of Mr. F. B. Virani (holding DIN : 00062278) and Mrs. Nina Kapasi (holding DIN 02856816) as Independent Directors of the Company for the first term to hold office upto the conclusion of 30th Annual General Meeting of the Company to be held in the calendar year 2019, pursuant to the provisions of the Companies Act, 2013 (the Act) and Rules framed thereunder read with Schedule IV to the Companies Act, 2013 and the erstwhile Listing Agreement with the Stock Exchanges. In terms of the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing of a special resolution by the Company for another term of upto five (5) consecutive years. Further in terms of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,



2015 (hereinafter referred to as "the Listing Regulations"), listed entity can continue the directorship of any person as a non-executive director on attaining the age of seventy five (75) years if a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment provides justification for such appointment.

During the term of next five years, Mr. F. B. Virani will attain the age of 75 years. Mr. Virani is physically fit, mentally alert and is vocal at the Board & Committee meetings. In terms of the aforesaid Listing Regulation, the approval from the members will be considered as requisite approval for appointment of Mr. Virani as Independent Director.

The Nomination and Compensation-cum-Remuneration Committee (NRC), based on the various factors viz., the number of board, committee and general meetings attended by the Independent Directors; their knowledge, contribution & experience in their respective fields; their specialized skills and expertise in assisting the Board and its Committees in attaining the objectives of the Company and their participation in the Board/Committee deliberations and outcome of the performance evaluation in its meeting held on 29th May, 2019, recommended to the Board, the re-appointment of Mr. F. B. Virani and Mrs. Nina Kapasi as Independent Directors for a further term of five (5) consecutive years from conclusion of this AGM upto the conclusion of 35th Annual General Meeting of the Company to be held in the calendar year 2024.

The Board at its meeting held on 29th May, 2019, based on the recommendation of the Nomination and Compensation-cum-Remuneration Committee, have approved the re-appointment (not liable to retire by rotation) of Mr. F. B. Virani and Mrs. Nina Kapasi as Independent Directors subject to approval of shareholders of the Company from conclusion of this AGM upto the conclusion of 35th Annual General Meeting of the Company to be held in the calendar year 2024, by way of passing of the Special Resolution. The Board of Directors states that the re-appointment of Mr. F. B. Virani and Mrs. Nina Kapasi would be in the interest of the Company and its Shareholders.

Mr. F. B. Virani and Mrs. Nina Kapasi are not disqualified from being appointed as Director in terms of Section 164 of the Act and any other applicable law prescribed by SEBI or any other authority and have consented to act as Independent Directors of the Company. The Company has also received declaration from both that they meet the criteria of independence as prescribed under Section 149 of the Act and the Listing Regulations.

The Company has received notice in writing under the provisions of Section 160 of the Act from Members proposing the candidature of Mr. F. B. Virani and Mrs. Nina Kapasi for re-appointment as Independent Directors of the Company.

In the opinion of the Board, Mr. F. B. Virani and Mrs. Nina Kapasi meet the criteria of independence as specified in the Act, the Rules framed thereunder and the Listing Regulations and they are independent of the Management.

Details of Mr. F. B. Virani and Mrs. Nina Kapasi are provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

Presently, Mr. F. B. Virani is a Member of the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Compensation-cum-Remuneration Committee and the Chairman of the Share Transfer & Shareholders Grievance – cum – Stakeholders Relationship Committee of the Board of Directors

of the Company. Mrs. Nina Kapasi is a member of the Nomination and Compensation-cum-Remuneration Committee, the Risk Management Committee and Chairperson of the Audit Committee of the Board of Directors of the Company.

Copy of draft appointment letters setting out the terms and conditions of their re-appointment are available for inspection by the members at the Registered Office of the Company.

Save and except, Mr. F. B. Virani and Mrs. Nina Kapasi and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 & 6.

The Board considers that their continued association as Independent Directors would be of immense benefit to the Company. Accordingly, the Board recommends the Special Resolutions set out in Item No. 5 and 6 for approval of the members.

ITEM NO. 7:

T.M. Rathi, the Cost Auditor has expressed his inability to act as Cost Auditor to audit the cost records of the Company for the financial year ending 31st March, 2020 due to pre-occupation and health constraint.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. Rahul Ganesh Dugal and Co., a Proprietary Firm, who are in Whole Time Practice as Cost Accountant, having Firm Registration no. 103425 and Membership no. 36459 as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 (2019-20), in place of T. M. Rathi.

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. 7 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, 2020 (2019-20).

The Board accordingly recommends the resolution at Item No. 7 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. 7 of the Notice.

Registered Office :

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

By Order of the Board For Apar Industries Limited

**Sanjaya Kunder
Company Secretary**

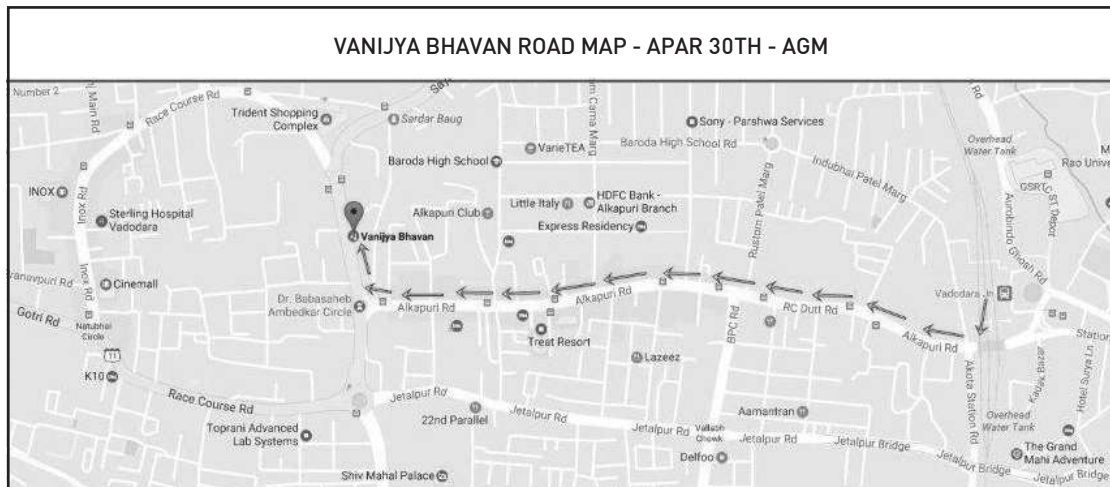
Place : Mumbai
Date : May 29, 2019.

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. F. B. Virani	Mrs. Nina Kapasi	Mr. Rishabh K. Desai
DIN	00008084	00062278	02856816	08444660
Date of Birth	21.02.1967	26.06.1945	30.11.1959	16.05.1992
Date of Appointment	24.03.1999	27.07.2001	30.05.2014	07.05.2019
Qualifications	B.Sc.(Hons., (Elect. Engg.), USA, B.S. in (Econ.)(Hons.), Wharton, USA.	B.E. (Chemical Engineering), M.S. (Chemical Engineering) USA, M.B.A. (USA)	Chartered Accountant	Bachelor of Science in Business Management & Entrepreneurship, Babson College, USA
Expertise in specific functional areas	Electrical Engineering	Chemical Engineering	Taxation, audit and managing consultancy	Expertise in Business Management, Finance and Strategic Management
Experience	29 years	46 years	35 years	3 Years
Directorship held in other Listed Companies as on 31st March, 2019.	None	None	None	None
Chairmanship / Membership of Committee held in other Listed Companies as on 31st March, 2019.	None	None	None	None
Number of Equity Shares held in the Company as on 31st March, 2019.	9,310,503	5,000	NIL	42,398
Relationship with other directors and Key Managerial Personnel	Related to – Mr. Chaitanya N. Desai, (Brother) and Mr. Rishabh K. Desai (Son)	--	--	Related to – Mr. Kushal N. Desai (Father) and Mr. Chaitanya N. Desai, (Father's Brother)
Number of Board Meetings attended during the Financial Year 2018 -19	4	4	4	None
Terms and conditions of Appointment	5 years (Retires by rotation)	5 years (Not liable to retire by rotation), Non-executive	5 years (Not liable to retire by rotation), Non-executive	Retires by rotation, Non-executive and Non-Independent
Details of remuneration sought to be paid	Remuneration approved at the 29th AGM by Members. Refer Annex. III to the Directors' Report (Disclosures as per Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)	No remuneration except sitting fees	No remuneration except sitting fees	No remuneration except sitting fees
Remuneration last drawn by the Director	Refer as above	--	--	--

List of Directorship held in other Companies as on 31.03.2019	1. Apar Corporation Private Limited	NIL	Ramdev Trading & Investment Pvt. Ltd.	Petroleum Specialities FZE, Sharjah, UAE
	2. Scope Private Limited			
	3. Catalis World Private Limited			
	4. Petroleum Specialities Pte. Ltd., Singapore			
	5. Maithili Trusteeship Services 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			



DIRECTORS' REPORT

Dear Shareholders,

Your Directors take immense pleasure in presenting the 30th 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, 2019.

1. FINANCIAL PERFORMANCE

The financial performance of your Company for the year ended 31st March, 2019 is highlighted below:

(₹ in crore)

Particulars	Company			Consolidated		
	2018-19	2017-18	% of Increase	2018-19	2017-18	% of Increase
Revenue from Operations (after deduction of excise duty / GST / other taxes)	7,586.27	5,515.74	37.54%	7,963.85	5,818.53	36.87%
Other income	14.82	10.92	35.71%	15.05	11.11	35.42%
Profit for the year before finance cost, depreciation and tax expenses.	480.16	405.88	18.30%	482.76	418.64	15.32%
Deducting therefrom:						
- Depreciation / amortisation	60.13	49.59	21.26%	66.67	55.87	19.33%
Finance Costs	192.28	134.93	42.50%	199.87	140.00	42.76%
PROFIT BEFORE TAXATION FOR THE YEAR	227.75	221.36	2.89%	216.22	222.77	-2.94%
Deducting therefrom:						
- Tax expenses	80.66	77.31	4.34%	80.16	78.03	2.73%
NET PROFIT AFTER TAXATION	147.09	144.05	2.11%	136.06	144.74	-6.00%
Add: Profit brought forward from previous year	520.18	437.20	18.98%	605.45	521.78	16.04%
Amount available for appropriations						
- Reserves	(15.00)	(15.00)	0.00%	(15.00)	(15.00)	0.00%
- Dividend (including tax)	(43.83)	(46.07)	-4.86%	(43.83)	(46.07)	-4.86%
- Refund of dividend tax						
- Capital Redemption Reserve						
Leaving balance of profit carried to balance sheet	608.44	520.18	16.97%	682.69	605.45	12.76%
Earnings per equity share (EPS)						
- Basic & Diluted before & after extraordinary items	38.44	37.64	2.11%	35.55	37.82	-6.00%

*Note: In accordance with Ind AS, dividend of ₹ 9.50 (95%) per share recommended by the Board of Directors for FY 18-19 (refer para 3 below) along with 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 Financial Statements for the year ended on 31st March, 2019 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 and the copy of the same is annexed as "Annexure-XI"

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 a dividend of ₹ 9.50 (95%) per share on the capital of 38,268,619 equity shares of the face value of ₹ 10/- each fully paid for FY 2018-19.

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 ₹ 15.00 crore to the General Reserves. An amount of ₹ 682.69 crore is proposed to be retained in the Consolidated Statement of Profit and Loss.

5. MANAGEMENT DISCUSSION AND ANALYSIS

Apar Industries delivered strong performance in FY19 posting its highest-ever revenue of ₹ 7,964 crore and EBITDA of ₹ 483 crore on a consolidated basis. All segments – Conductors, Cables and Speciality Oils – entered high-growth trajectory with traction in new higher-value products launched in the last 2-3 years through in-house R&D. This helped overcome pricing challenges in the highly-competitive conventional products. Domestic and exports revenues grew 48% and 17% respectively.

All 3 segments post record volumes and revenues

<p>Conductors revenue up 52%, at ₹ 3,915 crore</p> 	<p>New business share at 25%+</p> <ul style="list-style-type: none"> • ₹ 1,147 crore order inflow for copper conductors from Railways. Revenue share of 15%. • HEC revenue share at 10%. • OPGW, rods gain traction. • Volume up 10%. • Order book up 150%.
<p>Specialty oils revenue up 25%, at ₹ 2,630 crore</p> 	<ul style="list-style-type: none"> • Auto lubes & industrial oils revenue share at 21%. • Won large orders for high-voltage t-oils from ABB. • Volume up 11%.
<p>Cables revenue up 51%, at ₹ 1,684 crore</p> 	<ul style="list-style-type: none"> • Record-high volumes. • Power cables revenue up 44%. • OFC/Telecom cables revenue up 112%. • Elastomeric/E-beam cables revenue up 35%. • Exploring new products railway harness, auto cables, MVCC.

Your Company strengthened its leadership position across segments:

¹. *Post forex adjustment

- Among the top global leaders in conductors
- 4th largest global transformer oils manufacturer
- Largest domestic cable manufacturer in the renewables sector, ~60% share in wind sector
- Leading domestic player in auto lubricants

EBITDA up 15%: Your Company posted ₹ 483 crore of consolidated EBITDA and ₹ 136 crore of consolidated PAT in FY19. Rising share of higher-value businesses, benefits from manufacturing optimization in Khatalwad and Umbergaon plants helped to overcome the challenging cost factors, including volatile base oil prices and steel prices. Conductors EBITDA*¹ increased 26%, cables EBITDA* margin increased by 172 bps to 11.3%. Oils EBITDA* per KL was ₹ 2,998 against ₹ 4,399 in FY18.

FY19 was a year of progress for the power sector: India achieved ~100% household electrification under electrification access scheme Saubhagya. 22,437 ckms of AC transmission lines and 72,705 MVA of transformation capacity was added in FY19. However, discom-loss reduction focused UDAY scheme fell short of targets, including AT&C loss reduction to <15% by March 2019. ~9GW of renewable power capacity was added even with challenges in land acquisition and auction cancellations. Railway electrification program and Metro rail implementation in major cities were additional demand drivers. Domestic automobile sales have grown at 7.4% FY14-FY19 CAGR fueling demand for auto lubes.

Increased opportunities in FY20: The tendering activity is expected to pick up post general elections in May 2019. As per the 13th Five Year Plan, addition of 52,849 ckms of AC transmission lines is expected in FY20-22. All meters in India are targeted to be 'smart pre-paid' by FY22. The government is considering UDAY 2.0 to plug discom losses. Interim Budget FY20 has 8.5% higher allocation to the distribution sector. In renewables, the government is considering \$5 billion of transmission line tenders to route power from renewable sources into the grid by 2022. In Railway electrification 28,000 rkms is expected to be electrified in FY20-22. India's power sector is forecast to attract investments worth ₹9-9.5 trillion between FY19-23.

Apar@ transformative growth in FY20: Your Company expects the high-growth trajectory to continue with growing competencies across manufacturing, product innovation, distribution, customer relationships and organizational excellence. In Q1FY20, new project copper transpose conductor (CTC) for the transformer industry was launched. Rapid ramp-up is expected in CTC with synergies from existing transformer oils business. More new products like Railway harnesses, and auto cables targeting Railways and automotive sectors are being explored. In its Vision 2020, revenue share targets for higher-value products are:

- Conductors - 35%
- Cables - 40%+
- Auto Lubes & Industrial Oils - 25%

Additionally ~70% capacity utilization is targeted in Hamriyah plant aiming higher exports. It expects to deliver increased profitability in FY20 with improved revenue mix and stable outlook for base oil prices.

The opportunities and outlook for your Company are as follows:

Global Scenario

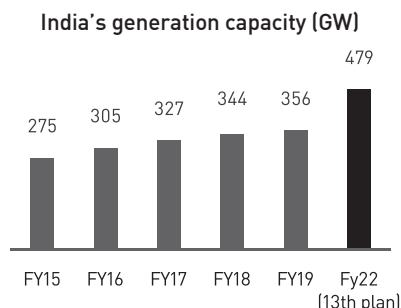
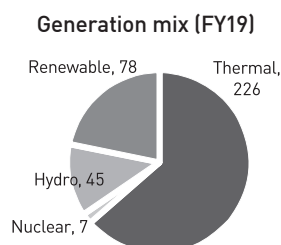
Global energy investment stabilized at \$1.85 trillion in 2018 after three years of decline, with slowing energy efficiency and renewable spending offset by increases in oil, gas and coal as per International Energy Agency. China remained the largest market with ~\$375 bn investment, followed by USA at \$350 bn+ investments. Energy investment has risen most rapidly in India in the past three years, at 12%.

Electricity sector with 42% share was the largest recipient. Investment in upstream oil and gas spending increased by 4%, while coal supply increased by 2%. Renewables spending declined by 1% to \$300 billion+ with flatter net capacity additions and lower technological costs. 171 GW of renewable energy additions were done, contributing 2/3rd to total global energy generation capacity added in 2018. Global electricity demand increased by 4% in 2018 to over 23,000 TWh.

Rising electricity demand, capacity additions, and replacement of ageing assets are key drivers of the global transmission and distribution equipment market. It is expected to reach ~\$312 billion by 2024, growing at 6.41% 2017-2025 CAGR. According to Global Data, the global power transmission and power distribution conductors markets are expected to grow at 2018-2022 CAGR of 4.3% and 2.91% to reach ~\$6.5 billion and ~\$24 billion by 2022. The global transformer oils market is estimated to grow at 8.63% CAGR in 2018-2023 to reach \$4 billion with Asia-Pacific, emerging as the fastest-growing market accounting for 40% share.

Indian scenario

India is the world's 3rd largest power consumer and producer with installed power capacity of 356 GW (March 2019). The 13th National Electricity Plan targets 479 GW of generation capacity, including 243 GW of thermal and 175 GW of renewable capacity.

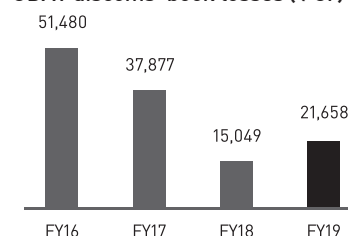


Power demand is expected to grow at 6.5-6.8% CAGR in FY19-23 versus 3.8% CAGR in FY14-18, driven by high latent demand, rapid urbanization and increasing electricity access.

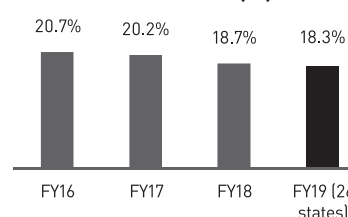
Regulatory initiatives: The government has undertaken programs to provide 24x7 power to all:

- **Saubhagya scheme for household electrification in rural and poor urban areas:** 100% achievement in 29 states/UTs. Chhattisgarh at 99.7% achievement.
- **Deen Dayal Upadhyaya Gram Jyoti Yojana:** 100% village electrification achieved by April 28th, 2018.
- **Integrated Power Development Scheme:** System strengthening projects worth ₹ 27,330 crore were awarded as of May 2019. As on 29th November, 2018, 48% physical progress was achieved in system-strengthening projects. There was little traction in smart metering.
- **Ujjwal Discom Assurance Yojana (UDAY):** The scheme, focused on financial and operational turnaround of discoms, saw increased losses in FY19. Target of sub-15% AT&C losses by March 2019 is likely to be missed.

UDAY discoms' book losses (₹ Cr)



AT&C losses (%)



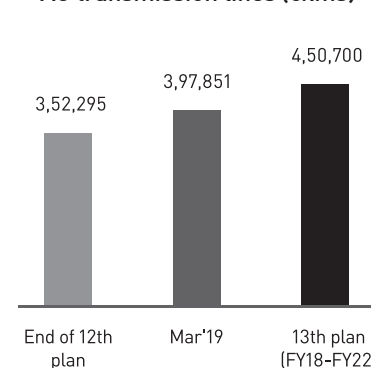
- **Interim Union Budget FY20:** ₹ 12,021 crore allocated to the distribution segment (up 8.5%). Higher allotment to IPDS (₹ 5,280 crore, up 33%), DDUGJY (₹ 4,066 crore, up 7%) and green energy corridors (₹ 700 crore, up 40%). Solar power and wind power allotted ₹ 1,890 crore and ₹ 720 crore.

Progress in T&D in FY19

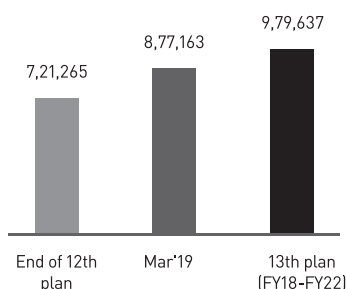
22,437 ckms of AC transmission lines, 72,705 MVA of AC substations transformation capacity and 12,600 MW of inter-regional transmission capacity were added in FY19, showing good progress in the 13th Plan.

In FY20-22 (remaining 13th Plan period) following additions are

AC transmission lines (ckms)



AC substation transformation capacity (MVA)



targeted:

52,849 ckms	AC transmission lines
4,259 ckms	HVDC transmission lines
1,02,474 MVA	AC substation transformation capacity
8,000 MVA	HVDC substation transformation capacity
19,000 MW	Inter-regional transmission capacity

Renewables to spur demand: Government has declared the trajectory of bidding 60 GW capacity of solar energy and 20 GW capacity of wind energy by March 2020. Transmission line tenders to route renewable power into grid for 12 GW have been awarded since December, 2018, bids for 16 GW are expected by the end of June and 38 GW before March, 2020.

Railway Electrification a key driver: India has set a target of 100% railway electrification by 2022 at an outlay of ₹ 35,000 crore. Central Organization for Railway Electrification electrified 3,639 rkms in FY19, up 15%. Indian railways published 21 high-value tenders (Rs 100 cr+) for electrical works, totaling Rs 4,648 crore in FY19, compared to 12 such tenders totaling ₹ 1,689 crore in FY18. There are plans to electrify 7,000 rkms in FY20 and 10,500 rkms each in FY21 and FY22. ICRA estimates spend of ₹ 12 lakh crore for dedicated freight corridors and railway electrification in next five years. India's expanding metro rail network is also generating demand. On October 2018, 515 km of metro line was operational and over 664 km of metro rail projects in 15 cities was under various stages of implementation.

The domestic automotive industry grew at 7.4% FY14-FY19 CAGR to reach 2.6 crore in sales in FY19. Commercial vehicles grew the fastest at 9.7% CAGR. In March 2019, second phase of Faster Adoption and Manufacturing of Electric Vehicles (FAME) was notified for FY20-22 with an allocation of ₹ 1,000 crore towards charging infrastructure. There is a target of 30% share of new vehicles from electric vehicles by 2030. The Indian economy is expected to grow at 7% in FY20, driving infrastructure spending. Your Company expects strong demand to continue for OFC cables with execution of BharatNet projects that target rural broadband connectivity. In summary, FY19 has seen strong demand for your Company's products, and we expect the momentum to continue in FY20.

Overall Business Performance

In ₹ Cr	FY15	FY16	FY17	FY18	FY19
Revenue (net of excise)	5,122	5,078	4,832	5,819	7,964
EBITDA	254	373	433	419	483
PAT	49	120	177	145	136
Cash Profit	81	158	222	201	203

ROE	7%	15%	19%	13%	12%
D/E	0.15	0.14	0.11	0.17	0.14

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

Your Company posted strong and sustained financial performance with a well-diversified revenue base, new product launches, and investments in manufacturing efficiencies enabling us to endure price/cost fluctuations. Consolidated revenues grew at 12% FY15-FY19 CAGR and EBITDA grew at 17% FY15-FY19 CAGR. Your Company delivered average ROE of 13% over FY15-FY19 and low D/E of 0.14x as on March 2019. All segments reported record-high volumes. There was a transient impact on profitability due to mid-year volatility in base oil prices. Consolidated EBITDA margin was 6.1% versus 7.2% in FY18. However, your Company expects improved profitability in FY20.

BUSINESS SEGMENTS

CONDUCTORS: NEW PRODUCTS ACCELERATE GROWTH

(₹ in crore)

In ₹ Crore	FY19	FY18	Growth (%)
Order Book	3,020	1,209	150%
Turnover* (Net of Excise)	3,915	2,570	52%
Segment Profit/(Loss)	151	131	15%
Volume (MT)	1,82,977	1,66,622	10%

Strong growth led by new products: In FY19, revenue from the segment grew 52% to reach ₹ 3,915 crore.

- Copper conductors for Railways received orders worth ₹ 1,147 crore in FY19 contributing 21% to total order inflow.
- Other new higher-value products like aluminium alloy rods gained traction. The domestic market remained highly competitive for conventional conductors.
- High-efficiency conductors (HEC) contributed 10% to revenues.
- Exports share was at 40%, versus 47% in FY18.

EBITDA grows strongly: EBITDA per MT post forex adjustment was ₹ 8,960, up 14% YoY with improved product/order-mix and increased manufacturing efficiencies even with certain cost challenges. Your Company is targeting an EBITDA of ₹ 12,000 per MT in the next 2-3 years.

Strategic investments yield benefits: Your Company has invested ₹ 367 crore since FY13 leading to new profitability levers:

- Full-year of higher capacity at Jharsuguda plant (80,000MT) brings logistics and cost benefits.
- Long-term agreement with Hindalco to source molten metal results in savings.
- New product capacities achieved good utilization.

FY20 - A year of transformative growth

- **Vision 2020:** 35% of revenue share from higher-value products is targeted in FY20.
- **Order book up 2.5x:** Conductors' order book was ₹ 3,020 crore on March 2019. This includes ₹ 571 crore of orders for copper conductors for Railways. Export markets contributed 46% to the order book.



- Apar is amongst the first few to manufacture the CTC product for transformer industry in India (launched in Q1FY20). Cross-selling synergies from existing transformer oils business expected to provide quick traction.
- Momentum expected to continue in other new products – Copper Conductors, Alloy Rods, and OPGW.
- HEC: Latent re-conductoring demand expected to convert to orders post general elections in May 2019. This is a higher-margin product with service component.

Risks and Concerns: Increasing competition in the domestic market with fixed price contracts may put pressure on the profitability of the company. Delays in orders from state discoms may impact performance. Delay in new CTC project launch may impact the performance. The cyclical nature of the power business has an obvious impact on our performance. Project delays from the customers' side may impact even with robust order book. Regional political instability and changes in the external environment in certain export markets may affect execution. The volatility in aluminum premiums have been concerns, mainly with respect to exports, and is a challenge to manage in the absence of any hedging mechanism. Efforts by various aluminum manufacturers may result in implementation of safeguard duty which will increase raw material prices and have a negative impact on fixed price contracts in the short to medium term. Similarly, steel prices also do not have any hedging mechanism, and volatility in the same may impact performance. Furthermore, the gap in prices between Shanghai Metal Exchange and London Metal Exchange may cause volatility due to arbitrage activity that may impact performance.

SPECIALITY OILS – ALL-TIME HIGH VOLUMES

(₹ in crore)

In ₹ Crore	FY19	FY18	Growth (%)
Turnover* (Net of Excise)	2,630	2,106	25%
Segment Profit/(Loss)	119	164	-28%
Volume (KL)	4,29,989	3,88,513	11%

Growth driven by automotive industry: In FY19, speciality oils grew 25% to reach ₹ 2,630 crore driven by automotive sector demand and record volumes across sub-segments.

- ENI/auto volumes up 24%, driven by both OEM sales and B2C demand being sold via network of 450 distributors and 15,000 stockists across India.
- Only Indian company to win new business to supply all major HVDC projects with transformer oils in FY18 and FY19. Order of 10,000+ KL won from ABB and GE.
- Exports of transformer oils and white oils to over 95 countries. Successful manufacturing and distribution tie-ups in South Africa, Australia and Turkey.
- Hamriyah plant operated at 62% utilization.

Profitability transiently impacted: EBITDA per KL after forex adjustment in FY19 was at ₹ 2,998 versus ₹ 4,399 in FY18. The decline is due to external inflationary factors on account of rupee depreciation, volatility in prices of base oil, rise in costs of packing materials and additives.

FY20 – A year of transformative growth

- **VISION 2020:** Targets 70% utilization at the Hamriyah plant: The state-of-the-art specialty oils blending unit in Hamriyah (Sharjah) has

100,000KL capacity and targets key export markets.

- **VISION 2020:** 25% revenue share targeted from auto and industrial oils. Steady demand expected from the automotive sector.
- The domestic T&D equipment market is expected to continue to benefit from various regulatory initiatives leading to both new and replacement demand for transformer oils.
- Your Company expects revival in EBITDA levels with stable base oil outlook.

Risks and Concerns: Your Company is exposed to volatility in the prices of raw materials and foreign exchange rates. Competition in both the transformer oils and auto lubricants sub-segments may impact performance. However, in order to mitigate risks, the 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. The Company had to implement strict credit controls to limit exposure to customers facing cash-flow issues. Rapid commoditization taking place at the lower end, especially at technical grade white oils, may have an impact on the margins. Recent 'Middle East' geopolitical uncertainties like sanctions on Iran, Syria and further such events may impact global oil supply, causing volatility in base oil prices and may impact your Company's performance.

CABLES SEGMENT – ALL TIME HIGH REVENUES AND PROFITS

(₹ in crore)

Particulars	FY19	FY18	Growth (%)
Turnover* (Net of Excise)	1,684	1,117	51%
Segment Profit/(Loss)	173	91	90%
Segment Profit margin	10.3%	8.2%	

Continues high-growth trajectory: This segment delivered revenue growth of 51%, at ₹ 1,680 crore with diversification across sectors:

- Power cables see increased demand from expansion and improvement in distribution networks. Strategic focus on Solar/EPC further drives growth.
- Higher execution with added capacity at both HT & LT XLPE segments.
- Order book and execution increase for Railways and Defence sectors.
- Steady demand from solar sector; activity pick-up in wind power.
- Increased ordering for fibre optics cable from BBNL, BSNL and Reliance Jio.
- Started getting approval for E-beam auto cables.
- Execution started for Railway harness business.

EBITDA up 78%: EBITDA post forex adjustments increased to ₹ 190 crore in FY19 from ₹ 107 crore in FY18. EBITDA margin reached 11.3% versus 9.6% in FY18.

Transformative growth in FY20

- **Vision 2020:** 40%+ higher-value products share

- Stronger order book backed by healthy contribution from elastomeric/e-beam, OFC/telecom, and power cables businesses.
- Targeting new opportunities in auto, Railway harness, MVCC, signalling cables, etc.
- Manufacturing initiatives: Increased capacity of LT cable (FY19) and OFC cables (on-going) in Khatalwad plant and de-bottlenecking of HT/LT capacity in Umbergaon (FY19) to benefit in FY20.

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. In optical fibre cables, the clientele is concentrated among a handful of telecom companies like BSNL and BBNL where capex spending has been severely impacted. The cyclical nature of their tendering, too, has a bearing on the order situation in the industry. Any volatility in fibre prices may impact performance.

General risks and concerns

Our performance may be impacted by fluctuating commodity prices, technological changes, exchange rate fluctuations, and due to any impact in general macro-economic outlook. Any geo-political or economic upheaval at local, regional or global levels may adversely impact demand or create input cost volatility that may impact performance. With a significant share of exports, your Company is exposed to risk of volatility in LIBOR rates that may increase our interest costs and impact performance. Debtors' collection period can increase on account of stressed financial condition of customers.

Key Financial Ratios with details of significant changes

The company has identified the following as key financial ratios:

Consolidated ratios	FY19	FY18	Variance %
EBITDA Margin	6.1%	7.2%	-15.7%
Net Profit Margin [^]	1.7%	2.5%	-31.3%
ROE	11.8%	13.5%	-12.8%
Debtors Turnover	89	94	-5.2%
Inventory Turnover	65	81	-19.3%
Debt/ Equity Ratio	0.14	0.17	-20.9%
Interest Coverage Ratio	2.1	2.6	-19.7%
Net Fixed Asset Turnover Ratio	10.8	9.2	17.4%

[^]Among the key ratios, there was a significant change (over 25% versus FY18) in the Net Profit Margin mainly with profitability in the Oils segment due to mid-year volatility in base oil prices. The higher interest and finance costs due to higher LIBOR rates, working capital blockage on account of GST and overall higher scale of operations also impacted.

Operations of Subsidiaries

(i) Petroleum Specialities Pte. Ltd, Singapore (PSPL), a Wholly-Owned Subsidiary (WOS): In FY19, total revenue of PSPL stood at US\$ 0.18 million against US\$ 7.12 million in the previous year and profit after tax (PAT) at US\$ 0.06 million against US\$ 0.43 million in the previous year.

(ii) Petroleum Specialties FZE, Hamriyah, Sharjah, UAE (PSF) – 100% subsidiary of PSPL: In FY19, revenue from operations of PSF stood at US\$ 55.38 million against US\$ 39.46 million in the previous year and net loss at US\$ 2.24 million against US\$ 0.52 million in the previous year.

(iii) Apar Transmission & Distribution Projects Private Limited (ATDPPL) : In FY19, revenue from operations of ATDPPL stood at ₹ 10.07 crore versus ₹ 12.51 crore in FY18. The Company incurred a net loss after tax of ₹ 1.60 crore versus net profit after tax of ₹ 1.16 crore in FY18.

(iv) CEMA Optilinks has ceased to be a subsidiary of the Company.

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.

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 2018-19, the Company sold its entire holding of 9,900 equity shares of ₹ 10/- each held in M/s. Cema Optilinks Private Limited (COPL), a majority-owned subsidiary Company, at par to promoters. With the sale of the aforesaid shares, COPL ceased to be a majority-owned subsidiary of the Company w.e.f. 18th September, 2018.

Your Company has the following subsidiaries as at 31st March, 2019:

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

The Company has not attached the Balance Sheets, Profit & Loss Accounts and other documents of its three 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, 2019 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

Resignation

During the year under review, due to pre-occupation and other assignment, Mr. Suyash Saraogi, resigned as an Independent Director of the Company and consequently, as a Member of the Audit Committee, Member of the Nomination and Compensation-cum-Remuneration Committee and Chairperson of the Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee of Directors w.e.f. 21st August, 2018. The Board placed on record its appreciation for the valuable contribution and quality expert advices given by him during his tenure as a Director and Member of the Committees of the Directors of the Company.

Appointments / Re-appointments

- The Board of Directors of the Company, based on recommendations of the Nomination and Compensation-cum-Remuneration Committee, vide its Circular Resolution, have unanimously appointed Mr. Rishabh K. Desai (DIN: 08444660), as an Additional Director in the category of Non-Executive and Non-Independent Director by the Board of Directors of the Company with effect from 7th May, 2019. Pursuant to Section 161 of the Companies Act, 2013, Mr. Rishabh K. Desai shall hold the office as an Additional Director of the Company upto the date of ensuing Annual General Meeting. The Company has

received notice under Section 160 of the Companies Act, 2013 proposing his candidature as Director.

Details of the proposal for appointment of Mr. Rishabh K. Desai along with his brief resume is 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 30th Annual General Meeting.

- At the 30th Annual General Meeting (AGM), following appointments / re-appointments are being proposed:
 - Mr. Kushal N. Desai, Director, shall retire by rotation and being eligible, offers himself, for re-appointment.
 - Pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(1)(C)(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendations of the Nomination and Compensation-cum-Remuneration Committee, Mr. F. B. Virani and Mrs. Nina Kapasi, who are holding the office of Independent Directors for five consecutive years upto the conclusion of the 30th Annual General Meeting of the Company to be held in the calendar year 2019, are proposed to be re-appointed as Independent Directors of the Company, not liable to retire by rotation, for their second term of five consecutive years with effect from the conclusion of the 30th AGM upto the conclusion of the 35th Annual General Meeting of the Company to be held in the calendar year 2024 and that the approval of shareholders are also sought for the appointment of Mr. F. B. Virani even after completing the age of 75 years during the second term of appointment.

The Board of Directors, on recommendation of the Nomination and Compensation-cum-Remuneration Committee has recommended appointment / re-appointment of all the above Directors.

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, 2019.

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. Rajesh Sehgal and Mrs. Nina Kapasi were the Independent Directors of the Company as on 31st March, 2019.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the 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, 2019, 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, 2019 and of the profit of the Company for the year 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 the 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 Board of Directors has constituted a Risk Management Committee. Your Company has implemented a mechanism for risk management and formulated a Risk Management Policy. The policy provides for identification of risks and formulating mitigation plans. The risk Management and, Audit Committee and the Board of Directors review the risk assessment and minimization procedures on regular basis.

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".

In compliance with Section 134(3)(a) of the Act, Annual Return is uploaded on the Company's website and can be accessed at <http://www.apar.com/>.

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 the 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 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 the 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, 2019.

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 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, 2019 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.

T. M. Rath, the Cost Auditor has expressed his inability to act as Cost Auditor to audit the cost records of the Company for the financial year ending 31st March, 2020 due to pre-occupation and health constraint.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed M/s. Rahul Ganesh Dugal and Co., a Proprietary Firm, who are in Whole Time Practice as Cost Accountant, having Firm Registration no. 103425 and Membership no. 36459 as the Cost Auditor to conduct the audit of the cost records of the

Company for the financial year ending 31st March, 2020 (2019-20), in place of T. M. Rath, on a remuneration of ₹ 120,000/-.

A Resolution seeking members' ratification for the remuneration payable to M/s. Rahul Ganesh Dugal and Co., Cost Auditor is included at Item No. 7 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 2018- 19. 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 Touche Tohmatsu India LLP 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 segments prepare their annual budgets, 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 weaker sections of society, Education and Medical, Environmental Sustainability and Rural Development, welfare of under privileged and destitute children and Health and Welfare of Senior Citizens and Armed Forces.

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 part of this Annual Report.

30. GENERAL

The Company has complied with all the applicable provisions of Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

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 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 the continuous cooperation, support and assistance provided by all 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 29, 2019.

Annexure – I to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019

[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, 2019, 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, 2019 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) The 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not Applicable during the audit period
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable during the audit period
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable during the audit period;
 - (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - Not Applicable during the audit period;
 - (h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (i) 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;
 - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 / 2018;

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

- (i) Secretarial Standards under the provisions the Companies Act, 2013 and issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), respectively.

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 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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 undertaken following events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, acts, rules, regulations, circulars, notifications, directions, guidelines, standards, etc. referred to above:

On 09th August, 2018, the members at the Annual General Meeting (AGM), inter-alia approved:

- (a) Re-appointment of Mr. Kushal N. Desai as Managing Director and Chief Executive Officer (CEO) of the Company for the period of 5 consecutive years commencing from 01st January, 2018 to 31st December, 2022.
- (b) Re-appointment of Mr. Chaitanya N. Desai as Managing Director of the Company for the period of 5 consecutive years commencing from 01st January, 2018 to 31st December, 2022.

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

Place: Vadodara
Date: 29.05.2019

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

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.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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 the random 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Vadodara
Date: 29.05.2019

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 2018-19

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 aims at Principle of Trusteeship, by serving the community through programmes and projects having focus on -

1. Healthcare and upliftment of weaker sections of society.
2. Education and Medical,
3. Environmental sustainability and Rural Development,
4. Welfare of under privilege and destitute children and
5. Health and Welfare of Senior Citizens and Armed forces.

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	Chairman and Managing Director
Mr. Chaitanya N. Desai, Member	Managing Director
Mr. F. B. Virani, Member	Independent Director

3. Average Net Profit of the Company for last 3 financial years :

₹ 224.19 Crores

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

₹ 4.48 Crores

5. Details of CSR spent during the financial year:

- a. Total amount spent for the financial year:

₹ 4.48 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 ₹ in Crore	Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs 2. Overheads: ₹ in Crore	Cumulative Expenditure upto the reporting period. ₹ in Crore	Amount spent: Direct or through implementing agency ₹ in Crore
1.	Rural development programmes for Aanganwadi Education and Renovation Project and Science on Wheels	Rural Development Project and Promoting Education	Wada, Dist. Thane - Maharashtra	---	0.265	0.265	Implementing agency- Sri Chaitanya Seva Trust, Thane, Mumbai
2.	School on Wheels Program- Supporting and Providing Scholarship for Girls Education, Teachers training, Reading workshop, Environmental awareness & protection education.	Promoting Education	Rajkot, Gujarat	---	0.05	0.05	Implementing agency- Sister Nivedita Foundation, Rajkot



3.	Setting up libraries, skill development schools, training centers and thereby providing employment opportunities to the community	Promoting Education	Bhowali, Dist. Nainital, Uttarakhand	---	0.025	0.025	Implementing agency – Jivan Mangalya Trust, Rajkot
4.	Development of a class room for imparting & promoting free education to the students of the tribal areas at Khatalwada.	Promoting Education	Khatalwada, Dist. Valsad	---	0.11	0.11	Implementing agency- Shree Khatalwada Kenwani Mandal, Khatalwada
5.	Projects relating to upliftment of tribal and under privileged People	Upliftment of Poor	Ghodipada, Tal. Umargaon, Dist. Valsad	---	0.015	0.015	Implementing agency- Sanskrutik Vikas Mandal, Ghodipada
6.	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	Medical College	Nadiad, Gujarat	---	3.000	3.000	Implementing agency- Dharmsinh Desai Foundation
7.	Govardhan Eco Village (Wada) – Bhakti Vedant Kaushal Vikas Kendra (BKVK) Project	Promoting Education	Wada, Dist. Thane - Maharashtra	---	0.045	0.045	Implementing agency- Iskcon Food Relief Foundation
8.	Tree Plantation at Govardhan Eco Village (Wada) Goshala Project	Environmental Sustainability	Wada, Dist. Thane - Maharashtra	---	0.0475	0.0475	Implementing agency- Iskcon Food Relief Foundation
9.	Armed Forces Flag Day Fund for the benefit & empowerment of widows, disabled soldiers, sailors, airmen, ex-servicemen & their dependents and also for the serving personnel	Measures for the benefit of armed forces veterans, war widows and their dependents.	Thane, Dist. Mumbai	---	0.0025	0.0025	Implementing agency- Collector and President AFFD Fund ZSWO Thane
10.	Rural development, solar project, cow protection etc. project at Govardhan Eco Village (Wada)	Rural Development, Environmental Sustainability	Wada, Dist. Thane, Maharashtra	---	0.21	0.21	Implementing agency- Iskcon Food Relief Foundation
11.	Bhaktivedant Kaushal Vikas Kendra (BKVK) Project and Woman's Empowerment Project	Promoting Education	Wada, Dist. Thane - Maharashtra	---	0.06	0.06	Implementing agency- Sri Chaitanya Seva Trust, Mumbai
12.	Rehabilitation of abandoned, unclaimed, parentless and destitute 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)



13.	Donation for various activities at Govardhan Eco Village (Wada) for ongoing project viz. Bhaktivedanta Kaushal Vikas Kendra (BKVK), Woman's Empowerment, Water Irrigation, Rain Harvesting etc.	Rural Development Project and Environmental Sustainability	Wada, Dist. Thane - Maharashtra	---	0.4032	0.4032	Implementing agency- Dharmsinh Desai Foundation
14.	Procurement of life saving equipment for the Cardiac Intensive Care Unit viz. Multipara-meter monitors, ECG Machines, Ventilators, Syringe Pumps and Intra-Aortic Balloon Pump	Healthcare and Welfare of Society	Nadiad, Gujarat	--	0.20	0.20	Implementing agency- GMCC Care & Research Society
				TOTAL	4.4832	4.4832	

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

29th May, 2019

Sd/-

(Chaitanya N. Desai)

Managing Director
DIN-00008091

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

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018 -19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018 -19.

Sr. No.	Name of Director/KMP and Designation	% increase/decrease in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Kushal N. Desai, Chairman & Managing Director	5%	60.89 : 1
2.	Mr. Chaitanya N. Desai, Managing Director	4%	61.35 : 1
3.	Mr. F. B. Virani Independent Director	35%	00.48 : 1
4.	Mr. Suyash Saraogi* Independent Director	-52%	00.23 : 1
5.	Mr. Rajesh Sehgal Independent Director	-4%	00.40 : 1
6.	Mrs. Nina Kapasi Independent Director	0%	00.38 : 1
7.	Mr. V. C. Diwadkar, Chief Financial Officer	8%	
8.	Mr. Sanjaya R. Kunder, Company Secretary	13%	

*Resigned w.e.f. 21.08.2018.

Notes :

- Independent directors are paid only sitting fees.
- The percentage increase in the median remuneration of employees for the financial year was around 9.00%.
- There were 1,506 permanent employees on the rolls of Company as on March 31, 2019.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018- 19 was 17.51% whereas the percentage increase in the managerial remuneration for the same financial year was 13.30%
- 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, 2019.

Names	Age (Years)	Designation / Nature of Duty	Qualifications	Experience (Years)	Remuneration (₹)	Date of Commencement of Employment	Last Employment and Designation
Mr. Kushal N. Desai	52	Chairman & Managing Director	B.Sc. (Hons.), (Ele. Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	30	36,445,029	24.03.1999	GE Lighting (India) Ltd. - President
Mr. Chaitanya N. Desai	47	Managing Director	B.Sc. (Hons.), (Chem.Engg.) U.S.A., B.S.Eco. (Hons) (Wharton) U.S.A.	25	36,718,433	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 Registered 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

Information as per Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2019.

I. CONSERVATION OF ENERGY:

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

Conductor Division:

- i. Compressors are converted in AC drives for energy saving.
- ii. DC Motors converted into AC drives for Energy saving.
- iii. Replaced wall mounting fan into HVLS Fan for Energy Efficiency.
- iv. Reusing of water by installing STP.
- v. Installed panels for improving Power factor.
- vi. Installed a Solar Plant for Street light, resulting in Energy saving.
- vii. Installed Misting System for Conducing Environment at working place.
- viii. Conversion of High rating motors into AC drives, resulting in Energy saving,
- ix. System for coilers to reduce bad winding.
- x. Battery Backup system for various operations.
- xi. Replacement of HPSV lamps with flame proof LED lights resulting in power savings.
- xii. Boiler oil circulation motor modified resulting in Power saving
- xiii. HPSV Lamps replaced with LED lights.
- xiv. On some machines, Installed modified cradles & other parts in order to prevent breakdowns.

Oil Division:

- i. 330850 KWH Solar power generated through existing 350KWp Roof top PV Solar power plant and reduced the carbon emissions.
- ii. Replaced the inefficient light fitting with the efficient light fittings in the plant with same lumens output.
- iii. Maintained power factor above 0.995 throughout the year.
- iv. Steam condensate recovery system is working efficiently.

- v. Rain water collected through water harvesting & using the same in the process and also increasing the ground water level through recharge pit.
- vi. Compressed air leakages monitored regularly & maintained the leakages below 6%.

Cable Division:

- i. Commissioned 936 KWP Roof Top Solar for in-house energy consumption and reduced the carbon emission. Installing 936 KWP systems which is equivalent to planting 58447 mature trees.
- ii. Plant Lighting changed from Metal Halide Lamps to LED.
- iii. Maintain good power factor 0.99 throughout the year at all locations.
- iv. In many areas machines Motor got replaced from DC to AC.
- v. Saving in energy by installing high speed wire drawing machine.
- vi. Optimum use of MSD machine run with full speed hence motor losses reduced.
- vii. Effective utilization of night rebate, hence major focus is given to run the machine at full efficiency in night instead of day.
- viii. For power saving we have increased fine wire drawing motor capacity & Capable to Draw 1MM wire size. Hence we can redraw wire on fine machine instead of big wire drawing machine.

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

- i. Replacing manual operated equipment with Auto operated systems
- ii. VFDs being provided resulting in Energy saving & smooth operation..
- iii. Replacing capacitors with Harmonics filters and Auto operated capacitor banks, to reduce Energy.
- iv. Some equipment with DC drives being converted into AC for electrical energy saving.
- v. Replacement of HPSV & HPMV LED lights for energy saving.
- vi. Modification of plant roof top for better illumination & sun light in the Athola Plant;

- vii. Replacement of inefficient light fitting with the efficient/energy conservation light fitting in the plant.
- viii. Provision of float type steam trap in place of thermodynamic type in Jelly plant to reduce the condensate wastages.
- ix. Use of thermic fluid as a heating media in place of steam in Jelly plant to reduce the fuel consumption.
- x. Plant lighting at Khatalwada is proposed to be changed from Metal Halide lamps to LED.
- xi. Investment proposed for Dual motor to single motor on Wire drawing machine for draw (3.5mm in dual) higher size of wire.
- xii. Investment proposed for Wire drawing oil pump motor AC drive for 10% energy saving.
- xiii. Investment proposed for outside solar street light.
- xiv. Additional 700 KW proposal of rooftop solar Power plant.

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

- i. Conversion to VFD drive to result into saving of 10 ~ 15%.
- ii. Conversion of DC drive into VFD drive will result into saving of 10 ~ 15% of energy.
- iii. Solar Plant for Street light shall help save energy @ 15 Kw/Day.
- iv. Replacement of HPSV lamps with flame proof 40 no. LED lights will save power to the tune of 30%.
- v. Installation of panel with Harmonics to reduce energy cost by 30%.
- vi. Saving approximately 8% in energy consumption of Aging furnace.
- vii. Energy saving by replacement of street lights and plant lights with LED lights.
- viii. Battery back- up system for Casting will result into 10%-12% power saving
- ix. Reduction of Co₂ in atmosphere.

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

(A) Power and Fuel Consumption:

(i) Electricity:

		2018-19	2017-18
(a)	Purchased units	84,626,840	6,74,72,156
	Total Amount (₹/crore)	52.38	38.27
	Rate/Unit (₹)	6.19	5.67
(b)	Own Generation	5,623,519	18,17,287
	Through Diesel Generator (Units)		
	Average Units generated per liter of diesel oil	2.77	3.09
	Average Cost of Unit (₹)	19.45	16.41

(ii) Furnace Oil:

Quantity (KL.)	8,854	6,430
Total Amount (₹/crore)	36.62	17.54
Average Rate/KL. (₹)	41,359	27,282

(iii) Natural Gas:

Quantity (M3)	1,050,908	11,55,399
Total Amount (₹/crore)	4.20	3.11
Average Rate/M3. (₹)	39.95	26.93

(iv) LPG:

Quantity (KL.)	29,973	28,548
Total Amount (₹/crore)	0.14	0.12
Average Rate/KL. (₹)	46.89	42.31



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

		2018-19				2017-18			
		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	8.66	0.39	1.57	-	8.76	1.06	-	-
(ii)	Conductors Division : Per MT output of Aluminium/Alloy Conductors	270	47	0.47	0.28	211	37	6	0.44
(iii)	Cable Division: Per Km. of cable	146	-	58	-	130	-	100	-

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:

- In-House development of OPGW Cable type test facilities for tests at Rakholi Unit.
- Equipped with latest equipment to have least splicing losses in OPGW.
- Development and establishment of OPGW cables with various design options for all types of Line Voltages including high wind zones and snow covered regions.
- Successful type test on various designs at Foreign & Indian laboratories for reliability and validation.
- Design and development of Low Loss ACSR (LL-ACSR) conductors for various Countries
- Development of additional critical test facilities for testing and evaluation of bare OHTL conductor and special materials.
- Capacity and software up-gradation in testing machines for testing of new conductors, OPGW cables.
- Establishment of additional testing facilities for testing and evaluation of chemical, electrical and mechanical properties of various copper products.
- Semi-synthetic metal working fluids for high speed and multi machining applications commercialized.
- Synthetic compressor oils for screw compressor (electrically operated) commercialized.
- Spray oils field trials for cotton, their efficacy and phyto toxicity studies at AAU (Anand) & PAU (Punjab) for two seasons completed. Trials for apple crop also started in Shimla.
- PTFE Grease-Lithium complex type for high temperature/high EP properties is commercialized.
- High flash transformer oils for fire safety of transformer applications commercialized.
- Biodegradable transformer oils of natural ester type (high Flash) commercially launched. Condition

monitoring and field trails are in progress.

- Petroleum jelly for various applications such as ointments and ophthalmic applications are commercially launched.
- Collaborative research work with Dharmsinh Desai University, Nadiad on hydrogenation of base oils (laboratory scale evaluation in continuous column), Computational fluid Dynamics (CFD) and signed MOU with Sunway University, Malaysia on applications of nano lubricants in engine oil applications.
- Adblue for Diesel engine emissions (NOx) reduction has been successfully introduced in the market and is licensed by VDA (Germany)
- Development of Rubber Hoses, Corrugated Tube, Auto cable harness, Battery cables, Earthling Kits (For Railways) and HT Aluminium Corrugated Cable.
- Development of defense, railway and ship wiring cables through electron beam technology.

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

- Development, establishment and commercialization of all type of new generation conductors for all power utilities.
- High quality OPGW design and development as per IEEE standards and Indian and overseas utilities and commercialization.
- LL-ACSR conductor is a low electrical Power Loss conductor that reduces transmission losses compared to conventional ACSR conductors by reducing the magnetic losses, ohmic losses as well as CO₂ emission.
- Software supported calculations and geometries of OPGW Cables and HTLS conductors provide optimum designing to support lower equipment cost and loss factors of the utility thereby securing orders of premium products.
- R&D and additional test facilities provides conformance to the designed parameters of conductors and increased testing reliability in compliance with International Standards and Journals. Outputs of the same are being applied in design optimization and risk mitigation towards building confidence to achieve performance of

- conductor in respect to various criteria (Raw material sourcing, product manufacturing, process setting and various type test requirements).
- Development, establishment and commercialization of all types of Railway Products.
 - Rapport in Power Producers, Power Utilities, various institutes (IEEMA, CEA, BIS, CBIP, Power Ministry, CPRI, ERDA, NABL etc.) and stake holders.
 - Test facilities and NABL accreditation supporting acceptance of various type test and complete conductor test (in-house) for faster inspection and shipment clearance of our finished goods.
 - Competency enhancement of the team on design, manufacture, supply and installation of Bare OHTL conductors, OPGW Cable and competing global market.
 - In-house evaluation, simulation of test data for improvement in quality and reliability of product and services.
 - Papers presented at NLGI conference on PTFE greases and also as coauthors with Sunway University/ Taylors University on Nano fluids.
 - White oils for thermoplastic applications-trials completed and product commercialized.
 - Cleaning product formulations with improved sanitization properties for hand wash/floor cleaning have been developed and being test marketed.
 - ADBLUE for SCR applications is commercially launched in the market which complies Bharat VI.
 - Optimized formulations in Quenching oils, Rust preventive oils which are superior in quality as well as reduction in cost.
 - Cost Reduction of various compounds (Specifically in Solar Insulation compound) .
- (iii) Future plan of action:**
- In-house development of critical & limited test facilities for Overhead Conductors and OPGW cables (Temp and tension Cycle Test, HT creep and Endurance test)
 - Additional test facilities for OPGW cables.
- To further develop finer particle PTFE powder and explore PTFE recycling business in the paint, printing ink, molding applications etc.
 - Field Trials/condition monitoring of Natural Ester based Transformer oils for distribution transformers in progress. Factory/field trials of High flash Long Life (HFL) insulating fluids for OLTC applications will be taken up.
 - Commissioning of new testing equipment DGA analysis, simulated distillation and Noacks volatility.
 - 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.
 - To represent company in CIGRE/Asian Lubricants Manufacturers Union(ALMU), Singapore
 - Obtaining GMP certification by WHO and USP for the Food grade White oil/petroleum jelly product line once the expansion project is completed.
 - Industrial and heavy duty cleaners for metal working segment customers(auto component/quenching industry : Pre and post cleaning operations)
 - Venturing in to food grade lubricants, Bio lubricants.
 - Enhancing the technical know- how in sectors of industrial oils like Quenching oils, Rust preventive oils.
 - Continue the research in Dielectric fluids for special applications, Thermic fluids.
 - Introducing fuels additives which is biodegradable towards increasing fuel efficiency across all divisions for fork lifts and to minimize the carbon dioxide generation
 - 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.
 - Development of Rubber Hoses, Corrugated Tube, Auto cable harness, Battery cables, Earthing Kits (For Railways) and HT Aluminium Corrugated Cable.
- (iv) Expenditure on R&D:**
- Capital = ₹ 3.18 crore
 - Revenue = ₹ 6.99 crore
 - Total = ₹ 10.17 crore
 - 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)	2013	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)

		2018-19	2017-18
(a)	Raw Materials (CIF)	3,621.91	2,765.59
(b)	Stores & Spares	2.74	2.45

(c)	Capital Goods	52.26	17.63
(d)	Others	72.28	64.99
		3,749.19	2,850.66

(iii) Total foreign exchange earned:

(₹ in crore)

		2018-19	2017-18
(a)	Physical Exports (FOB)	1,894.54	1,542.76
(b)	Deemed Exports (eligible for export incentives)	73.93	63.81
(c)	Others	57.96	54.45
		2,026.43	1,661.02

Annexure V to the Directors' Report

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019

[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) 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	45%
3.	Power / Telecom Cable	8544	21%
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 (WOS) of the Company Address: 4 Shenton Way, # 08-03, SGX Centre 2, Singapore – 068807.	Foreign Company 200403112K	Subsidiary	100%	2 (87)(ii)
2.	Petroleum Specialties 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 - Ceased to be Subsidiary on 18th September, 2018. 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 – 01.04.2018				No. of Shares held at the end of the year – 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	20,171,422	--	20,171,422	52.710	18,717,241	--	18,717,241	48.910	-3.8
b) Central Govt.	--	--	--	--	--	--	--	--	0
c) State govt. (s)	--	--	--	--	--	--	--	--	0
d) Bodies Corporate	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
Maithili N. Desai Family Pvt. Trust No. 2	1,800,000	--	1,800,000	4.704	3,480,000	--	3,480,000	9.094	4.39
Sub-total (A) (1):-	22,180,558	--	22,180,558	57.960	22,406,377	--	22,406,377	58.550	0.59
(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	22,406,377	--	22,406,377	58.550	0.59
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	8,164,830	452	8,165,282	21.336	9,170,448	224	9,170,672	23.964	2.628
b) Banks / FI	61,124	180	61,304	0.160	6,743	84	6,827	0.018	-0.142
c) Central Govt. (IEPFA – MCA)	47,962	--	47,962	0.125	54,402	--	54,402	0.142	0.017
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs / FPIs	2,821,716	--	2,821,716	7.373	2,247,196	--	2,247,196	5.872	-1.501
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)									--
Sub-total (B)[1]:	11,095,632	632	11,096,264	28.995	11,478,789	308	11,479,097	29.997	1.001
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,145,814	6,375	1,152,189	3.011	710,670	5,842	716,512	1.872	-1.139
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	2,672,035	158,434	2,830,469	7.396	2,038,430	139,612	2,178,042	5.691	-1.705
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	571,950	--	571,950	1.495	853,856	--	853,856	2.231	0.736
c) Others (Specify)									
Foreign Individual	187,548	4,216	191,764	0.501	149,827	4,216	154,043	0.403	-0.098
HUF	176,706	--	176,706	0.462	151,677	--	151,677	0.396	-0.066
Clearing Members	68,719	--	68,719	0.180	59,004	--	59,004	0.154	-0.026
Alternate Investment Funds	--	--	--	--	269,681	--	269,681	0.705	0.705
NBFC registered with RBI	--	--	--	--	330	--	330	0.001	0.001
Sub-total (B)[2]:	4,822,772	169,025	4,991,797	13.044	4,233,475	149,670	4,383,145	11.453	-1.591
Total Public Shareholding (B) = (B)[1)+(B)[2]	15,918,404	169,657	16,088,061	42.040	15,712,264	149,978	15,862,242	41.450	-0.591

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	38,098,962	169,657	38,268,619	100	38,118,641	149,978	38,268,619	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year – 01.04.2018			Shareholding at the end of the year – 31.03.2019			% 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.	Kushal N. Desai	9,187,974	24.009	--	9,310,503	24.329	--	0.320
2.	Chaitanya N. Desai	9,103,656	23.789	--	9,226,946	24.111	--	0.322
3.	Maithili N. Desai	0	0.00	--	0	0.00	--	0
4.	Chaitanya N. Desai Family Trust – Trustee Smt. M.N. Desai	95238	0.249	--	0	0.00	--	-0.249
5.	Kushal Chaitanya N. Desai Family Trust – Trustee Smt. M.N. Desai	72634	0.190	--	0	0.00	--	-0.190
6.	Rishabh K. Desai	6,081	0.016	--	42,398	0.111	--	0.095
7.	Gaurangi K. Desai	3,200	0.008	--	3,200	0.008	--	0
8.	Noopur K. Desai	1,702,139	4.448	--	2,139	0.006	--	-4.442
9.	Jinisha C. Desai	500	0.001	--	500	0.001	--	0
10.	Devharsh C. Desai	0	0.00	--	131,555	0.344	--	0.344
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 Trustee Mr. K. N. Desai & Mr. C. N. Desai	98,983	0.259	--	98,983	0.259	--	0
15.	Maithili N. Desai Family Pvt. Trust No. 2 – Trustee Maithili Trusteeship Services Pvt. Ltd.	18,00,000	4.704	--	3,480,000	9.094	--	4.390
	TOTAL	22,180,558	57.960	--	22,406,377	58.550	--	0.59

(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.	Mr. K. N. Desai	9,187,974	24.009	01.04.2018	-	-	-	-
				14.05.2018	Increase (By way of Gift from Mrs. Noopur K. Desai)	8,50,000	10,037,974	26.230
				28.08.2018	Increase (Purchase of shares from Open Market)	586	10,038,560	26.232
				30.08.2018	Increase (Purchase of shares from Open Market)	1,204	10,039,764	26.235
				31.08.2018	Increase (Purchase of shares from Open Market)	25,700	10,065,464	26.302
				03.09.2018	Increase (Purchase of shares from Open Market)	2,510	10,067,974	26.309
				04.09.2018	Increase (Purchase of shares from Open Market)	2,458	10,070,432	26.315
				05.09.2018	Increase (Purchase of shares from Open Market)	2,542	10,072,974	26.321
				06.09.2018	Increase (Purchase of shares from Open Market)	2,604	10,075,578	26.328
				07.09.2018	Increase (Purchase of shares from Open Market)	1,437	10,077,015	26.332
				10.09.2018	Increase (Purchase of shares from Open Market)	400	10,077,415	26.333
				11.09.2018	Increase (Purchase of shares from Open Market)	559	10,077,974	26.334
				14.09.2018	Increase (Purchase of shares from Open Market)	207	10,078,181	26.335



				17.09.2018	Increase (Purchase of shares from Open Market)	999	10,079,180	26.337
				24.09.2018	Increase (Purchase of shares from Open Market)	1,862	10,081,042	26.343
				04.10.2018	Increase (Purchase of shares from Open Market)	50	10,081,092	26.343
				05.10.2018	Increase (Purchase of shares from Open Market)	11,736	10,092,828	26.374
				08.10.2018	Increase (Purchase of shares from Open Market)	146	10,092,974	26.374
				05.11.2018	Increase (Purchase of shares from Open Market)	57,529	10,150,503	26.524
				01.02.2019	Decrease (Transferred to Maithili N. Desai Family Private Trust No.2)	[8,40,000]	9,310,503	24.329
	At the end of the year	-	-	31.03.2019	-	-	9,310,503	24.329
2.	Mr. C. N. Desai	9,103,656	23.789	01.04.2018	-	-	-	-
				14.05.2018	Increase (By way of Gift from Mrs. Noopur K. Desai)	8,50,000	9,953,656	26.010
				28.08.2018	Increase (Purchase of shares from Open Market)	1,796	9,955,452	26.015
				29.08.2018	Increase (Purchase of shares from Open Market)	73	9,955,525	26.015
				31.08.2018	Increase (Purchase of shares from Open Market)	23,131	9,978,656	26.075
				03.09.2018	Increase (Purchase of shares from Open Market)	8,148	9,986,804	26.096
				04.09.2018	Increase (Purchase of shares from Open Market)	1,852	9,988,656	26.101

				05.09.2018	Increase (Purchase of shares from Open Market)	4,524	9,993,180	26.113
				06.09.2018	Increase (Purchase of shares from Open Market)	476	9,993,656	26.114
				10.09.2018	Increase (Purchase of shares from Open Market)	192	9,993,848	26.115
				11.09.2018	Increase (Purchase of shares from Open Market)	1,014	9,994,862	26.118
				24.09.2018	Increase (Purchase of shares from Open Market)	1,862	9,996,724	26.123
				04.10.2018	Increase (Purchase of shares from Open Market)	1,588	9,998,312	26.126
				05.10.2018	Increase (Purchase of shares from Open Market)	5,344	10,003,656	26.141
				08.10.2018	Increase (Purchase of shares from Open Market)	2,895	10,006,551	26.148
				05.11.2018	Increase (Purchase of shares from Open Market)	58,759	10,065,310	26.302
				06.11.2018	Increase (Purchase of shares from Open Market)	1,636	10,066,946	26.306
				01.02.2019	Decrease (Transferred to Maithili N. Desai Family Private Trust No.2)	(8,40,000)	9,226,946	24.111
	At the end of the year	-	-	31.03.2019	-	-	9,226,946	24.111
3.	Chaitanya N. Desai Family Trust – Trustee Smt. M. N. Desai	95,238	0.249	01.04.2018	-	-	-	-
				25.04.2018	Decrease (Transmission of Shares under Probate (Off Market)	-95,238	0	0
				31.03.2019	-	-	0	0

4.	Kushal Chaitanya N. Desai Family Trust – Trustee Smt. M. N. Desai	72,634	0.190	01.04.2018	-	-	-	-
				25.04.2018	Decrease (Transmission of Shares under Probate (Off Market))	-72,634	0	0
				31.03.2019	-	-	0	0
5.	Mr. Rishabh K Desai	6,081	0.016	01.04.2018	-	-	-	-
				25.04.2018	Increase (Transmission of Shares under Probate (Off Market))	36,317	42,398	0.111
	At the end of the year	-	-	31.03.2019	-	-	42,398	0.111
6.	Mr. Devharsh C. Desai	0	0.000	01.04.2018	-	-	-	-
				25.04.2018	Increase (Transmission of Shares under Probate (Off Market))	131,555	131,555	0.344
	At the end of the year	-	-	31.03.2019	-	-	131,555	0.344
7.	Smt. Noopur K Desai	1,702,139	4.448	01.04.2018	-	-	-	-
				14.05.2018	Decrease (By way of Gift without Consideration)	(17,00,000)	2,139	0.005
	At the end of the year	-	-	31.03.2019	-	-	2,139	0.005
8.	Maithili N. Desai Family Pvt. Trust No. 2 – Trustee Maithili Trusteeship Services Pvt. Ltd.	1,800,000	4.704	01.04.2018	-	-	-	-
				01.02.2019	Increase (By way of Gift (being Inter-se Transfer (Off-market))	1,680,000	3,480,000	9.094
	At the end of the year	-	-	31.03.2019	-	-	3,480,000	9.094

(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	2,294,750	5.996	01.04.2018	-	-	-	-
	At the end of the year	-	-	31.03.2019	-	-	22,94,750	5.996
2.	Reliance Capital Trustee Co. Ltd. -A/C Reliance Small Cap Fund	963,341	2.517	01.04.2018	-	-	-	-
				20.04.2018	Increase	350,000	1,313,341	3.432
	At the end of the year	-	-	31.03.2019	-	-	1,313,341	3.432
3.	L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund	395,787	1.034	01.04.2018	-	-	-	-
				06.04.2018	Increase	290,000	685,787	1.792
				13.04.2018	Increase	95,000	780,787	2.040
				20.04.2018	Increase	13,645	794,432	2.076
				04.05.2018	Increase	594	795,026	2.077
				11.05.2018	Increase	1,207	796,233	2.081
				01.06.2018	Increase	4,616	800,849	2.093
				03.08.2018	Increase	5,000	805,849	2.106
				24.08.2018	Increase	7,394	813,243	2.125
				31.08.2018	Increase	21,930	835,173	2.182
				14.09.2018	Increase	62,000	897,173	2.344
				09.11.2018	Increase	25,000	922,173	2.410
				23.11.2018	Increase	67,858	990,031	2.587
				30.11.2018	Increase	2,645	992,676	2.594
				07.12.2018	Increase	1,612	994,288	2.598
				14.12.2018	Increase	4,786	999,074	2.611
				21.12.2018	Increase	7,092	1,006,166	2.629
				18.01.2019	Increase	9,715	1,015,881	2.655
				25.01.2019	Increase	1,924	1,017,805	2.660
				01.02.2019	Increase	1,094	1,018,899	2.663
				08.02.2019	Increase	3,035	1,021,934	2.670
				15.02.2019	Increase	12,842	1,034,776	2.704
				22.02.2019	Increase	3,280	1,038,056	2.713

				01.03.2019	Increase	52,892	1,090,948	2.851
	At the end of the year	-	-	31.03.2019	-	-	1,090,948	2.851
4.	Reliance Capital Trustee Co. Ltd. A/c. Reliance Power & Infra Fund	1,405,000	3.671	01.04.2018	-	-	-	-
				20.04.2018	Decrease	(350,000)	1,055,000	2.757
				15.06.2018	Increase	1,350	1,056,350	2.760
				24.08.2018	Increase	19,313	1,075,663	2.811
				07.09.2018	Increase	2,142	1,077,805	2.816
				05.10.2018	Increase	16,491	1,094,296	2.860
				26.10.2018	Increase	5,000	1,099,296	2.873
				30.11.2018	Increase	5,000	1,104,296	2.886
				07.12.2018	Increase	2,200	1,106,496	2.891
				14.12.2018	Increase	1,575	1,108,071	2.896
				28.12.2018	Increase	2,595	1,110,666	2.902
				01.03.2019	Decrease	(53,000)	1,057,666	2.764
				22.03.2019	Increase	800	1,058,466	2.766
	At the end of the year	-	-	31.03.2019	-	-	1,058,466	2.766
5.	Goldman Sachs India Fund Limited	1,133,091	2.961	01.04.2018	-	-	-	-
				12.10.2018	Decrease	(15,728)	1,117,363	2.919
				19.10.2018	Decrease	(47,636)	1,069,727	2.795
				26.10.2018	Decrease	(26,976)	1,042,751	2.724
				02.11.2018	Decrease	(11,644)	1,031,107	2.694
				09.11.2018	Decrease	(22,222)	1,008,885	2.636
	At the end of the year	-	-	31.03.2019	-	-	1,008,885	2.636
6.	HDFC Small Cap Fund	716,000	1.871	01.04.2018	-	-	-	-
	At the end of the year	-	-	31.03.2019	-	-	716,000	1.871
7.	Reiffieisen-Eurasien-Aktien	580,000	1.515	01.04.2018	-	-	-	-
	At the end of the year	-	-	31.03.2019	-	-	580,000	1.515
8.	L and T Mutual Fund Trustee Ltd. - L and T Hybrid Equity Fund	560,198	1.464	01.04.2018	-	-	-	-
	At the end of the year	-	-	31.03.2019	-	-	5,60,198	1.464

9.	Aditya Birla Sun Life Trustee Pvt. Ltd. A/c Aditya Birla Sun Life Small Fund	353,082	0.923	01.04.2018	-	-	-	-
				01.06.2018	Increase	100,000	453,082	1.184
				08.06.2018	Increase	21,918	475,000	1.241
				27.07.2018	Increase	25,000	500,000	1.307
	At the end of the year	-	-	31.03.2019	-	-	500,000	1.307
10.	HDFC Trustee Company Ltd. A/c HDFC Hybrid Debt Fund	312,400	0.816	01.04.2018	-	-	-	-
				25.05.2018	Increase	20,000	332,400	0.869
	At the end of the year	-	-	31.03.2019	-	-	332,400	0.869

(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						
		01.04.2018	At the beginning of the year	9,187,974	24.009	-	-
		14.05.2018	Add: By way of Gift from Mrs. Noopur K. Desai	8,50,000	2.221	10,037,974	26.230
		28.08.2018	Add: Purchase of shares from Open Market	586	0.002	10,038,560	26.232
		30.08.2018	Add: Purchase of shares from Open Market	1,204	0.003	10,039,764	26.235
		31.08.2018	Add: Purchase of shares from Open Market	25,700	0.067	10,065,464	26.302
		03.09.2018	Add: Purchase of shares from Open Market	2,510	0.007	10,067,974	26.309
		04.09.2018	Add: Purchase of shares from Open Market	2,458	0.006	10,070,432	26.315

		05.09.2018	Add: Purchase of shares from Open Market	2,542	0.007	10,072,974	26.322
		06.09.2018	Add: Purchase of shares from Open Market	2,604	0.007	10,075,578	26.329
		07.09.2018	Add: Purchase of shares from Open Market	1,437	0.003	10,077,015	26.332
		10.09.2018	Add: Purchase of shares from Open Market	400	0.001	10,077,415	26.333
		11.09.2018	Add: Purchase of shares from Open Market	559	0.002	10,077,974	26.335
		14.09.2018	Add: Purchase of shares from Open Market	207	-	10,078,181	26.335
		17.09.2018	Add: Purchase of shares from Open Market	999	0.003	10,079,180	26.338
		24.09.2018	Add: Purchase of shares from Open Market	1,862	0.005	10,081,042	26.343
		04.10.2018	Add: Purchase of shares from Open Market	50	-	10,081,092	26.343
		05.10.2018	Add: Purchase of shares from Open Market	11,736	0.031	10,092,828	26.374
		08.10.2018	Add: Purchase of shares from Open Market	146	-	10,092,974	26.374
		05.11.2018	Add: Purchase of shares from Open Market	57,529	0.150	10,150,503	26.524
		01.02.2019	Less: Transferred to Maithili N. Desai Family Private Trust No.2	(8,40,000)	2.195	9,310,503	24.329
		31.03.2019	At the end of the year			9,310,503	24.329
2.	Mr. Chaitanya N. Desai						
		01.04.2018	At the beginning of the year	9,103,656	23.789	-	-
		14.05.2018	Add : (By way of Gift from Mrs. Noopur K. Desai)	8,50,000	2.221	9,953,656	26.010
		28.08.2018	Add: Purchase of shares from Open Market	1,869	0.005	9,955,525	26.015
		31.08.2018	Add: Purchase of shares from Open Market	23,131	0.060	9,978,656	26.075

		03.09.2018	Add: Purchase of shares from Open Market	8,148	0.021	9,986,804	26.096
		04.09.2018	Add: Purchase of shares from Open Market	1,852	0.005	9,988,656	26.101
		05.09.2018	Add: Purchase of shares from Open Market	4,524	0.012	9,993,180	26.113
		06.09.2018	Add: Purchase of shares from Open Market	476	0.001	9,993,656	26.114
		10.09.2018	Add: Purchase of shares from Open Market	192	0.001	9,993,848	26.115
		11.09.2018	Add: Purchase of shares from Open Market	1,014	0.003	9,994,862	26.118
		24.09.2018	Add: Purchase of shares from Open Market	1,862	0.005	9,996,724	26.123
		04.10.2018	Add: Purchase of shares from Open Market	1,588	0.003	9,998,312	26.126
		05.10.2018	Add: Purchase of shares from Open Market	5,344	0.015	10,003,656	26.141
		08.10.2018	Add: Purchase of shares from Open Market	2,895	0.007	10,006,551	26.148
		05.11.2018	Add: Purchase of shares from Open Market	58,759	0.154	10,065,310	26.302
		06.11.2018	Add: Purchase of shares from Open Market	1,636	0.004	10,066,946	26.306
		01.02.2019	Less: (Transferred to Maithili N. Desai Family Private Trust No.2)	(8,40,000)	2.195	9,226,946	24.111
		31.03.2019	At the end of the year			9,226,946	24.111
3.	Mr. F. B. Virani						
		01.04.2018	At the beginning of the year	4,000	0.010	-	-
		20.07.2018	Add : Purchase of Shares from Open Market	1,000	0.003	5,000	0.013
		31.03.2019	At the end of the year			5,000	0.013
4.	Mr. Rajesh Sehgal						
		01.04.2018	At the beginning of the year	-	-	-	-
		31.03.2019	At the end of the year	-	-	-	-
5.	Mr. Suyash Saraogi*						
		01.04.2018	At the beginning of the year	-	-	-	-

		31.03.2019	At the end of the year / Period	-	-	-	-
6.	Mrs. Nina Kapasi						
		01.04.2018	At the beginning of the year	-	-	-	-
		31.03.2019	At the end of the year	-	-	-	-

* Mr. Suyash Saraogi resigned w.e.f. 21.08.2018.

Sr. No.	For Each of the Directors and KMP	Date	Remarks	Name of the Key Managerial Personnel			
				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	01.04.2018	At the beginning of the year	1,952	0.005	-	-
		31.03.2019	At the end of the year			1,952	0.005
2.	Mr. Sanjaya R. Kunder	01.04.2018	At the beginning of the year	133	0.000	-	-
		31.03.2019	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	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
Change in Indebtedness during the financial year				
- Addition	179.85	-	-	179.85
- Reduction	(200.91)	(89.95)	-	(290.86)
- Exchange difference (Unrealised)	0.39	(0.03)	-	0.36
Net Change	(20.67)	-89.97	-	(110.65)
Indebtedness at the end of the financial year				
i) Principal Amount	193.80	-	-	193.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.70	-	-	0.70
Total (i+ii+iii)	194.50	-	-	194.50

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	1.34	1.35	2.69
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.03	0.05	0.08
	(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.....	2.27	2.27	4.54
5.	Others, please specify	-	-	-
	Total (A)	3.64	3.67	7.31
	Ceiling as per the Act	₹ 22.73 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	*Mr.Suyash Saraogi – Upto 20.08.2018	Mr. F. B. Virani	Smt. Nina Kapasi	Mr. Rajesh Sehgal	
	- Fee for attending Board / Committee Meetings	0.014	0.029	0.023	0.024	0.09
	- Commission	-	-	-	-	-
	- Others, please specify...	-	-	-	-	-
	Total B (1)	0.014	0.029	0.023	0.024	0.09
2.	Other Non-Executive Director:					
	- Fee for attending Board / Committee Meetings					
	- Commission					
	- Others, please specify...					
	Total (B) (2)	-	-	-	-	0
	Total (B): B(1)+B(2)					0.09
	Total Managerial Remuneration**					7.40
	Overall Ceiling as per the act for non-executive directors	₹ 2.27 crore (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

*Mr. Suyash Saraogi resigned w.e.f. 21.08.2018.

**Total remuneration to Managing Directors and other Directors (being the total of 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	1.29
	(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	1.39

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 endeavor 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 50% Non- executive Directors throughout the year under review. As on date of this Report, the Board of Directors comprises of 6 Directors, including 3 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 report date:

Name of Directors	Category	No. of Directorships in other public Companies. *	No. of other Board Committees **		Qualifications/ Expertise
			Member	Chairman	
Mr. Kushal N. Desai	Chairman and Managing Director (Executive)	--	--	--	Qualification : Bachelor of Science degree in Electrical Engineering from Moore School of Electrical Engineering, USA and Business degree from the Wharton School, USA both are part of University of Pennsylvania. Expertise : Business & Strategic Management and Engineering.
Mr. Chaitanya. N. Desai	Managing Director (Executive)	--	--	--	Qualification : Bachelor of Science (Hons.) in Chemical Engineering from University of Pennsylvania, USA and a Bachelor of Science in Economics (Hons.) from the Wharton Business School, USA. Expertise : Business & Strategic Management and Engineering

Mr. F. B. Virani	Non-Executive & Independent Director	--	--	--	Qualification : B.E. (Chemical Engg.), M.S. (Chemical Engineering) USA, M.B.A. (USA) Expertise : Electrical Engineering & Business Management
Mr. Rajesh Sehgal	Non-Executive & Independent Director	--	--	--	Qualification : Chartered Financial Analyst, Master of Business Administration in Business Management with specialisation in Finance and Marketing, XLRI (India) and Bachelor of Science with specialisation in Physics, Mumbai University, Expertise : Finance, Investment and Business Management.
Mrs. Nina Kapasi	Non-Executive & Independent Director	--	--	--	Qualification : Chartered Accountant Expertise : Taxation, Audit and Managing Consultancy.
Mr. Suyash Saraogi ⁽¹⁾	Non-Executive & Independent Director	--	--	--	Qualification : Bachelor of Science in Mechanical Engineering & Bachelor of Science in Economics, Wharton School, USA Expertise : Finance, Economics & Business Management
Mr. Rishabh K. Desai ⁽¹⁾ (Appointed w.e.f. 7th May, 2019)	Non-Executive & Non-Independent Director	--	--	--	Qualification : Bachelor of Science in Business Management & Entrepreneurship from Babson College, USA Expertise : Business Management, Finance and Strategic Management

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 and Mr. Rishabh K. Desai who is the son of Mr. Kushal N. Desai and Nephew of Mr. Chatanya N. Desai.

⁽¹⁾ During the financial year under review, Mr. Suyash Sarogi resigned as an Independent Director of the Company w.e.f. August 21, 2018 due to pre-occupations and other assignments and there is no other material reason. The Company has appointed Mr. Rishabh K. Desai as Non Executive & Non Independent Director w.e.f. 7th May, 2019.

* 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, 2019.

(b) List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business and sectors and as actually available with the Board:

- Qualification and Knowledge** – understand company's businesses, strategies, policies, values and culture including its risks, strength, opportunities and threats commensurate with the qualification they possess.
- Skills** – Technical and professional skills and expertise to frame strategies and to provide advice and guidance in implementation of Company's various ongoing projects, objectives and strategies.

(c) 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 that 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.

(d) Number of Board meetings and the attendance of Directors during the Financial Year 2018-19.

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 2018-19, four Board Meetings were held on May 30, 2018, August 9, 2018, November 1, 2018 and January 29, 2019. The last Annual General Meeting (29th AGM) was held on August 9, 2018 at 2:15 P.M. at the Auditorium of the Vanijiya 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 2018-19 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)	9,310,503	4	4	Yes
Mr. Chaitanya. N. Desai (CND)	9,226,946	4	4	Yes
Mr. F. B. Virani (FBV)	5,000	4	4	Yes
Mr. Rajesh Sehgal (RS)	Nil	4	4	Yes
Mr. Suyash Saraogi (SS)*	Nil	2	2	Yes
Mrs. Nina Kapasi (NK)	Nil	4	4	Yes

* Mr. Suyash Saraogi resigned as an Independent Director – Non Executive of the Company w.e.f. August 21, 2018.

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

- Mr. Rishabh K. Desai, who has been appointed as an Additional Director in the category of Non-Executive (Non-Independent) Director, is holding the office upto the date of ensuing Annual General Meeting. Shareholders' consent is being sought in this AGM to appoint him as Director.
- Mr. Kushal N. Desai retires at the ensuing AGM and being eligible offers himself for Re-appointment.
- The term of office of Mr. F. B. Virani (DIN 00062278), and Mrs. Nina Kapasi (DIN 02856816) as Independent Directors, are upto the conclusion of 30th Annual General Meeting of the Company to be held in the calendar year 2019. The Board of Directors, on recommendation of the Nomination and Compensation-cum-Remuneration Committee has recommended re-appointment of Mr. F. B. Virani, and Mrs. Nina Kapasi, as Independent Directors of the Company for a second term of 5 (five) consecutive years on the expiry of their current term of office. Mr. F.B. Virani shall continue to hold such directorship on and after attaining the age of seventy five (75) years.

The resolutions for Appointment / Re-appointment of Directors along with their respective 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.

(f) 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
NK**	4	4	RS**	1	1	SS ^{1**}	2	2	KND **	3	3
FBV	4	4	FBV	1	1	KND	4	4	CND	3	3
RS	4	4	SS ¹	1	1	CND	4	4	FBV	3	3
KND	4	4	NK ³	-	-	FBV ^{2**}	2	2	-	-	-
SS ¹	2	2	-	-	-	-	-	-	-	-	-

**Chairperson of the Committee

- 1 Mr. Suyash Saraogi Resigned as Chairman of the Share Transfer & Shareholders Grievance-cum-Stakeholders Relationship Committee and as a member of the Audit Committee and Nomination and Compensation-cum-Remuneration Committee w.e.f. 21.08.2018.
- 2 Mr. F. B. Virani was appointed as Chairman of the Share Transfer & Shareholders Grievance-cum-Stakeholders Relationship Committee w.e.f. 28.08.2018.
- 3 Mrs. Nina Kapasi was appointed as a Member of Nomination and Compensation-cum-Remuneration Committee w.e.f. 28.08.2018.

(g) 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-Familiarisation-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, 2019, 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.

The Board of Directors of your Company confirms that the Independent Directors fulfill the conditions specified in the listing Regulations and are independent of the management.

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 have approved 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 2018 -19 :

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 2018-19, four Audit Committee Meetings were held on May 30, 2018, August 9, 2018, November 1, 2018 and January 29, 2019. The Audit Committee includes three Independent Directors.

Details of the constitution of the Audit Committee and attendance of the members during the financial year 2018-19 is given in Para 2(f) above:

- The Chief Financial Officer, the representatives of Statutory Auditors and Internal Auditors are permanent invitees to the meeting and had attended & participated all 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 29th Annual General Meeting of the Company held on August 09, 2018.

(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 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 amongst other as follows:

- (i) recommendation for appointment, remuneration and terms of appointment & removal of auditors (External & Internal) 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.
- (xii) to review the functioning of the whistle blower mechanism;
- (xiii) carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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 2018 - 19:

During the financial year 2018-19, four Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee meetings were held on May 30, 2018, August 9, 2018, November 1, 2018 and January 29, 2019.

Details of the constitution of the Share Transfer and Shareholders Grievance-cum-Stakeholders Relationship Committee and attendance of the members during the financial year 2018-19 is given in Para 2(f) 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, Authorised Person 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. No share transfers remained pending for approval as at 31st March, 2019.

(c) The details of complaints received, cleared and pending during the financial year 2018-19 are given as under:

1.	No. of complaints received from SEBI (SCORES)	1
2.	No. of complaints resolved	1
3.	No. of complaints not solved to the satisfaction of the investors as at 31 st March, 2019.	Nil
4.	Complaints pending as at 31 st March, 2019.	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 2018 -19.

During the financial year 2018-19, three CSR Committee meetings were held on May 30, 2018, November 1, 2018 and January 29, 2019. Details of the constitution of the CSR Committee and attendance of the members during the financial year 2018-19 is given in Para 2(f) 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 (NRC) Committee.

(a) Composition and attendance during the financial year 2018 -19 :

During the financial year 2018-19, one NRC meeting was held on May 30, 2018.

Details of the constitution of the NRC Committee and attendance of the members during the financial year 2018-19 is given in Para 2(f) above.

(b) Terms of Reference:

The broad terms of reference of the Nomination and Compensation-cum-Remuneration (NRC) 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 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 of 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. Risk Management Committee

The Board has constituted a Risk Management Committee comprising of four Directors; Mr. Kushal N. Desai - Managing Director and CEO, Mr. Chaitanya N. Desai - Managing Director, Mr. Rajesh Sehgal, Mrs. Nina Kapasi, both Non-Executive and Independent Directors & Chief Financial Officer and other executive.

The Company has formulated Risk Management Policy identifying major risks impacting the business objectives of the Company.

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

The Committee's first Meeting was held on 29th May, 2019 and all the members of committee attended the Meeting.

COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

1. In line with the Company's objective towards increasing stakeholders value, a risk management policy has been framed, which attempts to identify key events / risks impacting the business objectives of the Company and attempts to develop policies and strategies to ensure timely evaluation, reporting, monitoring and mitigation plan of key business risks.

The Company is engaged in the business of manufacture and sale of conductors, specialty oils and cables. These businesses are faced with commodity price risks in respect of aluminum, copper, steel & base oils. In respect of aluminum and copper, price risk is managed by hedging on London metal exchange (LME). Whereas steel and base oils are not hedgeable as there is no active market for the same. These risks are managed through other business means such as inventory, sales prices etc. The information required in respect of SEBI circular no - SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is given below;

2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year

- a. Total exposure of the listed entity to commodities in INR Crores – ₹ 5,723 Crores
- b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure (₹ Crores) ¹	Exposure (Quantity) ¹	UOM	% of such exposure hedged through commodity derivatives				
				Domestic Market		International Market		Total
				OTC	Exchange	OTC	Exchange	
Aluminum	2,870	1,77,631	MT	-	-	-	98	98
Copper	916	19,264	MT	-	-	-	74	74
Steel ²	264	50,124	MT	-	-	-	-	-
Base Oils ²	1,673	3,49,589	KL	-	-	-	-	-

1. Exposure is based on the total purchases of particular commodity during the reporting year.
2. These commodities are not hedgeable.

8. 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 2018-19 is as under:

Name of Directors	Mr. K. N. Desai	Mr. C. N. Desai
Designation	Chairman & Managing Director	Managing Director
Salary (₹)	13,395,433	13,460,864
Commission (₹)	22,726,966	22,726,966
Perquisites / Allowances (₹)	322,630	530,603
Total (₹)	36,445,029	36,718,433
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
Mr. F. B. Virani	290,000	Nil
Mr. Rajesh Sehgal	240,000	Nil
*Mr. Suyash Saraogi	*140,000	Nil
Smt. Nina Kapasi	230,000	Nil

*upto 20.08.2018

(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.

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 of the Company and designated persons. 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. Further, the Company has also amended Whistle Blower Policy as per the amended SEBI (Prohibition of Insider Trading) Regulations 2015. The Company has appointed M/s. Link Intime India Pvt. Ltd., the Registrar and Transfer Agents of the Company, to monitor / facilitate compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015, as amended.

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
29th 2017 -18	August 9, 2018 at 2:15 P.M.	The Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 (Gujarat).	- Re-appointment of Mr. Kushal N. Desai as Managing Director and Chief Executive Officer (CEO) of the Company for a period of five years w.e.f. 1st January, 2018 to 31st December, 2022 and payment of Remuneration to him. - Re-appointment of Mr. Chaitanya N. Desai as Managing Director of the Company for a period of five years w.e.f. 1st January, 2018 to 31st December, 2022 and payment of Remuneration to him.
28th 2016-17	August 9, 2017 at 2:15 P.M.		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.

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, 2019 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, 2018.	1,398	22,111
ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2018-2019.	17	310
iii)	Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2018-2019.	17	310
iv)	Number of Shareholders whose shares were transferred from the Unclaimed Suspense Account to the IEPF Authority during the year 2018-2019.	65	926
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, 2019.	1,316	20,875

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 6,520 Equity Shares of the shareholders whose dividend had remained outstanding for a period of 7 years from 2010-11 to 2016-17 on 16th November, 2018 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, 2018. The said Cost Audit Reports were filed in XBRL mode with Ministry of Corporate Affairs (MCA) on 7th September, 2018 (due date of filing was 30th September, 2018). The due date for filing the Cost Audit Reports for the financial year ended 31st March, 2019 is within 30 days from the date of receipt of a copy of Cost Audit Report.



T. M. Rathi, Cost Auditor of the Company, has expressed his inability to continue as Cost Auditor of the Company for the financial year 2019-20 due to pre-occupation and health constraint and has accordingly tendered his resignation.

The Board of Directors of the Company has appointed M/s. Rahul Ganesh Dugal and Co., a Proprietary Firm, who are in Whole Time Practice as Cost Accountant, having Firm Registration no. 103425 and Membership no. 36459 issued by the Institute of Cost and Works Accountants of India (ICAI), as a Cost Auditor of the Company for the financial year 2019-20.

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.

The Company's results and official news/ presentations/ Notices are available on the Company's website www.apar.com.

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 2018-19, 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 as modified on 5th November, 2018 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 said policy has been amended in terms of amended Prohibition of Insider Trading (PIT) Regulations which came into effect on 01st April, 2019.

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. No personnel have been denied access to the Audit Committee.

- 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 and
- Apar Transmission & Distribution Projects Private Limited – Wholly 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, 2019.

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 2018-2019.
- 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

30th Annual General Meeting Day, Date and Time	:	Thursday, 8th August, 2019 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, 2019 to 31st March, 2020 The financial results will be adopted as per the following tentative schedule : First Quarter: On or before 14th August, 2019. Second Quarter: On or before 14th November, 2019. Third Quarter: On or before 14th February, 2020. Fourth Quarter: On or before 30th May, 2020.
Book Closure Dates	:	Friday, 2nd August, 2019 to Thursday, 8th August, 2019, (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), India.
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, 2019:

Particulars	31st March, 2019	
No. of Demat Shares	No. of Shares	%
- NSDL	3,49,39,703	91.30
- CDSL	31,78,938	8.31
No. of Physical Shares	1,49,978	0.39
Total	3,82,68,619	100.00


Distribution of shareholding as on 31st March, 2019:

No. of shares ranging From – To			No. of Shareholders	% to Total	No. of Shares	% to Total
1	-	500	22,603	95.88	11,08,301	2.90
501	-	1000	411	1.74	3,12,397	0.82
1001	-	2000	234	0.99	3,46,559	0.91
2001	-	3000	91	0.39	2,30,395	0.60
3001	-	4000	45	0.19	1,58,105	0.41
4001	-	5000	30	0.13	1,35,941	0.36
5001	-	10000	72	0.30	5,05,134	1.32
10001	&	above	89	0.38	3,54,71,787	92.69
Total:			23,575	100.00	3,82,68,619	100.00

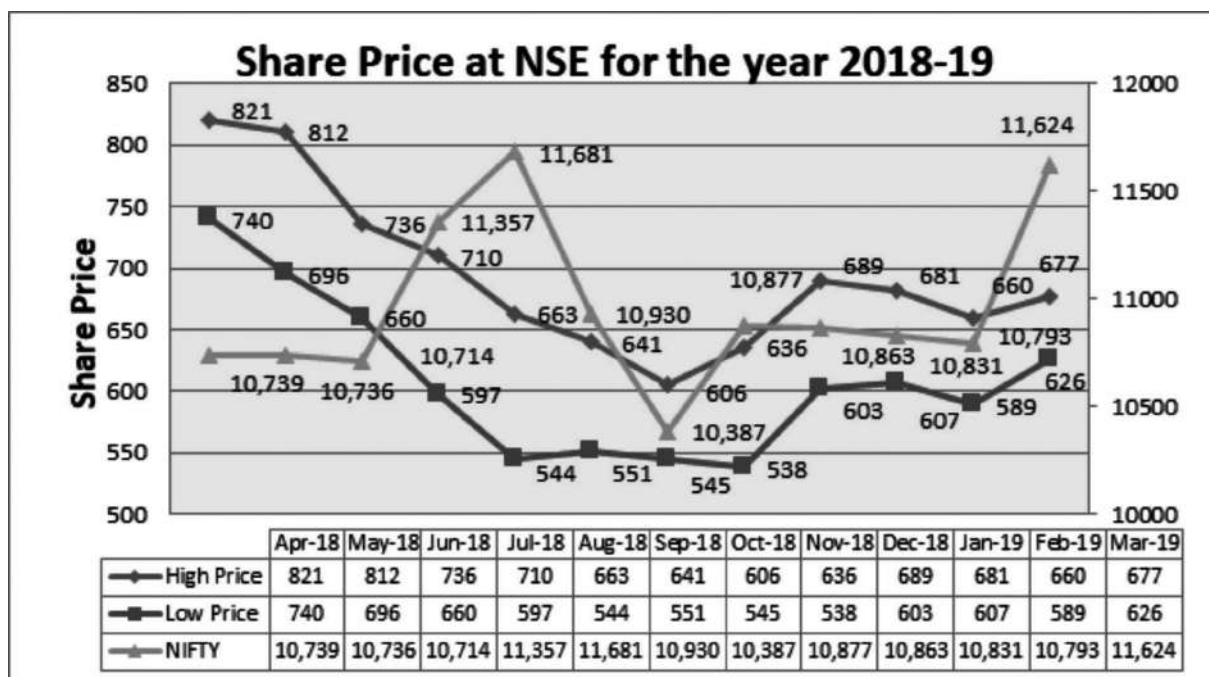
ISIN for NSDL & CDSL : INE372A01015

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 2018-19 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-18	819.00	733.60	3,39,030	35,160.36	821.00	740.00	5,85,160	10,739.35
May-18	820.90	702.30	1,74,041	35,322.38	811.50	695.55	1,98,467	10,736.15
Jun-18	737.20	655.70	15,028	35,423.48	736.40	660.00	2,03,242	10,714.30
Jul-18	710.50	600.10	64,203	37,606.58	709.80	597.15	3,15,839	11,356.50
Aug-18	640.85	546.05	1,65,802	38,645.07	662.90	544.40	4,70,800	11,680.50
Sep-18	646.10	559.00	41,835	36,227.14	641.00	551.30	4,82,540	10,930.45
Oct-18	621.00	544.00	32,420	34,442.05	605.50	545.10	3,36,804	10,386.60
Nov-18	635.40	535.00	25,178	36,194.30	636.25	538.10	6,03,475	10,876.75
Dec-18	685.00	603.75	15,895	36,068.33	689.00	602.50	1,75,876	10,862.55
Jan-19	681.00	607.15	11,166	36,256.69	680.95	607.00	1,41,711	10,830.95
Feb-19	646.05	591.70	59,546	35,867.44	660.00	589.00	1,15,058	10,792.50
Mar-19	675.30	626.10	16,605	38,672.91	677.10	625.55	1,71,075	11,623.90
Total Shares Traded			9,60,749				38,00,047	
Average Shares Traded			80,062				3,16,671	

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



Shareholding Pattern as at 31st March, 2019:

Category	No. of Equity Shares	% of Share Holding
Promoters / Persons Acting in concert	22,406,377	58.55
Banks, Financial Institutions and Insurance Companies	6,827	0.02
NBFC registered with RBI	330	0.00
Alternate Investment Fund	269,681	0.71
Mutual funds	9,170,672	23.97
Foreign Institutional Investors / Foreign Portfolio Investors	2,247,196	5.87
NRIs / OCBs	154,043	0.40
Corporate Bodies	716,512	1.87
Central Government / State Government / President of India (IEPF)	54,402	0.14
Resident Individuals (Public)	3,242,579	8.47
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

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in india or abroad.-

Rating: "A" for Long Term Bank Facilities and "A1" for Long / Short Term Bank Facilities, **Agency:** CARE Ratings Limited. The Company has not involved in mobilization of the fund under any scheme and debt instruments except availing of banking related facilities including Rupee Term Loan.

17. OTHER DISCLOSURES :
DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A).

During the year under review, there was neither any Preferential Allotment nor any Qualified Institutional Placement as specified under Regulation 32(7A) of the Listing Regulations.

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

The Company has received a certificate from Mr. Hemang M. Mehta, proprietor of M/s. H. M. Mehta & Associates, Company Secretary in Practice, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs/ Reserve Bank of India or any such statutory authority.

WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED, IN THE RELEVANT FINANCIAL YEAR, THE SAME TO BE DISCLOSED ALONG WITH REASONS THEREOF:

There was no such instance during FY 2018-19.

TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/ NETWORTH ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART:

Sr. No.	Head of Fees	Fees for the year 2018-19 (₹ Crores) Apar	Fees for the year 2018-19 (₹ Crores) ATDPPL	Fees for the year 2018-19 (₹ Crores) CEMA	Fees for the year 2018-19 (₹ Crores) Total
1.	Audit Fee	0.28	0.01	0.00	0.29
2.	Other Services	0.16	0.00	0.00	0.16
3.	Out-of-pocket expenses	0.01	0.00	0.00	0.01
	Total	0.45	0.01	0.00	0.46

DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013;

Particulars	Numbers
Number of complaints filed during the financial year	Nil
Number of complaints disposed off during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the listing regulations.

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 2018 -19 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, 2019.

Place : Mumbai

Date : 29th May, 2019.

Kushal N. Desai
Chairman & Managing Director
and CEO

Independent Auditor's certificate ('Certificate') on corporate governance

1. This Certificate is issued in accordance with the terms of our engagement letter dated 14 August 2018.
2. We, Sharp & Tannan LLP, Chartered Accountant, the Statutory auditors of Apar Industries Limited (the 'Company'), have examined the compliance of conditions of corporate governance for the year ended on 31 March 2019, 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

3. 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

4. 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.
5. We have examined the books of account and other relevant records and documents maintained by the Company for providing reasonable assurance on the compliance with corporate governance requirements by the Company.
6. 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.
7. 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

8. 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 on 31 March, 2019.
9. 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

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

Place : Mumbai

Date : 29th May, 2019.

For SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration No. 127145W/W100218
By the hand of
Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 19038332AAAAPC5905

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	:	2018-19
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	:	45 - Both International and National
i.	Number of international locations	:	3 Locations through Subsidiaries
ii.	Number of national locations	:	42 Locations (Factories, Offices including lease offices and depots)
10.	Market served by the Company Local / State / National / International	:	In addition to serving Indian markets, the Company exports its products to over 100 countries worldwide as on 31st March, 2019.

Section B : Financial Details of the Company :

1.	Paid up capital (INR)	:	₹ 38.27 Crore
2.	Total Turnover (INR) (Gross of Excise Duty)	:	₹ 7,586.27 Crore
3.	Total Profit after taxes (INR)	:	₹ 147.09 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	3.00 % of Profit after Tax
5.	List of activities in which expenditure in 4 above has been incurred:	:	1. Healthcare and upliftment of weaker sections of Society. 2. Education and Medical, 3. Environmental sustainability and Rural Development 4. Welfare of under privilege and destitute Children and 5. Health and Welfare of Senior Citizens and Armed forces.

Section C : Other details :

1.	Does the Company have any Subsidiary Company / Companies?	:	Yes, the Company has 3 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	:	00008084
	Name	:	Mr. Kushal N. Desai
	Designation	:	Chairman & Managing Director
b.	Details of the BR head	:	
	1. DIN (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 of 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 2018-19 and upload the same on the Company's website at www.apar.com. BRR for FY 17-18 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 was one complaint from the Investors and that has been resolved satisfactorily, Company's conductor division received 4 complaints and all 4(100%) were resolved, Cable division of the Company received total of 102 complaints, out of which 94 (92%) were resolved and 8 complaints are pending for resolution and Oil division of the company received total 188 complaints and all 188 (100%) were resolved satisfactorily.

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 continuously 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 used in the process and for charging the ground water through recharge pit. This will help in improving the ground water level. Also, set up a system to reuse the cleaned water after treatment.



Division has installed 330KWp Solar power plant for its energy consumption. It has generated 3,30,850 KWH during 2018-19 through solar power and fed into the main grid.

- d. Company's Cables Divisions is increasingly using recyclable steel drums in place of wooden drums in order to protect the environment. Out of Total procurement of Rs 36 Cr of Drums, about Rs 17.35 Cr Steel drums were used, thus reducing the consumption of wooden drums to reduce environment concerns.
- e. Company's Cable Division has commissioned 936 KWp Roof Top Solar during the financial year 2018-19 for in-house energy consumption. This will reduce 1371 metric ton of CO2 emission for the first year in the atmosphere and installing 936 KWp system is equivalent to planting 58447 mature trees.
- f. Company's cable division has started collecting water through 9 rain water harvesting points out of which 6 points are through borewell and 3 points are through collection tanks for financial year 2018-19.

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 are 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. .

Cable division took several steps to enhance the productivity, use of energy efficient equipments etc to reduce the consumption of per unit Power for production of cables. The Power consumption was 1.85 % during 2018-19 against 2.06 % during 2017-18, thereby reducing the environment concerns.

The company has saved 119036 KWH (Units) by replacing MH lights and tube lights by LED lights at cable division.

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 and Lapanga plants are 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 parts 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.

The manufacturing processes of Aluminium 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 recycles the scrap of Aluminium, Copper and Thermoplastic compound whereas steel wastage is being sold to scrap processors.

Wooden laggings used for wooden drums are also increasingly being replaced with PP sheet for covering, thus reducing wood consumption.

ETP Plant has been set up to treat the polluted water of various processes, which is used for auxiliary purposes making it Zero discharge unit.

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 divisions have a zero accident rate during the year under review

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

1,506 Nos. (excluding temporary and contractual employees).

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

a. Temporary	-	1151
b. Contractual	-	2734
c. Casual	-	325

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

83

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?**

10% of total Cable Division Employees and 3% of total of Apar Employees.

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	–	86%
b. Permanent Women Employees	–	83%
c. Casual / Temporary / Contractual Employees	–	94%
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 was one shareholder complaint from SEBI (SCORE) which was promptly attended to and redressed suitably to the stakeholder's / shareholder's 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 and made significant progress for the business of the 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, 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 various Industry segment seminars and exhibitions 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.



- 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.

- 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.

- 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.

- 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.

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

As 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's 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 its 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 its customers and end users.

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

Company's conductor division received 4 complaints and all 4 (100%) were resolved, Cable division of the Company received total of 102 complaints, out of which 94 (92%) were resolved and 8 complaints are pending for resolution and Oil division of the Company received total 188 complaints and all 188 (100%) were resolved satisfactorily.

- 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.

- 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.

- 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) Shri F.B.Virani	:	
	(b) 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. *Of these, 2/3rd Options lapsed and 1/3rd Options exercised and equal no. of shares (1,333) allotted.	:	4,000*
	ii. Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year		
	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
		:	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 2018-19).

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.



Financial Section

Independent Auditor's Report

To the Members of APAR Industries Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the standalone financial statements of Apar Industries Limited ('the Company'), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the standalone financial statements').

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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in

accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How the matter was addressed in our audit
Revenue recognition <p>We have identified the following key areas for consideration of revenue recognition as key audit matters:</p> <ul style="list-style-type: none"> • Cut-off: This establishes when title, risk and rewards are transferred to the customer and gives rise to the risk that revenue is not recognised in the correct period • Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard). <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures, which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Revenue from operations for the year ended 31 March 2019 the Company is ₹7,586.27 crores.</p>	<p>To address this key audit matter, our procedure included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the accounting processes and relevant controls relating to the accounting of revenue; • Performed walkthroughs of the revenue recognition processes and assessed the design effectiveness of key controls. • Tested the controls over the revenue recognition process to confirm operating effectiveness. • We read significant new contracts/ order to understand the terms and conditions and their impact on revenue recognition. • We performed cut off tests for all manufacturing locations for material movement (mapping of gate register/ manual register to the GRN/ goods entry accounted for by stores); • Examined invoice samples with shipping documents to ensure that revenue has been recognised in the correct period; and • We assessed the adequacy of the Company's disclosures on revenue recognition as given in notes 24 and 46 to the standalone financial statements <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard; and • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal controls, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of such controls.

	<p>We also selected a sample of continuing and new contracts and performed the following procedures:</p> <ul style="list-style-type: none"> • Read, analysed and identified the distinct performance obligations in such contracts; • Compared such performance obligations with that identified and recorded by the Company; • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings <p>Based on the procedures performed we consider revenue are fairly stated in the standalone financial statements.</p>
Derivative financial instruments and hedge accounting	
<p>Derivative financial instruments are used to manage and hedge foreign currency exchange risks and commodity risk. 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.</p> <p>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.</p> <p>We focused on this area on account of the number of contracts, their measurement, the complexity related to hedge accounting and the potential impact on the statement of profit and loss.</p> <p>As at 31 March 2019, the Company has derivative financial assets at fair value of ₹ 25.48 crores and derivative financial liabilities at fair value of ₹ 39.44 crores. (Refer note nos. 12A and 21A)</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the risk management policies and testing key controls for the use, recognition and measurement of derivative financial instruments; • We reconciled derivative financial instruments data with third party confirmations; • We compared valuation of derivative financial instruments with market data; • We tested, on a sample basis, the applicability and accuracy of hedge accounting; and • We considered the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting in notes 12A, 21A and 35 to 40 to the standalone financial statements; <p>Based on the procedures performed the derivative financial instruments and hedge accounting are fairly stated in the standalone financial statements.</p>
Inventories	
<p>Inventory comprises of raw material including packing material, work in progress, finished goods and stores and spares.</p> <p>We have identified the inventories as key audit matter because it is material to the standalone financial statements.</p> <p>Inventories aggregate to ₹ 1,223.34 crores as of 31 March 2019.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the supply chain and testing selected key controls over recognition and measurement of inventory; • Testing on a sample basis the accuracy of cost for inventory by verifying supporting documents and testing the net realizable value by comparing actual cost with relevant market data; • Ensuring proper cut-off; • Enquiring with management regarding non-moving and slow-moving inventories; and • by attending the physical stock-taking exercise conducted by management; further, we physically verified items on test check basis. <p>Based on the procedures performed inventories are fairly stated in the standalone financial statements.</p>

Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation

of the other information. The other information comprises the information included in the board's report including annexures thereto and management discussion and analysis, but does not include the standalone financial statements and our auditor's



report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud

or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by section 143(3) of the Act, based on our audit, 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 (including other comprehensive income), statement of changes in equity and the statement of cash flows 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 Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) 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, as amended, 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 has long-term contracts including derivative contracts for which there are no material foreseeable losses – refer notes 35 to 41 and 47 to the standalone 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 Company – refer note 21 to the standalone financial statements.

For Sharp & Tannan LLP

Chartered Accountants

Firm's registration no.127145W/W100218

Firdosh D. Buchia

Partner

Membership no. 038332

Mumbai, 29 May 2019

Annexure 'A' to the Independent Auditor's Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of the fixed assets by which fixed assets are verified in a phased manner. 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 the frequency of verification 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 given to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, 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, the Company has not accepted any deposits from the public during the year. Accordingly, 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 sales tax, service tax, duty of customs, duty of excise, and value added tax as at 31 March 2019 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	Assistant Commercial Tax Officer / Commercial Tax Officer
		0.06	2011-12 to 2012-13	Deputy Commissioner
		6.56	2002-03 to 2004-05 2006-07 2011-12 to 2013-14	Commissioner VAT
		7.21	1998-99 2002-03 2006-07 2008-09 2009-10 to 2011-12	Tribunal
		0.13	2013-14	Additional Commissioner
		1.36	2012-13 and 2014-15	Joint Commissioner
		0.15	2009-10	High Court
The Central Excise Act, 1944 The Customs Act, 1962 Service Tax under the Finance Act, 1994.	Duty, service tax, interest and penalty	2.61	FY 1996-97 to 2001-02 FY 2004-05 to 2007-08 FY 2011-12 to 2017-18	Commissioner (Appeal)
		3.92	FY 1998-99 FY 2000-01 to 2001-02 FY 2008-09 to 2017-18	CESTAT / Tribunal
		1.71	FY 1998-99 to 2006-07	High Court
		4.45	FY 2000-01 to 2001-02	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.
- (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 material 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, managerial remuneration has been paid or provided in accordance with 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, 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 as required by the applicable Indian Accounting Standards.

- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, 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, 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.

For **Sharp & Tannan LLP**
Chartered Accountants
Firm's registration no.127145W/W100218

Firdosh D. Buchia
Partner
Membership no. 038332

Mumbai, 29 May 2019

Annexure 'B' to the Independent Auditor's Report

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

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 31 March 2019 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 31 March 2019, 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.

for SHARP & TANNAN LLP

Chartered Accountants

Firm's Registration No.127145W / W100218

Firdosh D. Buchia

Partner

Membership no. 038332

Mumbai, 29 May 2019

Balance Sheet As at 31st March, 2019

(₹ in crore)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	598.47	537.61
Capital work-in-progress	2	103.49	18.21
Goodwill	3	2.10	4.76
Other Intangible assets	3A	3.04	1.81
Intangible asset under development	3A	-	0.86
Investments	4	0.27	0.28
Financial Assets			
Trade receivables	9A	1.93	0.86
Others	5	11.54	6.08
Other non-current assets	6	18.54	16.21
Other Tax Assets		10.20	10.11
Total non current assets		749.58	596.79
Current Assets			
Inventories	7	1,223.34	1,141.38
Financial Assets			
Investments	8	186.92	-
Trade receivables	9	2,077.12	1,683.63
Cash and cash equivalents	10	183.42	204.39
Bank balances other than above	11	12.05	30.97
Short-term loans and advances	12	21.84	15.04
Derivatives	12A	25.48	6.07
Other current assets	13	213.49	264.12
Other Tax Assets		54.20	56.54
Total current assets		3,997.86	3,402.13
TOTAL ASSETS		4,747.44	3,998.93
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14A	38.27	38.27
(b) Other equity	14B, 14C		
Reserves & Surplus		1,053.62	950.36
Other reserves		33.31	30.93
Total equity		1,125.20	1,019.56
Non current liabilities			
Financial liabilities			
Long Term Borrowings	15	84.48	105.80
Other financial liabilities	16	3.30	2.52
Provisions	17	5.49	4.64
Deferred tax liabilities (net)	18	39.16	32.96
Other non-current liabilities		-	-
Total non current liabilities		132.43	145.92
Current liabilities			
Financial liabilities			
Short Term Borrowings	19	87.82	169.75
Trade and other payables	20		
a) Total Outstanding dues of micro enterprises and small enterprises		7.83	7.70
b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		3,124.56	2,417.97
Other financial liabilities	21	61.16	56.64
Derivatives	21A	39.44	15.22
Other current liabilities	22	91.73	90.89
Short term provisions	23	1.58	1.03
Liabilities for current tax		75.69	74.25
Total current liabilities		3,489.81	2,833.45
Total liabilities		3,622.24	2,979.37
Total Equity and Liabilities		4,747.44	3,998.93
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

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 29th May, 2019

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 29th May, 2019

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, 2019

(₹ in crore)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
I. Revenue from Operations	24	7,586.27	5,635.91
II. Other income	25	14.82	10.92
III. Total Revenue		7,601.09	5,646.83
IV. Expenses			
Cost of materials consumed	26	6,065.45	4,160.22
Purchases of Stock-in-Trade	27	74.89	87.05
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(124.69)	6.10
Excise duty		-	120.17
Employee benefits expense	29	139.57	118.77
Finance costs	30	192.28	134.93
Depreciation and amortization expense	2,3,3A	60.13	49.59
Other expenses	31	968.40	751.04
Total expenses		7,376.03	5,427.87
Less : Transfer to capital assets		2.69	2.40
Net total expenses		7,373.34	5,425.47
V. Profit before exceptional items and tax		227.75	221.36
VI. Exceptional items		-	-
VII. Profit before tax		227.75	221.36
VIII. Tax expense:			
1. Current tax		75.69	74.25
2. Deferred tax		4.97	3.06
		80.66	77.31
IX. Profit/(Loss) for the year from continuing operations		147.09	144.05
X. Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		(0.87)	(0.04)
Income tax relating to items that will not be reclassified to profit or loss		0.30	0.01
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		4.48	(40.88)
Income tax relating to items that will be reclassified to profit or loss		(1.53)	14.43
XI. Total comprehensive income for the year (IX+X)		149.47	117.57
XII. Earnings per equity share	32		
Basic		38.44	37.64
Diluted		38.44	37.64

As per our report attached

SHARP & TANNAN LLP

Chartered Accountants

Firm Registration No.127145W/W100218

by the hand of

For and on behalf of the Board of Directors

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 29th May, 2019

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 29th May, 2019

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Statement of cash flows for the year ended 31st March, 2019

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	227.75	221.36
Adjustments for		
Depreciation on non current assets	56.58	45.99
Amortisation of intangible assets	3.55	3.60
(Gain)/loss on sale of property, plant and equipment	0.31	0.03
Finance costs	147.99	84.88
Finance income	(7.92)	(6.34)
Provision for Doubtful Debts written back / reversed	1.88	6.51
Unrealised exchange loss/(gain)	(23.36)	13.12
Profit on sale of investments	(6.90)	(4.58)
Movement in working capital		
(Increase)/ decrease in trade and other receivables	(377.41)	(504.29)
(Increase) in inventories	(81.96)	(206.03)
Increase/ (decrease) in trade and other payables	761.20	608.76
Tax paid	(72.00)	(59.18)
Net cash generated from / (used in) operating activities	629.71	203.83
Cash flow from investing activities		
Acquisition of property, plant and equipment	(200.14)	(122.51)
Acquisition of intangibles	(1.24)	(0.49)
Proceeds from sale of property, plant and equipment	0.17	0.28
Sale / (purchase) of investment in CEMA Optilinks Private Limited	0.01	(0.01)
Sale / (purchase) of investments	(180.02)	123.14
Net cash generated from / (used in) investing activities	(381.22)	0.41
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings - Net	(80.58)	(18.20)
Proceeds/(repayments) of long-term borrowings - Net	(28.15)	74.34
Interest received/(paid) - net	(136.02)	(75.58)
Dividend Payment	(36.28)	(38.17)
Tax on dividends	(7.47)	(7.79)
Net cash (used in) / generated from financing activities	(288.50)	(65.40)
Net increase / (decrease) in cash and cash equivalents	(40.01)	138.84
Effect of exchanges rate changes on cash and cash equivalents	0.13	(0.15)
Cash and cash equivalents at the beginning of the year	235.35	96.66
Cash and cash equivalents at the end of the year	195.47	235.35

Notes :

- Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 Statement of cash flows.
- Purchase of fixed assets includes movement of capital work-in-progress during the year.
- Cash and cash equivalents represents cash and bank balances and include margin money of ₹ 0.10 crore; (previous year ₹ 0.29 crore), fixed deposit under lien ₹ 11.05 crore (previous year ₹ 10.47 crore) and unrealised gain of ₹ 0.13 crore; (previous year unrealised loss of ₹ 0.15 crore) on account of translation of foreign currency bank balances.

As per our report attached

SHARP & TANNAN LLP

Chartered Accountants

Firm Registration No.127145W/W100218

by the hand of

For and on behalf of the Board of Directors

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 29th May, 2019

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 29th May, 2019

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Statement of changes in equity

(a) Equity share capital	As at March 31, 2019			As at March 31, 2018		
	No. of Shares	Amount (₹ in Crore)	No. of Shares	Amount (₹ in crore)		
Balance at the beginning of the reporting period	38,268,619	38.27	38,268,619	38.27		
Changes in equity share capital during the year	-	-	-	-		
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		
For the year ended	Retained earnings - Surplus	General reserve	Securities premium	Capital reserve	Capital Redemption Reserve	Cash flow hedging reserve
Balance at April 1, 2017	437.20	210.00	205.18	23.77	14.98	19.66
Profit for the year	144.05	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	144.05	-	-	-	-	-
Transactions with the owners of the Company						
Contributions and distributions						
Dividends	(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)
Profit for the year	147.09	-	-	-	-	2.95
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	147.09	-	-	-	-	2.95
Transactions with the owners of the Company						
Contributions and distributions						
Dividends	(43.83)	-	-	-	-	-
Transfer / Receipt	(15.00)	15.00	-	-	-	-
Balance at March 31, 2019	608.44	240.00	205.18	23.77	14.98	(3.84)
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 statement of profit or loss as the hedged cash flows or items affect profit or loss.						
ii. Securities premium						
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.						

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 statement of profit or loss as the hedged cash flows or items affect profit or loss.

ii. Securities premium
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.

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

Firdosh D. Buchia

Partner

Membership No. 038332

Mumbai, 29th May, 2019

Kushal N. Desai

Chairman &

Managing Director &

Chief Executive Officer

DIN : 00008084

Mumbai, 29th May, 2019

Nina P. Kapasi

Director

DIN : 02856816

V. C. Diwadkar

Chief Financial Officer

Sanjaya R. Kunder

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	1	Significant Accounting Policies
-------------	----------	--

1. General information

Apar Industries Limited ("the Company"), 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. The Company is incorporated in India. The registered office of the Company is situated at 301, Panorama Complex, R. C. Dutt Road, Vadodara, Gujarat – 390 007. Over the ensuing years it has been offering value added products and services in Power Transmission Conductors, Petroleum Specialties and Power & Telecom Cables. These financial statements are approved for issue by the Board of Directors on May 29, 2019.

2. Statement of compliance

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 (to the extent notified) read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in accounting policy hitherto in use.

3. Functional and presentation currency

These financial statements are presented in Indian rupees (₹), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated. Amounts less than ₹ 0.50 lakhs have been presented as "0.00".

4. Basis of preparation

The financial statements have been prepared on a going concern basis using historical cost convention 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; and
- 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 & intangible assets

Useful lives of 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.

• 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

- **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 Programs**

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. 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	1	Significant Accounting Policies [Contd.]
-------------	----------	---

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 came 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 Recognition

i. Revenue from contract with customers for sale of goods and provision of services

Ind AS 115 Revenue from Contract 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:

- 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 Company has adopted the standard on April 1, 2018 by using cumulative catch up transition method. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

The Company recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Company satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 satisfies; else revenue is recognized at point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenues are recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue & costs, if applicable, can be measured reliably.

a. Performance Obligation

The Company derives its revenue from selling products and services in Power Transmission Conductors, Transformer & Specialty Oils and Cables.

The Company is required to assess each of its contracts with customers to determine whether performance obligation are satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Company has assessed that based on the contracts entered into with the customers and the provisions of relevant laws and regulations, the Company recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Company satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

In cases where the Company determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer. The Company considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided and consumed by the customer as per agreed terms and the Company has unconditional right to consideration.

In cases where the Company determines that performance obligation is satisfied over time, then revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 1 Significant Accounting Policies (Contd.)

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.

The Company considers that the use of the input method, which requires revenue recognition on the basis of the company's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Company estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include;

- a. For service contracts, the time elapsed

b. Transaction Price

The Company is required to determine the transaction price in respect of each of its contracts with customers.

Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.

For allocating the transaction price, the Company measured the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Company also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration if any, the Company uses the "most likely amount" method as per Ind AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

c. Discounts, Rebates & Incentive to Customers

The Company accounts for volume discounts, rebates and pricing incentives to customer based on the ratable allocation of the discounts / rebates to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning that discounts; rebates or incentive. The Company also recognises the liability based on the past performance of the customers fulfilling the criteria to get the discounts, rebates or incentive and the future outflow of the same is probable. If it is probable that the criteria for the discounts will not be met or if the amounts thereof cannot be estimated reliably, then the discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company accounts for discounts, rebates and pricing incentives in the year of payment where customer qualifies for the same and wherein provision was not made due to company's inability to make reliable estimates based on the available data at reporting date.

d. Contract Modification

Any changes in the scope or price of the contracts are accounted only when the same is approved. The accounting of modification calls for assessment of changes in the scope or prices. If the goods or services added are not of distinct nature then modification are accounted on a cumulative catch up basis, while those that are distinct are accounted prospectively, either as a separate contract, if additional goods or services are priced at the standalone selling prices or as a termination of the existing contract and creation of new contract if not priced at the standalone selling price.

ii. 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.

- iii. Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.
- iv. Dividend income is recognised when the right to receive the payment is established.

C. Employee benefits

i. Short term employee benefits

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

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's 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:

- 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 1 Significant Accounting Policies (Contd.)

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
- 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 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 1 Significant Accounting Policies (Contd.)

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:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- 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.
- 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
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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 1 Significant Accounting Policies (Contd.)

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

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:

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

- 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 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

- 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.

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

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.

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

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.

8. Ind AS issued but not effective

The following Ind AS / amendments to Ind AS have been notified by Ministry of Corporate Affairs ("MCA"), which the Company has not applied as they are effective from April 1, 2019.

a. Ind AS 116 - Leases

On March 30, 2019, the Ministry of Corporate Affairs had notified Ind AS 116 - Leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right of use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Currently under Ind AS 17, leases are classified as finance lease and operating lease.

Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant & equipment) and lease liability similarly to other financial liabilities. As consequences, a lessee recognizes depreciation of the right of use asset and interest on the lease liability and also classifies cash repayments of lease liability into a principal portion and interest portion.

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)

The Company will adopt the standard on April 1, 2019 by using cumulative catch up transition method and accordingly comparative for the year ending or ended March 31, 2019 will not be retrospectively adjusted. As at the date of this report, the Company management does not expect that the Company's result of operations and financial position will be materially impacted upon adoption of Ind AS 116.

b. Amendment to Ind AS 12 Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company is currently evaluating the impact on account of this amendment to the financial statements.

c. Ind AS 12, Appendix C, uncertainty over income tax treatments

Ind AS 12, Appendix C, Uncertainty over Income Tax treatments is to be applied while performing the determination of Taxable Profits (Loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatment under Ind AS 12. According to appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

filing which had to be considered to compute the most likely amount or the expected value of tax treatment when determining taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods 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)

The Company will adopt the standard on April 1, 2019 by using cumulative catch up transition method and accordingly comparative for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Company does not expect any material impact on account of this amendment.

d. Ind AS 109 – prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect any material impact on account of this amendment.

e. Ind AS 19 – Plan amendment, curtailment or settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect any material impact on account of this amendment.

f. Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any material impact on account of this amendment.

g. Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

h. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not expect any material impact on account of this amendment.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019



APAR INDUSTRIES LTD.

Note	2	Property, plant and equipment	₹ in crore											
			Gross block				Depreciation			Net Block				
			Cost As at 01-04-2018	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2019	Upto 31-03-2018	For the year	Deductions/ Adjustments	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018	
(i) Tangible assets														
		Land- Freehold	26.64	0.28	-	-	26.92	-	-	-	-	26.92	26.64	
		Land-Leasehold	10.61	-	-	-	10.61	0.42	0.14	-	0.56	10.05	10.20	
		Building (Refer Note a. below)	177.53	35.98	[0.07]	-	213.44	16.22	7.77	[0.02]	23.97	189.47	161.32	
		Plant and machinery (Refer Note a & b below)	404.84	72.80	[1.42]	0.56	476.78	86.07	43.12	[1.14]	128.05	348.73	318.77	
		Furniture and fixtures	5.50	1.14	[0.31]	-	6.33	1.66	0.82	[0.29]	2.19	4.14	3.83	
		Equipments	18.28	5.38	[0.31]	-	23.35	5.61	3.23	[0.31]	8.53	14.82	12.68	
		Motor vehicles	6.61	1.77	[0.85]	-	7.53	2.43	1.50	[0.74]	3.19	4.34	4.18	
		Sub total (i)	650.01	117.35	[2.96]	0.56	764.96	112.40	56.58	[2.49]	166.49	598.47	537.61	
(ii) Capital work-in-progress														
		Buildings	-	-	-	-	-	-	-	-	-	16.03	3.65	
		Plant and machinery	-	-	-	-	-	-	-	-	-	87.46	14.56	
		Sub total (ii)	-	-	-	-	-	-	-	-	-	103.49	18.21	
		Grand Total										701.96	555.82	
			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	
(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														
		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	

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

Note	3	Goodwill		
			Amortisation for the year	Net Block as at 31.03.2018
		7.42	2.66	4.76
			Amortisation for the year	Net Block as at 31.03.2019
		4.76	2.66	2.10

Note	3A	Intangible assets	
------	----	-------------------	--

(₹ in crore)

	Gross Block						Depreciation			Net Block	
	Cost As at 01-04-2018	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2019	Upto 31-03-2018	For the year	Deductions/ Adjustments	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Specialised software	4.54	2.10	-	-	6.64	2.94	0.84	-	3.78	2.86	1.59
Non compete fee	0.41	-	-	-	0.41	0.18	0.05	-	0.23	0.18	0.22
	4.95	2.10	-	-	7.05	3.12	0.89	-	4.01	3.04	1.81
Intangible asset under development					-				-	-	0.86
TOTAL	4.95	2.10	-	-	7.05	3.12	0.89	-	4.01	3.04	2.67

	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
intangible asset under development										0.86	1.02
TOTAL	4.30	0.65	-	-	4.95	2.18	0.94	-	3.12	2.67	3.14

Note :

- Includes expenditure on Research and development ₹ 3.18 crore, (Previous year ₹ 1.30 crore) for Plant and machinery (Refer Note 45)
- Addition to Fixed Assets includes, ₹ 0.56 crore for the year ended 31 March 2019 (Previous year ₹ 0.03 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, 2019 is ₹ 7.99 crore (Previous year ₹ 8.92 crore)
- The Company had contractual commitments of ₹ 25.21 crore for the year ended 31 March 2019 (Previous year ₹ 17.91 crore).
- Existence 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, 2019

Note 4 Investments

(₹ in crore)

	31 March 2019	31 March 2018
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 (upto 18.09.2018)* of ₹ 10 each, fully paid up #	-	0.01
	0.27	0.28

It is carried at cost.

* The Company has sold the investment against cash consideration

Disclosure pursuant to Ind AS 27 - "Separate Financial Statements"

Subsidiary Company	Principal place of business	Effective Proportion of ownership (%)		Effective Proportion of voting power (%)	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Petroleum Specialities Pte Limited	Singapore	100%	100%	100%	100%
Apar Transmission & Distribution Projects Pvt Ltd	India	100%	100%	100%	100%
CEMA Optilinks Pvt Ltd (upto 18.09.2018)	India	0%	99%	0%	99%

Note 5 Other Non current Financial Assets

(₹ in crore)

	31 March 2019	31 March 2018
Unsecured, considered good		
Security deposits	7.56	5.03
Other financial assets (Refer Note i below)	3.98	1.05
	11.54	6.08

Note:

i. Includes fixed deposit of ₹ 2.79 crore (Previous Year ₹0.03 crore) under lien.

Note 6 Other non current assets

(₹ in crore)

	31 March 2019	31 March 2018
Capital advances	14.56	9.62
Balance with government authority	3.98	5.57
Others	-	1.02
	18.54	16.21

Note 7 Inventories

(₹ in crore)

	31 March 2019	31 March 2018
Raw materials and components	512.87	506.76
Raw materials-in transit	203.57	260.76
Work-in-progress	151.64	134.27
Finished goods	295.47	145.63
Finished goods - in transit	9.23	37.75
Stock-in-trade	13.43	27.43

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Stock-in-trade - in transit	-	-
Stores and spares	37.13	28.78
	1,223.34	1,141.38

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 2019	31 March 2018
a. Investment in mutual funds		
Union Liquid Fund Growth - Direct Plan No. of units 10,39,160.265 (31 March 2018: Nil)	186.92	-
	186.92	-

b. Market value of quoted investments		
Book value	186.92	-
Market value	186.92	-
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 2019	31 March 2018
Trade receivables		
Secured, considered good	0.52	0.52
Unsecured, considered good (Refer Note (ii) below)	2,076.60	1,683.11
Unsecured, credit impaired	35.40	33.52
	2,112.52	1,717.15
Less: Allowances for doubtful debts	35.40	33.52
	2,077.12	1,683.63

Note

- For receivables offered as security 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 2019	31 March 2018
Due from a subsidiary		
Petroleum Specilities FZE	5.02	-
CEMA Optilinks Pvt Ltd	-	0.25
	5.02	0.25

The Company's exposure to credit and currency risk related to trade receivables are disclosed in note 36 and note 38 respectively.

Note 9A Trade receivables (Non-Current)

(₹ in crore)

	31 March 2019	31 March 2018
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1.93	0.86
Unsecured, credit impaired	-	-
	1.93	0.86
Less: Allowances for doubtful debts	-	-
	1.93	0.86

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 10 Cash and cash equivalents

(₹ in crore)

	31 March 2019	31 March 2018
Balances with banks	180.07	126.76
On deposits with original maturity of less than three months	-	0.00
Cash on hand	0.20	0.18
Cheques on hand	1.95	1.28
Funds in transit	1.20	76.17
	183.42	204.39

Note:

Bank balances include ₹ 0.82 crore as at March, 31 2019 (₹ 2.79 crore as at March 31, 2018) held in foreign currencies which are not freely remissible because of exchange restrictions.

Note 11 Bank balances other than (Note 10) above

(₹ in crore)

	31 March 2019	31 March 2018
Deposits with original maturity for more than 3 months but less than 12 months(refer note i below)	11.24	30.05
Margin money deposit (refer note ii below)	0.10	0.29
Unclaimed dividend account (refer note iii below)	0.71	0.63
	12.05	30.97

Note

- i Includes fixed deposit of ₹ 11.05 crore (Previous Year ₹ 10.47 crore) under lien.
- ii Against letters of credit for Company's import of raw materials and working capital loans.
- iii There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2019

Note 12 Short-term loans and advances

(₹ in crore)

	31 March 2019	31 March 2018
Unsecured, considered good, unless otherwise stated #		
Loans and advances to related parties	0.09	1.87
Others		
Security deposits	18.49	8.19
Interest accrued but not due on fixed deposits	0.46	0.41
Interest accrued but not due on security deposits	0.08	0.10
Other receivable	2.72	4.47
	21.84	15.04
# Loans and advances to related party		
Petroleum Specialities Pte. Ltd	-	1.14
Petroleum Specialities FZE	0.09	0.01
CEMA Optilinks Pvt Ltd	-	0.72
	0.09	1.87

(₹ in crore)

Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Loans and advances to subsidiary companies	Maximum amount due at any time during the year	
	31 March 2019	31 March 2018
Petroleum Specialities Pte. Ltd	1.14	1.14
Petroleum Specialities FZE	0.09	0.48
Apar Transmission & Distribution Projects Pvt Ltd	-	0.01
CEMA Optilinks Pvt Ltd	0.72	0.72

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	12A	Derivatives-Asset	(₹ in crore)	
------	-----	-------------------	--------------	--

	31 March 2019	31 March 2018
Derivatives used for hedging	25.48	6.05
Interest rate swap used for hedging	-	0.02
	25.48	6.07

Note	13	Other Current Assets	(₹ in crore)	
------	----	----------------------	--------------	--

	31 March 2019	31 March 2018
Balances with statutory/government authorities	145.99	172.25
Prepayments and others	67.50	91.87
	213.49	264.12

Note	14A	Equity Share Capital	(₹ in crore)	
------	-----	----------------------	--------------	--

	31 March 2019	31 March 2018
a	Authorised :	
	101,998,750 (Previous year 101,998,750) Equity shares of ₹ 10 each	102.00
	TOTAL	102.00
b	Issued :	
	38,268,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27
	TOTAL	38.27
c	Subscribed and Paid up :	
	38,268,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27
		38.27

	31 March 2019	31 March 2018
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
	Issued (Buy Back) during the year	-
	Outstanding at the end of the year	38,268,619

	31 March 2019	31 March 2018
e	Aggregate no. and class of shares bought back during the period of five years immediately preceding the reporting date:	
	No of Shares bought back	228,150
	Equity Shares bought back (FY 2016-17)	228,150

f. Terms/rights attached to equity shares

- 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.
- 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.

Event after the reporting date.

The Company declares and pays dividends in Indian rupees. The Board of Directors of the Company has recommended dividend for the financial year 2018 -19 @ ₹ 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. The actual dividend amount will be dependent upon the relevant share capital outstanding as on the record date / book closure.

		31 March 2019		31 March 2018	
g.	Shareholders holding more than 5% shares in the company is set out below:	No of shares	%	No of shares	%
	Kushal N. Desai	9,310,503	24.33%	9,187,974	24.01%
	Chaitanya N. Desai	9,226,946	24.11%	9,103,656	23.79%
	Maithili N. Desai Family Pvt. Trust No. 2 -Trustee Maithili Trusteeship Services Private Limited "	3,480,000	9.09%	1,800,000	4.70%
	HDFC Trustee Company Limited	3,441,727	8.99%	3,010,750	7.87%
	Reliance Capital Trustee Company Limited	2,435,968	6.37%	2,368,341	6.19%
	L&T Mutual Fund Trustee Limited	2,399,905	6.27%	955,985	2.50%

h 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 (Refer Note below)
------	-----	---------------------------------

(₹ in crore)

	31 March 2019	31 March 2018
Retained earnings - Surplus	608.44	520.18
General reserve	240.00	225.00
Securities premium	205.18	205.18
Capital reserve	23.77	23.77
Capital Redemption Reserve	14.98	14.98
	1,092.37	989.11
The nature & purpose of each of the Reserves have been explained under Statement of changes in Equity		
Retained earnings		
Opening balance	520.18	437.20
Increase/(decrease) during the year	88.26	82.98
Closing Balance	608.44	520.18
General reserve		
Opening balance	225.00	210.00
Increase/(decrease) during the year	15.00	15.00
Closing balance	240.00	225.00
Securities premium		
Opening balance	205.18	205.18
Increase/(decrease) during the year	-	-
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	14.98
Increase/(decrease) during the year	-	-
Closing balance	14.98	14.98

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	14C	Items of OCI
(₹ in crore)		
	31 March 2019	31 March 2018
Cash flow hedging reserve (net of tax)	[3.84]	[6.79]
Other items of OCI (net of tax)	[1.60]	[1.03]
	[5.44]	[7.82]
Cash flow hedging reserve (Net of tax)		
Opening balance	[6.79]	19.66
Increase/(decrease) during the year	2.95	[26.45]
Closing balance	[3.84]	[6.79]
Other items of OCI (net of tax)		
Remeasurement of defined benefit liability (asset)		
Opening balance	[1.03]	[1.00]
Increase/(decrease) during the year	[0.57]	[0.03]
Closing balance	[1.60]	[1.03]

Note	15	Long term borrowings			
(₹ in crore)					
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		Non current		Current	
Term loans (Secured)					
	Rupee term loans from banks	84.48	105.80	21.50	13.33
	Foreign currency term loans from banks	-	-	-	14.99
		84.48	105.80	21.50	28.32

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Notes 37, 38 and 39 respectively

Details of security:

a Rupee term loans and foreign currency loan from banks are secured as under:

- 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.
- 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.
- 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 :

- 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
- In respect of Foreign Currency Term Loans from Union Bank of India, Hongkong; last installment was paid in May, 2018 ₹ 14.88 crore.
- 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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 2019	31 March 2018
Short term borrowings	87.82	169.75
Interest accrued but not due on above	-	0.61
Long term borrowings	105.98	134.12
Interest accrued but not due on above	0.70	0.67
Net debt	194.50	305.15

Changes in Borrowings	Long Term Borrowings	Short Term Borrowings	Total
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
As at 01.04.2018	134.79	170.36	305.15
Availed during the year	-	179.85	179.85
Paid during the year	(28.72)	(267.90)	(296.62)
Foreign exchange adjustments	0.61	5.51	6.12
As at 31.03.2019	106.68	87.82	194.50

Note 16 Other non-current financial liabilities (₹ in crore)

	31 March 2019	31 March 2018
Deposits from dealers (Refer Note*)	3.30	2.52
	3.30	2.52

Note* : Measured at amortised cost

Information about the Company's exposure to liquidity risk, foreign currency and interest rate are included in Notes 37, 38 and 39 respectively

Note 17 Long term provisions (₹ in crore)

	31 March 2019	31 March 2018
Provision for gratuity- In respect of directors	1.13	0.98
Provision for leave benefits (Refer Note 34)	4.36	3.66
	5.49	4.64

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 18 DEFERRED TAX LIABILITIES (NET)

(a) Movement in deferred tax balances

(₹ in crore)

	March 31, 2019					
Deferred tax asset / (Liabilities)	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(50.15)	(6.11)		(56.26)	-	(56.26)
Derivatives	3.65	(0.04)	(1.53)	2.08	2.08	-
Loans and borrowings	(0.30)	0.06		(0.24)	-	(0.24)
Employee benefits	2.00	0.35	0.30	2.65	2.65	-
Deferred income	0.25	(0.14)		0.11	0.11	-
Provisions	11.60	0.77		12.37	12.37	-
Investments	-	(0.06)		(0.06)	-	(0.06)
Security Deposits	(0.01)	0.02		0.00	0.00	-
Other items	-	0.19		0.19	0.19	-
Tax assets (liabilities)	(32.96)	(4.97)	(1.23)	(39.16)	17.40	(56.56)
Set off tax						17.40
Net tax assets (liabilities)	(32.96)	(4.97)	(1.23)	(39.16)	17.40	(39.16)

(b) 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	(0.01)	(0.00)	-	(0.01)	-	(0.01)
Other items	-	-	-	-	-	-
Tax assets (liabilities)	(44.34)	(3.06)	14.44	(32.96)	17.50	(50.47)
Set off tax						17.50
Net tax assets (liabilities)	(44.34)	(3.06)	14.44	(32.96)	17.50	(32.96)

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 19 Short term borrowings

(₹ in crore)

	31 March 2019	31 March 2018
Secured Loans		
Working capital loans from banks (Refer Notes below)		
Packing credit loan in foreign currency from banks	87.82	80.39
	87.82	80.39
Unsecured Loans		
Buyer's Credit in foreign currency	-	89.36
	87.82	169.75

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 2019	31 March 2018
Acceptances	2,443.51	1,757.22
Due to Micro, Small and Medium Enterprises	7.83	7.70
Due to other than micro and small and medium enterprises	676.08	660.75
Due to subsidiary companies	4.97	-
Total	3,132.39	2,425.67

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.

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

	31 March 2019	31 March 2018
(a) i) Principal amount	7.83	7.70
ii) Interest due	-	-
(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 2019	31 March 2018
Current portion of long-term foreign currency loan (Refer Note 15 (b))	-	14.99
Current portion of long-term Rupee loan (Refer Note 15 (b))	21.50	13.33
Interest accrued but not due	20.02	15.95
Creditors for capital expenditure	12.30	4.78
Channel Finance	2.12	2.27
Bill Discounting with Recourse	1.11	4.33
Unclaimed dividend (Refer Note*)	0.71	0.63
Bank Overdraft	2.87	-
Deposit from Dealers	0.53	0.36
	61.16	56.64

Note:

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2019.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 21A Derivatives-Liability		
	(₹ in crore)	
	31 March 2019	31 March 2018
Derivatives used for hedging	39.44	15.22
	39.44	15.22

Note 22 Other current liabilities		
	(₹ in crore)	
	31 March 2019	31 March 2018
Statutory dues towards Government	11.83	4.58
Other payables (Refer Notes below)	79.90	86.31
	91.73	90.89

Note:-

- i. Other payables includes deposit and advance from customers
- ii. Refer note 46 for Advances from customers classified as Contract Liability as per Ind As 115

Note 23 Short term provisions		
	(₹ in crore)	
	31 March 2019	31 March 2018
Provision for employee benefits		
Provision for gratuity	0.34	-
Provision for leave benefits (Refer note 34)	1.24	1.03
	1.58	1.03

Note 24 Revenue from operations*		
	(₹ in crore)	
	2018-19	2017-18
Sale of products (Refer Note 24.1)		
Finished goods	7,372.62	5,460.91
Raw materials	19.01	1.92
Traded goods	105.30	92.71
Total	7,496.93	5,555.54
Sale of services	27.50	38.29
Other operating revenue		
Miscellaneous Income	61.84	42.08
Total	61.84	42.08
Revenue from operations	7,586.27	5,635.91

* Revenue from operations for FY 2017-18 are inclusive of Excise Duty and for FY 2018-19 are net of GST.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 24.1 Details of Products Sold

(₹ in crore)

	2018-19	2017-18
Finished goods sold		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	2,206.83	1,830.73
AAC/AAAC/ACSR/Copper - Conductor, Aluminum Rods	3,516.94	2,502.95
Cables	1,631.79	1,115.54
Thermoplastic Elastomers	17.06	11.69
	7,372.62	5,460.91
Raw materials sold		
Base Oils and additives	7.41	0.38
Ferrous metal and Non-ferrous metals	11.60	1.45
Others	-	0.09
	19.01	1.92
Traded goods sold		
Thermoplastic Elastomers	27.95	34.48
Lubricants	23.20	22.71
Aluminium, HTLS Hardware & GSW Steel Wire, etc.	49.95	33.21
others	4.20	2.31
	105.30	92.71
	7,496.93	5,555.54

Note 25 Other Income

(₹ in crore)

	2018-19	2017-18
Interest income	7.92	6.34
Financial assets at FVTPL-net change in fair value	0.18	-
Gain on sale of investments (net)	6.72	4.58
TOTAL	14.82	10.92

Note 26 Cost of materials consumed

(₹ in crore)

	2018-19	2017-18
Inventory at the beginning of the year	767.51	559.32
Add : Purchases	6,014.39	4,368.41
	6,781.90	4,927.73
Less: Closing Inventory	716.45	767.51
TOTAL	6,065.45	4,160.22

Note 27 Purchases of Stock-in-Trade

(₹ in crore)

	2018-19	2017-18
Thermoplastic Elastomers	9.20	42.81
Lubricants	18.76	20.81
HTLS Hardware	43.90	22.94
Others	3.03	0.49
	74.89	87.05

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 28 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2018-19	2017-18
Inventories at the beginning of the year		
Finished goods	183.38	209.28
Work-in-progress	134.27	127.02
Traded goods	27.43	14.88
	345.08	351.18
Inventories at the end of the year (Refer Note 28.1)		
Finished goods	304.70	183.38
Work-in-progress	151.64	134.27
Traded goods	13.43	27.43
	469.77	345.08
	(124.69)	6.10

Note 28.1 Details of Inventory

(₹ in crore)

	2018-19	2017-18
Finished goods		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	60.97	56.12
AAC/AAAC/ACSR/Copper- Conductors	159.44	71.96
Cables	83.36	54.31
Thermoplastic Elastomers	0.93	0.99
	304.70	183.38
Work-in-progress		
Transformer oils/Special Grade -Pharmaceutical Oils/Other Specialities Oils - (including R.P.Oils)	21.21	13.36
AAC/AAAC/ACSR/Copper- Conductors	65.18	65.44
Cables	65.20	55.42
Thermoplastic Elastomers	0.05	0.05
	151.64	134.27
Traded goods		
Thermoplastic Elastomers	7.67	22.98
Lubricants	4.31	4.40
Others	1.45	0.05
	13.43	27.43

Note 29 Employee benefits expense

(₹ in crore)

	2018-19	2017-18
Salaries, wages and bonus	123.97	104.36
Contribution to provident and other funds	6.62	5.65
Gratuity expense	1.11	0.94
Staff welfare expenses	7.87	7.82
	139.57	118.77

Note 30 Finance costs

(₹ in crore)

	2018-19	2017-18
Interest on borrowings	147.99	84.88
Bank charges for borrowing	11.56	12.00
Applicable net loss on foreign currency transactions and translation	32.73	38.05
	192.28	134.93

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 31 Other expenses

(₹ in crore)

	2018-19	2017-18
Consumption of stores and spares	36.70	24.57
Packing materials	241.99	195.69
Excise duty adjustment of finished goods stock	-	(15.32)
Storage charges	13.16	12.18
Power, electricity and fuel	100.06	59.81
Processing charges, fabrication and labour charges	142.23	103.80
Freight and forwarding charges	232.57	192.52
Rent	2.93	2.55
Rates and taxes	2.52	4.82
Insurance	8.11	6.83
Repairs and maintenance		
Plant and machinery	7.63	6.07
Buildings	2.23	2.22
Others	5.99	5.62
Advertising and sales promotion	4.06	3.27
Sales commission	35.74	32.75
Travelling and conveyance	21.67	19.17
Printing and stationery	1.82	1.60
Legal and professional fees	15.87	10.90
Directors' sitting fees	0.09	0.10
Commission to Chairman and Managing Director and Joint Managing Director	4.55	4.56
Discount and rebates	0.23	0.05
Lease rental	1.78	1.57
Corporate Social Responsibility Activities	4.48	3.52
Donations	0.04	0.04
Royalty	6.37	5.75
Bank charges and commission	21.60	16.61
Bad debts and advances written-off	3.47	1.73
Less: Allowances for doubtful debts utilised	(0.55)	(0.26)
Allowances for doubtful debts and advances	5.02	7.10
Loss on sale of fixed assets (net)	0.31	0.03
Miscellaneous expenses	45.73	41.19
	968.40	751.04

Note : Auditors' remuneration (included in miscellaneous expenses)

(₹ in crore)

Auditor remuneration as	2018-19	2017-18
Auditor	0.28	0.27
for other services	0.16	0.13
for reimbursement of expenses	0.01	0.01
Total	0.45	0.41

* Gross amount required to be spent by the Company during the year on CSR Activities : ₹ 4.48 crore.

(₹ in crore)

Details of corporate social responsibility expenditure	2018-19	2017-18
Amount required to be spent by the Company during the year	4.48	3.42
Amount spent during the year (in cash)	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.48	3.52
Yet to be paid in cash (including earlier years)	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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)		2018-19	2017-18
Profit (loss) for the year, attributable to the owners of the Company		147.09	144.05
Profit (loss) for the year, attributable to ordinary shareholders	A	147.09	144.05
ii. Weighted average number of ordinary shares (basic)		2018-19	2017-18
Issued ordinary shares at April 1		38,268,619	38,268,619
Weighted average number of shares at March 31	B	38,268,619	38,268,619
Basic EPS (₹)	A/B	38.44	37.64
Face Value per Share (₹)		10	10

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2019 and as at 31/03/2018, 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, 2019	For the year ended March 31, 2018
Current income tax	75.69	74.25
Taxes of earlier years	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	4.97	3.06
Deferred tax expense	4.97	3.06
Tax expense for the year	80.66	77.31

(b) Amounts recognised in other comprehensive income

(₹ in crore)

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	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)	[0.87]	0.30	[0.57]	[0.04]	0.01	[0.03]
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	4.48	[1.53]	2.95	[40.88]	14.43	[26.45]
	3.61	[1.23]	2.38	[40.92]	14.44	[26.48]

(c) Reconciliation of effective tax rate

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	227.75	221.36
Enacted Income tax rate in India	34.944%	34.608%
Tax using the Company's domestic tax rate	79.59	76.61
Tax effect of:		
Non-deductible tax expenses	0.79	0.62
Incremental deduction allowed for research and development costs	[0.41]	[0.35]

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Deduction under chapter VIA	(0.48)	(0.29)
Others	0.82	0.72
Change in deferred tax balances due to change in income tax rate	0.35	-
	80.66	77.31

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 ₹ 1.96 crore (previous year ₹ 1.71 crore) for superannuation contribution and other retirement benefit contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company recognised ₹ 4.66 crore (previous year ₹ 3.94 crore) for provident fund contributions in the Statement of Profit and Loss.

(ii) Defined Contribution Plans:

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

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, 2019. 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:

Movement in net defined benefit (asset) liability

(₹ in crore)

	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded	Funded
Table showing change in benefit obligation		
Defined benefit obligation at beginning of the year	11.63	10.90
a) Included in statement of profit and loss		
Current service cost	0.97	0.94
Interest cost	0.94	0.82
Actuarial (gain) / loss	-	-
	1.91	1.76
b) Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
demographic assumptions		-
financial assumptions	0.27	(0.46)
experience adjustment	0.54	0.47
	0.81	0.01
c) Other		
Benefits paid	(0.55)	(1.04)
Liability transferred in /Acquisitions		-
	(0.55)	(1.04)
Defined Benefit obligation at end of the year	13.80	11.63

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded	Funded
Table showing change in Fair Value of Plan Assets		
Fair value of plan assets at beginning of the year	11.63	10.90
Expected return on plan assets	0.94	0.82
Actuarial gain / (loss)	[0.06]	[0.03]
Employer Contribution	1.49	0.98
Benefit paid	[0.55]	[1.04]
Assets transferred in /Acquisitions	-	-
Fair value of plan assets at year end	13.46	11.63
Actual return on plan assets	0.89	0.79
Expected Contribution for next year	1.52	0.97

(₹ in crore)

Table showing category of assets	March 31, 2019	March 31, 2018
Insurance fund	13.46	11.63
Total	13.46	11.63

Defined benefit obligations

i) Actuarial assumptions

In arriving at the valuation for gratuity & leave salaries following assumptions were used:

	March 31, 2019 Gratuity	March 31, 2018 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	7.79%	8.09%
Expected rate of return on plan assets (per annum)	7.79%	8.09%
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, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	[8,761,395]	10,177,937	[7,261,361]	8,430,702
Future salary growth (1% movement)	10,363,648	[9,057,210]	8,610,317	[7,525,967]
Employee Turnover (1% movement)	2,201,668	[2,505,302]	2,099,565	[2,383,641]

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 Company's financial statements as at balance sheet date:

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

Net asset / (liability) recognised in the balance sheet as at	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded	Funded
Fair value of plan assets	13.46	11.63
Present value of obligation	(13.80)	(11.63)
Amount recognised in balance sheet	(0.34)	-
Recognised under:		
Long term provision (refer note 17)	-	-
Short term provision (refer note 23)	0.34	-
Total	0.34	-

(₹ in crore)

Expense recognised during the year	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded	Funded
Included in statement of profit and Loss		
Current service cost	0.97	0.94
Interest cost	0.94	0.82
Net actuarial (gain) / loss		
Return on plan assets,excluding actuarial gain or loss	(0.94)	(0.82)
Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
financial assumptions	0.27	(0.46)
experience adjustment	0.54	0.47
Return on plan assets,excluding actuarial gain or loss	0.06	0.03
Net Cost	1.84	0.98

(₹ in crore)

Maturity analysis of the benefit payments: from the fund	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded	Funded
Projected benefits payable in future years from the date of reporting		
1st following year	3.74	3.29
2nd following year	0.55	0.44
3rd following year	0.91	0.69
4th following year	0.71	0.79
5th following year	1.18	0.64
From 6 to 10 years	4.57	3.81
From 11 years and above	17.38	15.51

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 35 Financial instruments – Fair values and risk management Disclosure

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)

March 31, 2019	Note No.	Carrying amount					Fair value			
		Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Financial assets										
Investments										
- Mutual Fund	8		186.92			186.92	186.92			186.92
Loans & advances										
- Non-current										-
- Current	12				21.84	21.84				-
Trade Receivables										-
- Non-current					1.93	1.93				
- Current	9				2,077.12	2,077.12				
Cash and Cash Equivalents	10				183.42	183.42				-
Other Bank Balances	11				12.05	12.05				-
Other financial assets										
- Non-current	5				11.54	11.54				-
- Current					-	-				-
Derivatives	12A	25.48	0.60	24.88		25.48		25.48		25.48
Total financial assets		25.48	187.52	24.88	2,307.90	2,520.30	186.92	25.48	-	212.40
Financial liabilities										
Borrowings	15, 19				172.30	172.30				-
Other financial liabilities										
- Non-current	16				3.30	3.30				-
- Current	21				61.16	61.16				-
Derivatives	21A	39.44	8.65	30.79		39.44		39.44		39.44
Trade Payables	20				3,132.39	3,132.39				-
Total financial liabilities		39.44	8.65	30.79	3,369.15	3,408.59	-	39.44	-	39.44

(₹ in crore)

March 31, 2018	Note No.	Carrying amount					Fair value			
		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	9					-				-
- Non-current					0.86	0.86				
- Current					1,683.63	1,683.63				

Cash and Cash Equivalents	10				204.39	204.39				-
Other Bank Balances	11				30.97	30.97				-
Other financial assets										
- Non-current	5				6.08	6.08				-
- Current					-	-				-
Derivatives	12A	6.07	1.16	4.91		6.07		6.07		6.07
Total financial assets		6.07	1.16	4.91	1,940.97	1,947.04	-	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				56.64	56.64				-
Derivatives	21A	15.22		15.22		15.22		15.22		15.22
Trade Payables	20				2,425.67	2,425.67				-
Total financial liabilities		15.22	-	15.22	2,760.38	2,775.60	-	15.22	-	15.22

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 ₹ 232.03 Crore and ₹ 280.33 Crore as of March 31, 2019 and March 31, 2018, 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 ₹ 98.8 crores and ₹ 96.56 crores as of March 31, 2019 and March 31, 2018 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

C. 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 Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note	36	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:

(₹ in crore)

	March 31, 2019	March 31, 2018
Neither past due nor impaired	1,553.20	1,168.83
past due 1-90 days	359.61	399.27
past due 91 -180 days	88.14	83.10
past due 180 days	113.50	66.81
Total	2,114.45	1,718.01
Less: Provisions	35.40	33.52
Net Total	2,079.05	1,684.49

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, 2019	March 31, 2018
Neither past due nor impaired	21.84	15.04
past due 1-90 days	-	-
past due 91 -180 days	-	-
past due 180 days	-	-
	21.84	15.04

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 :

Expected credit loss (%)*	Oil Division	Cable Division	Conductor Division
Neither past due nor impaired	0.00%	0.01%	0.00%
past due 1-90 days	0.00%	0.01%	0.00%
past due 91 -180 days	0.01%	0.19%	0.00%
past due 180 days	4.75%	1.66%	0.17%
	0.12%	0.08%	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 is as follows

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

Allowances for Doubtful Debts	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2017	27.02	-
Amounts provided	5.87	-
Amount written back / utilised	(0.60)	-
Balance as on 31 March 2018	32.29	-
Amounts provided	5.09	-
Amount written back / utilised	(3.14)	-
Balance as on 31 March 2019	34.24	-

Allowances for Expected Credit Loss	As at 31.3.2019	As at 31.3.2018
Balance at the beginning of the year	1.23	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.07)	1.23
Balance at the end of the year	1.16	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 equivalents of ₹ 195.47 Crore as on 31 March 2019 (₹ 235.35 Crore as on 31 March 2018). 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 ₹ 86.45 Crore* (Previous Year ₹ 81.48 Crore*) and by Petroleum Specialities FZE ,a downstream subsidiary company ₹ 300.85 Crore* (Previous Year ₹ 263.98Crore*).

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, 2019	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	105.97	105.97	21.50	16.48	68.00	-
Short term loan from bank (Secured)	87.82	87.82	87.82	-	-	-
Short term loan from bank (Unsecured)	-	-	-	-	-	-
Trade and other payables	3,132.39	3,132.39	3,132.39	-	-	-
Other financial liabilities	39.66	39.66	39.66	-	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Derivative financial liabilities						
Forward exchange contracts/Futures used for hedging						
- Outflow	39.44	39.44	39.44	-	-	-

(₹ 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	28.32	28.32	28.32	-	-	-
Derivative financial liabilities						
Forward exchange contracts/ Futures used for hedging						
- Outflow	15.22	15.22	15.22	-	-	-

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.

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, 2019:

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.

Fig. in Crore

	March 31, 2019					
	USD	EUR	CAD	JPY	ETB	NPR
Trade receivables	6.71	0.28	0.01	-	-	-
Cash and cash equivalents	0.09	0.02	0.01	-	0.09	0.95
Long term Borrowings	-	-	-	-	-	-
Short term borrowings	(1.27)	-	-	-	-	-
Trade payables	(8.23)	(0.05)	-	0.04	0.16	-
Net Exposure	(2.70)	0.25	0.02	0.04	0.25	0.95

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Fig. in Crore

	March 31, 2019		
	PHLP. PESO	KES	EGP
Trade receivables	-	-	-
Cash and cash equivalents	0.01	0.04	0.01
Long term Borrowings	-	-	-
Short term borrowings	-	-	-
Trade payables	-	-	-
Net Exposure	0.01	0.04	0.01

	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	(9.64)	(0.71)	1.91	0.69	1.92

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD	69.89	64.45	69.16	65.18
EUR	80.93	75.42	77.47	80.30
CAD	53.29	50.31	52.00	50.56
JPY	0.63	0.58	0.63	0.61
ETB	2.52	2.56	2.43	2.32
NPR	0.62	0.62	0.62	0.62
Phlp. PESO	1.32	1.27	1.32	1.25
KES	0.69	0.63	0.69	0.65
EGP	3.93	3.63	3.99	3.70

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, 2019		
USD (1% movement)	1.89	(1.89)
EUR (1% movement)	(0.20)	0.20
CAD (1% movement)	(0.01)	0.01
JPY (1% movement)	(0.00)	0.00
ETB (1% movement)	(0.01)	0.01
NPR (1% movement)	(0.01)	0.01
Phlp. PESO (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
	1.67	(1.67)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ 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
	5.77	(5.77)

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, 2019	March 31, 2018
Fixed rate instruments	105.98	119.13
Variable-rate instruments*	2,897.52	2,215.37
	3,003.50	2,334.50

*Variable rate instruments include letter of credit

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 statement of 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 Basis Point increase	100 Basis Point decrease
March 31, 2019		
Variable-rate instruments	(28.98)	28.98
Cash flow sensitivity (net)	(28.98)	28.98
March 31, 2018		
Variable-rate instruments	(22.15)	22.15
Interest rate swaps	0.15	(0.15)
Cash flow sensitivity (net)	(22.00)	22.00

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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 Group's risk management policy is to hedge its estimated foreign currency exposure in respect of highly forecasted sales. 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

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 receives 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, 2019

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	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
4	Forecasted Export Sales	Highly Probable Purchases	Mitigate the impact of fluctuations in foreign exchange rates	Forecasted Export Sales	Company uses its Forecasted Export Receivable to mitigate the risk of foreign currency movement in settlement of Highly Probable Purchases	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 2019									
	Notional principal amounts (Net)	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	-	-	-	(0.02)	-	NA	NA	(0.02)	Finance Cost
Foreign exchange forward contracts	655.12	1.63	17.03	(12.81)	(39.54)	NA	NA	26.74	Finance Cost
Commodity contracts	769.94	22.63	13.76	16.67	75.00	NA	NA	(58.33)	COGS
Forecasted Export Sales	76.05	0.62	-	0.63	(5.91)	NA	NA	6.54	Sales

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

As at 31 March 2018									
	Notional principal amounts (Net)	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	-	NA	NA	0.11	Finance Cost
Foreign exchange forward contracts	214.80	-	2.91	(3.94)	13.79	NA	NA	(17.73)	Finance Cost
Commodity contracts	189.82	4.89	12.31	44.71	(0.14)	NA	NA	44.85	COGS

The tables below provide details of the Company's hedged items under cash flow hedges:

(₹ in crore)

	As at 31 March 2019			As at 31 March 2018		
	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	(0.02)	-	NA	0.11	(0.02)	NA
Highly probable forecast transactions	(12.81)	15.40	NA	(3.94)	2.91	NA
Highly probable purchases	16.67	(8.87)	NA	44.71	7.42	NA
Forecasted Export Sales	0.63	(0.62)	NA	-	-	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, 2019	March 31, 2018
Opening balance	10.39	(30.49)
Effective portion of changes in fair value:		
a) Interest rate risk	-	-
b) Commodity price risk	(75.00)	(0.14)
c) Foreign currency risk	39.54	13.79
d) Highly Probable Purchases	5.91	-
Net amount reclassified to profit or loss:		
a) Interest rate risk	0.02	0.11
b) Commodity price risk	58.33	44.85
c) Foreign currency risk	(26.74)	(17.73)
d) Highly Probable Purchases	(6.54)	-
Movements on reserves during the year		
Closing balance	5.91	10.39

Disclosure of effects of hedge accounting on financial performance

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

31st March, 2019

(₹ in crore)

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised 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	-	NA	(0.02)	Finance Cost
Foreign exchange risk	(39.54)	NA	26.74	Finance Cost
Commodity price risk	75.00	NA	(58.33)	COGS
Highly Probable Purchases	(5.91)	NA	6.54	COGS

31st March, 2018

(₹ in crore)

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised 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	-	NA	0.11	Finance Cost
Foreign exchange risk	13.79	NA	(17.73)	Finance Cost
Commodity price risk	(0.14)	NA	44.85	COGS

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, 2019	As at March 31, 2018
Borrowings	193.80	303.87
Less : Cash and cash equivalent*	184.42	224.89
Adjusted net debt	9.38	78.98
Total equity	1,125.20	1,019.56
Less : Hedging reserve	(3.84)	(6.79)
Adjusted equity	1,129.04	1,026.35
Adjusted net debt to adjusted equity ratio	0.01	0.08

*Fixed Deposit of ₹ 11.05 crore (Previous Year ₹ 10.47 crore) under lien has been excluded.

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(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

For the year ended March 31, 2019

(₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	3,632.34	2,241.65	1,666.96	7,540.95	45.32		7,586.27
Other income	3.22	0.99	3.24	7.45	7.37		14.82
Intersegment revenue	287.60	5.96	16.98	310.54	-	(310.54)	-
Segment revenue	3,923.16	2,248.60	1,687.18	7,858.94	52.69	(310.54)	7,601.09
Segment profit (loss) before tax & Finance Cost	152.85	120.58	172.80	446.23	2.15		448.38
Less :- Interest expense							192.28
Less:- Other unallocated expenditure net of unallocable income	-						28.35
Profit before tax							227.75
Tax expenses							80.66
Profit after tax							147.09
Capital Employed							
Segment assets	2,124.36	1,210.43	1,088.84	4,423.64	24.04		4,447.67
Unallocable corporate and other assets				-			299.77
Total Asset	2,124.36	1,210.43	1,088.84	4,423.64	24.04	-	4,747.44
Segment liabilities	2,026.80	937.73	415.16	3,379.69	3.65		3,383.34
Unallocable corporate and other liabilities							238.90
Total Liabilities	2,026.80	937.73	415.16	3,379.69	3.65	-	3,622.24
Capital expenditure	97.35	26.58	57.52	181.45	2.33	-	183.78
Capital expenditure -Unallocable							17.60
Depreciation and Amortisation expense	24.05	10.09	22.77	56.91	0.44		57.35
Depreciation and Amortisation- Unallocable				-			2.78

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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	1.07	5.74	5.18	-	10.92
Intersegment revenue	9.32	5.50	6.81	21.63	0.01	(21.64)	-
Segment revenue	2,613.17	1,866.18	1,137.39	5,616.74	51.73		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	1,062.35	827.17	3,766.47	43.08	-	3,809.55
Unallocable corporate and other assets				-			189.38
Total Segment Asset	1,876.95	1,062.35	827.17	3,766.47	43.08	-	3,998.93
Segment liabilities	1,500.53	795.32	417.88	2,713.74	2.36	-	2,716.09
Unallocable corporate and other liabilities				-			263.28
Total Segment Liabilities	1,500.53	795.32	417.88	2,713.74	2.36	-	2,979.37
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

C. Information about geographical areas

(a) Revenue from external customers

(₹ in crore)

	2018-19	2017-18
- Within India*	5,604.40	3,912.42
- Outside India	1,981.87	1,723.49
	7,586.27	5,635.91

* include deemed exports ₹ 73.93 crore (Previous year ₹ 63.81 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	2018-19	2017-18
USD (US Dollar)	1,778.20	1,338.55
EUR (EURO)	71.78	41.65
GBP (British Pound)	0.06	-
CAD (Canadian Dollar)	44.50	162.40
JPY (Japanese Yen)	-	0.16
INR	87.33	180.74
Total	1,981.87	1,723.49

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(b) Segment Assets

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
- Within India	4,252.86	3,561.46
- Outside India	494.58	437.47
	4,747.44	3,998.93

(₹ in crore)

Segment assets outside India currency wise	As at March 31, 2019	As at March 31, 2018
USD (US Dollar)	470.14	337.62
EUR (EURO)	22.61	0.22
NPR (Nepalese Rupee)	0.59	1.18
CAD (Canadian Dollar)	0.93	96.85
PESO (Phillipine PESO)	0.01	-
ETB (Ethiopian Birr)	0.23	1.60
KES (Kenyan Shilling)	0.03	-
EGP (Egyptian Pound)	0.04	-
Total	494.58	437.47

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 Company's total revenue.

Note 43 Related party relationships, transactions and balances

A. List of Related Parties

a). Subsidiary Companies:

1. Petroleum Specialties Pte. Ltd, Singapore (Wholly owned subsidiary of Apar Industries Limited - 100%)
2. Petroleum Specialties FZE, Sharjah (Wholly owned subsidiary of Petroleum Specialties Pte. Ltd - 100%)
3. Apar Transmission & Distribution Projects Private Limited (Wholly owned subsidiary of Apar Industries Limited - 100%)
4. CEMA Optilinks Private Limited upto 18.09.2018 (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). Ex - 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
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.
Apar Technologies Private Ltd

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Apar Technologies Pte. Ltd.
 Chaitanya N. Desai Family Private Trust
 Maithili N. Desai Family Private Trust
 Maithili N. Desai Family Private Trust No. 2
 Catalis World Private Ltd
 Gayatri Associates
 Maithili Trusteeship Services Private Limited
 Kushal N. Desai Family Private Trust
 Narendra D. Desai Family Private Trust
 Hari Haribol Dairy Products Private Limited
 EM & EM Personal Care Private Limited

B. Related Party Transactions in ordinary course of business

(i) Subsidiary companies:

(₹ in crore)

Sr No.	Transactions	2018-19	2017-18
1	Sale of finished goods/ Raw materials / traded goods	5.36	2.12
2	Purchase of finished goods/ Raw materials / traded goods	10.27	6.08
3	Services rendered	-	1.65
4	Rent Received	0.03	0.01
5	Commission Paid	1.02	-
6	Guarantee given by the company on behalf of subsidiary	387.30	345.45
7	Guarantee commission from the subsidiary	-	-
8	Balance outstanding as on		
	a) Receivable from subsidiary company for supply of raw material, finished goods, capital goods, dividend and services	5.11	1.83
	b) Payable to subsidiary company for supply of raw material, finished goods, capital goods, dividend and services	4.97	1.65
9	Reimbursement of Expenses	5.68	0.63
10	Committments	5.99	-

(ii) Key Managerial Personnel :

(₹ in crore)

Sr No.	Transactions	2018-19	2017-18
1	Remuneration	8.70	8.28
2	Dividends paid (payment basis)	18.99	18.29

(iii) Chairman having significant influence

(₹ in crore)

Sr No.	Transactions	2018-19	2017-18
1	Dividends paid (payment basis)	-	0.17

(iv) Relatives of Key Managerial Personnel:

(₹ in crore)

Sr No.	Transactions	2018-19	2017-18
1	Dividends paid (payment basis)	0.17	1.71

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

(₹ in crore)

Sr No.	Transactions	2018-19	2017-18
1	Rent paid	1.13	1.13
2	Dividends paid (payment basis)	1.91	2.01
3	Sale of finished goods/ Raw materials / traded goods	1.69	-
4	Purchase of finished goods/ Raw materials / traded goods	0.32	-
5	Balance outstanding as on		
	a) Receivable for supply of finished goods	1.69	-
6	Committments	3.64	4.77

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(c) Disclosure pursuant to Section 186 of the Companies Act, 2013

(₹ in crore)

Sr No.	Nature of transaction (Loans given/ Investment made/guarantee provided)	Purpose of the transactions	2018-19	2017-18
a	Loan & Advances			
i	Subsidiary Companies			
	Petroleum Specialities Pte. Ltd	Reimbursement of Expenses	-	1.14
	Petroleum Specialities FZE	Reimbursement of Expenses	0.09	0.01
	CEMA Optilinks Pvt Ltd (upto 18.09.2018)	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 (upto 18.09.2018)	Capital Contribution	-	0.01
c	Guarantees			
i	Subsidiary Companies			
	Petroleum Specialities Pte. Ltd	Corporate Guarantee for subsidiary's debt	86.45	81.48
	Petroleum Specialities FZE	Corporate Guarantee for subsidiary's debt	300.85	263.98

(d) Compensation of key management personnel of the Company

(₹ in crore)

Sr No.	Nature of transaction	2018-19	2017-18
1	Short-term employment benefits	8.44	8.11
2	Post Employment benefits	0.15	0.13
3	Other Long term employee benefits	0.11	0.04
		8.70	8.28

Note 44 Contingent liabilities and commitments

(₹ in crore)

		March 31, 2019	March 31, 2018
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)	9.41	8.54
	Customs duty	2.40	2.87
	Sales tax	16.20	15.32
	ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Company is in appeal before Bombay High Court.	11.76	11.14
	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	2.33
	v) Others	9.04	6.59
b)	Corporate Guarantees		
i)	Guarantee given by the Company for credit facilities enjoyed by Petroleum Specialities Pte Ltd., a wholly-owned subsidiary	86.45	81.48
ii)	Guarantee given by the Company for term loan facilities enjoyed by Petroleum Specialities FZE, a downstream subsidiary company.	300.85	263.98
B.	Capital commitments		
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	25.21	17.91

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Notes:

1. It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the matters in note a (i) to a (v) of claims against the Company not acknowledged as debts mentioned in A - Contingent Liabilities, pending resolution of the arbitration/appellate proceedings. The liability mentioned as aforesaid includes interest except in cases where the Company has determined that the possibility of such levy is very remote.
2. The cash outflows in respect of Corporate Guarantees mentioned in note b of A - contingent liabilities, could generally occur upto the period over which the validity of such guarantees extends or it could occur any time during the subsistence of the borrowing to which the guarantees relate.
3. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 45 Research and Development Expenses :

(A) R & D Center-OIL (Rabale - DSIR Recognised) (₹ in crore)

		2018-19	2017-18
a)	Salary, wages and other benefits	2.15	1.61
	Consumables and Other expenses	0.21	0.43
	sub-Total	2.36	2.04
b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	0.92
		-	0.92
	Total	2.36	2.96

(B) R & D Center-Conductor (Silvassa) (₹ in crore)

		2018-19	2017-18
a)	Salary, wages and other benefits	-	-
	Consumables and other expenses	3.58	3.63
	sub-Total	3.58	3.63
b)	Capital expenditure		
	Building	-	-
	Plant and machinery	3.18	0.38
		3.18	0.38
	Total	6.76	4.01

(C) R & D Center-Cable (Khatalwad) (₹ in crore)

		2018-19	2017-18
a)	Salary, wages and other benefits	0.16	0.13
	Consumables and other expenses	0.89	0.38
	sub-Total	1.05	0.51
b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
		-	-
	Total	1.05	0.51
	Grand Total (A+B+C)	10.17	7.48

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 46 IND AS 115 - Revenue from Contracts with Customers

i. Disaggregated revenue

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.

The company uses the same operating segment information for reporting purposes in all its communication to various stakeholders i.e. annual report, investor presentations

For disclosures containing the disaggregated revenue - Refer note no 42 - Segment Reporting

(ii) Contract balances

(₹ in crore)

	2018-19
Contract assets	
Unbilled revenue	
As at April 1, 2018	0.04
Add: Addition during the year	0.14
	0.18
Less: Transferred to receivable	0.04
As at Mar 31, 2019	0.14

	2018-19
Contract liability	
Advances from customers	
As at April 1, 2018	80.45
Add: Addition during the year	104.13
	184.58
Less: Revenue recognised during the year	105.45
As at Mar 31, 2019	79.13

Refer note no 9 - for Trade receivables balances

iii. Remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are having performance obligations, which are a part of the contracts that has an original expected duration of one year or less. Hence, the company has applied practical expedient as per para 121 of the Ind As 115 in regards to remaining performance obligations.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 47 Master Netting

The following table presents the recognised financial instruments that are subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2019 and March 31, 2018.

(₹ 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
March 31, 2019			
Financial assets			
Derivative instruments			
Forward contract/Futures	25.48	24.86	0.62
Interest rate swap	-	-	-
Total	25.48	24.86	0.62
Financial liabilities			
Derivative instruments			
Forward contract	39.44	24.86	14.58
Interest rate swap	-	-	-
Total	39.44	24.86	14.58
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
March 31, 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	10.34
Interest rate swap	-	-	-
Total	15.22	4.89	10.34

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.

Note 48 Figures for previous periods/year have been regrouped, wherever necessary

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

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 29th May, 2019

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 29th May, 2019

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 audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Apar Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as 'the consolidated financial statements').

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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31 March 2019, of consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matters	How the matter was addressed in our audit
Revenue recognition <p>We have identified the following key areas for consideration of revenue recognition as key audit matters:</p> <ul style="list-style-type: none"> • Cut-off: This establishes when title, risk and rewards are transferred to the customer and gives rise to the risk that revenue is not recognised in the correct period. • Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard). <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures, which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Revenue from operations for the year ended 31 March 2019 of the Company is ₹7,963.85 crores.</p>	<p>To address this key audit matter, our procedure included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the accounting processes and relevant controls relating to the accounting of revenue; • Performed walkthroughs of the revenue recognition processes and assessed the design effectiveness of key controls. • Tested the controls over the revenue recognition process to confirm operating effectiveness. • We read significant new contracts to understand the terms and conditions and their impact on revenue recognition. • We performed cut off tests for all manufacturing locations for material movement (mapping of gate register/ manual register to the GRN/ goods entry accounted for by stores); • Examined invoice samples with shipping documents to ensure that revenue has been recognised in the correct period; and • We assessed the adequacy of the Company's disclosures on revenue recognition as given in notes 24 and 45 to the consolidated financial statements. <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard; and • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of such controls.

	<p>We also selected a sample of continuing and new contracts and performed the following procedures:</p> <ul style="list-style-type: none"> • Read, analysed and identified the distinct performance obligations in such contracts; • Compared such performance obligations with that identified and recorded by the Company; • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings <p>Based on the procedures performed we consider revenue are fairly stated in the consolidated financial statements.</p>
Derivative financial instruments and hedge accounting	
<p>Derivative financial instruments are used to manage and hedge foreign currency exchange risks and commodity risk. 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.</p> <p>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.</p> <p>We focused on this area on account of the number of contracts, their measurement, the complexity related to hedge accounting and the potential impact on the statement of profit and loss.</p> <p>As at 31 March 2019, the Company has derivative financial assets at fair value of ₹ 25.48 crores and derivative financial liabilities at fair value of ₹ 39.86 crores. (Refer note nos. 12 and 21A)</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the risk management policies and testing key controls for the use, recognition and measurement of derivative financial instruments; • We reconciled derivative financial instruments data with third party confirmations; • We compared valuation of derivative financial instruments with market data; • We tested, on a sample basis, the applicability and accuracy of hedge accounting; and • We considered the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting in notes 12, 21A and 34 to 39 to the consolidated financial statements; <p>Based on the procedures performed the derivative financial instruments and hedge accounting are fairly stated in the consolidated financial statements.</p>
Inventories	
<p>Inventory comprises of raw material including packing material, work in progress, finished goods and stores and spares.</p> <p>We have identified the inventories as key audit matter because it is material to the consolidated financial statements.</p> <p>Inventories aggregate to ₹ 1,282.88 crores as of 31 March 2019.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the supply chain and testing selected key controls over recognition and measurement of inventory; • Testing on a sample basis the accuracy of cost for inventory by verifying supporting documents and testing the net realizable value by comparing actual cost with relevant market data; • Ensuring proper cut-off; • Enquiring with management regarding non-moving and slow-moving inventories; and • by attending the physical stock-taking exercise conducted by management; further, we physically verified items on test check basis. <p>Based on the procedures performed inventories are fairly stated in the consolidated financial statements.</p>



Information other than the consolidated financial statements and auditor's report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income and consolidated cash flows 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; 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 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether

the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated

financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements contain information on Holding Company's and two subsidiary companies incorporated outside India and one subsidiary company incorporated in India which are as follows:

Sr. No.	Entity Name	Relationship	Country of Incorporation
1.	Petroleum Specialities Pte. Limited ('PSPL')	Wholly owned subsidiary	Singapore
2.	Petroleum Specialities FZE	Wholly owned subsidiary of PSPL	U. A. E
3.	Apar Transmission & Distribution Projects Private Limited	Wholly owned subsidiary	India
4.	CEMA Optilinks Private Limited*	Subsidiary	India

* The entity ceased to be subsidiary of the Company with effect from 18 September 2018.

We did not audit the financial statements of two subsidiary companies incorporated outside India included in the Statement,

whose financial statements reflect total assets of ₹ 277.97 crore as at 31 March 2019, total revenue of ₹ 92.5 crore and net cash flows amounting to ₹ 11.76 crore for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose audit report has been furnished to us by management and our opinion on the Statement, in so far as it relates to the amounts and disclosure of this subsidiaries, is based solely on audit report of the other auditor.

Two subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country ('local GAAP') and which have been audited by another auditor under generally accepted auditing standards applicable in that country. The Company's management has converted the financial statements of these subsidiary from local GAAP to accounting principles generally accepted in India. We have audited these conversion adjustments prepared by management of the Company. Our opinion in so far as it relates to the amounts and disclosures of these subsidiaries are based on the audit report of another auditor and the conversion adjustments prepared by management of the Company and 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.

Report on other legal and regulatory requirements

- 1 As required by section 143(3) of the Act, based on our audit, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS 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 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2019 from being appointed as a director in terms of section 164(2) of the Act.
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.



- (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiary company incorporated in India to their directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Holding Company has disclosed the impact of pending litigations on consolidated financial position of the Group in its consolidated financial statements – refer note 43 to the consolidated financial statements;
 - ii Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. – refer notes 34 to 40 and 47 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 – refer note 21 to the consolidated financial statements.

For Sharp & Tannan LLP
Chartered Accountants
Firm's registration no.127145W/W100218

Firdosh D. Buchia
Partner

Mumbai, 29 May 2019

Membership no. 038332

Annexure 'A' to the Independent Auditor's Report

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

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 'Holding Company') as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which are incorporated in India (the Holding Company and its subsidiary companies 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 company 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 them 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 the respective 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 Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable,

to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

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 reference to these consolidated financial statements

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 company 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 31 March 2019, based on the internal control over financial reporting criteria established by the them considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For SHARP & TANNAN LLP

Chartered Accountants

Firm's registration no.127145W/W100218

FIRDOSH D. BUCHIA

Partner

Membership No.: 038332

Mumbai, 29 May, 2019

Consolidated Balance Sheet as at 31st March, 2019

(₹ in crore)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	703.70	641.95
Capital work-in-progress	2	103.48	18.64
Goodwill	3	2.10	4.76
Other intangible assets	3A	3.04	1.81
Intangible asset under development	3A	-	0.86
Financial assets			
Trade receivables	8A	1.93	0.86
Others	4	12.28	7.28
Other non-current assets	5	18.63	16.71
Other tax assets		10.24	10.10
Total non current assets		855.40	702.97
Current assets			
Inventories	6	1,282.88	1,212.26
Financial assets			
Investments	7	186.92	-
Trade receivables	8	2,141.61	1,734.48
Cash and cash equivalents	9	213.24	243.40
Bank balances other than above	10	12.05	30.97
Short-term loans and advances	11	21.76	13.17
Derivatives	12	25.48	6.07
Other current assets	13	227.87	275.87
Other tax assets		54.24	56.66
Total current assets		4,166.05	3,572.88
TOTAL ASSETS		5,021.45	4,275.85
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14A	38.27	38.27
(b) Other equity	14B,14C		
Reserves & surplus		1,127.87	1,035.63
Other reserves		36.23	34.35
Equity attributable to equity holders of the parent		1,202.37	1,108.25
Non-controlling interests		-	(0.00)
Total equity		1,202.37	1,108.25
Non current liabilities			
Financial liabilities			
Long term borrowings	15	130.31	161.86
Other financial liabilities	16	3.30	2.52
Provisions	17	6.00	4.91
Deferred tax liabilities (net)	18	40.27	34.62
Total non current liabilities		179.88	203.91
Current liabilities			
Financial liabilities			
Short term borrowings	19	87.82	169.75
Trade and other payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		7.83	7.69
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,255.90	2,543.43
Other financial liabilities	21	75.55	59.42
Derivatives	21A	39.86	15.22
Other current liabilities	22	94.89	92.18
Short term provisions	23	1.58	1.03
Liabilities for current tax		75.77	74.97
Total current liabilities		3,639.20	2,963.69
Total liabilities		3,819.08	3,167.60
Total equity and liabilities		5,021.45	4,275.85
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

Firdosh D. Buchia

Partner

Membership No. 038332

Mumbai, 29th May, 2019

Kushal N. Desai

Chairman &

Managing Director &

Chief Executive Officer

DIN : 00008084

Mumbai, 29th May, 2019

For and on behalf of the Board of Directors

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, 2019

(₹ in crore)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
I. Revenue from Operations	24	7,963.85	5,938.70
II. Other income	25	15.05	11.11
III. Total Revenue		7,978.90	5,949.81
IV. Expenses			
Cost of materials consumed	26	6,387.59	4,405.50
Purchases of Stock-in-Trade	27	74.89	87.05
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(126.32)	2.49
Excise Duty		-	120.17
Employee benefits expense	29	148.02	126.08
Finance costs	30	199.87	140.00
Depreciation and amortization expense	2,3,3A	66.67	55.87
Other expenses	31	1,015.05	792.87
Total Expenses		7,765.77	5,730.03
Less : Transfer to capital assets		3.09	2.99
Net total expenses		7,762.68	5,727.04
V. Profit Before Exceptional Items and Tax		216.22	222.77
VI. Exceptional Items		-	-
VII. Profit Before Tax		216.22	222.77
VIII. Tax expense:			
1. Current Tax		75.69	75.03
2. Deferred Tax		4.47	3.00
		80.16	78.03
IX. Profit before minority interest/Share in net profit (loss) of JV		136.06	144.74
X. Share in net profit (loss) of JV		-	-
XI. Net Profit for the year (IX+X)		136.06	144.74
XII. Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		(0.87)	(0.04)
Income tax relating to items that will not be reclassified to profit or loss		0.30	0.01
		-	-
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		3.94	(40.98)
Income tax relating to items that will be reclassified to profit or loss		(1.49)	14.47
XIII. Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		137.94	118.20
XIV. Earnings per equity share (Face value of ₹ 10 each)	32		
Basic		35.55	37.82
Diluted		35.55	37.82
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

Firdosh D. Buchia
Partner
Membership No. 038332
Mumbai, 29th May, 2019

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 29th May, 2019

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, 2019

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	216.22	222.77
Adjustments for		
Depreciation on non current assets	63.12	52.28
Amortisation of intangible assets	3.55	3.59
(Gain)/loss on sale of property, plant and equipment	0.33	0.03
Foreign currency translation reserve	(0.53)	(0.11)
Finance costs	154.39	88.96
Finance income	(8.11)	(6.49)
Provision for doubtful debts written back / reversed	1.88	6.51
Unrealised exchange loss/(gain)	(23.36)	13.12
Profit on sale of investments	(6.90)	(4.58)
Movement in working capital		
(Increase)/ Decrease in trade and other receivables	(394.90)	(539.80)
(Increase)/ Decrease in inventories	(70.62)	(218.75)
Increase/ (Decrease) in trade and other payables	769.59	667.17
Tax paid	(72.62)	(59.66)
Net cash generated by / (used in) operating activities	632.04	225.04
Cash flow from investing activities		
Acquisition of property, plant and equipment	(206.83)	(127.54)
Acquisition of intangibles	(1.27)	(0.46)
Proceeds from sale of property, plant and equipment	0.17	0.28
Purchase of investments (net)	(180.02)	123.15
Sale of investments in CEMA Optilinks Private Limited	0.01	-
Net cash generated by / (used in) investing activities	(387.94)	(4.57)
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings - net	(80.58)	(18.19)
Proceeds/(repayments) of long-term borrowings - net	(27.33)	74.63
Interest received/(paid) - net	(141.66)	(79.39)
Dividend Payment	(36.28)	(38.18)
Tax on dividends	(7.47)	(7.79)
Net cash (used in) / generated by financing activities	(293.32)	(68.92)
Net increase / (decrease) in cash and cash equivalents	(49.21)	151.55
Effect of exchanges rate changes on cash and cash equivalents	0.13	(0.15)
Cash and cash equivalents at the beginning of the year	274.37	122.97
Cash and cash equivalents at the end of the year	225.29	274.37

Notes :

- Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.
- Purchase of fixed assets includes movement of capital work-in-progress during the year.
- Cash and cash equivalents represents cash and bank balances and include margin money of ₹ 0.10 crore; (Previous year ₹ 0.29 crore), fixed deposit under lien ₹ 11.05 crore (Previous year ₹ 10.47 crore) and unrealised gain of ₹ 0.13 crore; (Previous year unrealised loss of ₹ 0.15 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

Firdosh D. Buchia

Partner

Membership No. 038332

Mumbai, 29th May, 2019

Kushal N. Desai

Chairman &

Managing Director &

Chief Executive Officer

DIN : 00008084

Mumbai, 29th May, 2019

Nina P. Kapasi

Director

DIN : 02856816

V. C. Diwadkar

Chief Financial Officer

Sanjaya R. Kunder

Company Secretary

For and on behalf of the Board of Directors

Consolidated Statement of changes in equity

[a] Equity share capital	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Balance at the beginning of the reporting period Balance		38.27		38.27
Changes in equity share capital during the year	3,82,68,619	-	3,82,68,619	-
Balance at the end of the reporting period	3,82,68,619	38.27	3,82,68,619	38.27

(₹ in crore)

[b] Other equity	Reserves & Surplus					Items of OCI			Attributable to		
	Retained earnings - Surplus	General reserve	Securities premium	Capital reserve	Capital Redemption Reserve	Currency Fluctuation Reserve	Cash flow hedging reserve	Other items of OCI	Total	Owners of the Parent	Non - controlling interest
For the year ended											
Balance at April 1, 2017	521.78	210.00	205.18	23.77	14.98	3.47	19.66	[0.99]	997.85	997.85	-
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 Group											
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]	[1.02]	1,069.98	1,069.98	[0.00]
Capital Contribution											
Profit for the year	136.06								136.06	136.06	-
Other comprehensive income for the year						[0.07]	2.52	[0.57]	1.88	1.88	-
Total comprehensive income for the year	136.06	-	-	-	-	[0.07]	2.52	[0.57]	137.94	137.94	-
Transactions with the owners of the Group											
Contributions and distributions											
Dividends (including tax on dividend)	[43.82]								[43.82]	[43.82]	-
Transfer / Receipt	[15.00]	15.00									-
Balance at March 31, 2019	682.69	240.00	205.18	23.77	14.98	3.33	[4.26]	[1.59]	1,164.10	1,164.10	-

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 statement of profit or loss as the hedged cash flows or items affect profit or loss.

ii. Securities premium

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 Group and credited directly to such reserve.

iv. Capital redemption reserve

Capital redemption reserve represents amounts set aside by the Group 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.

As per our report attached

SHARP & TANNAN LLP

Chartered Accountants

Firm's Registration No.127145W/M100218

by the hand of

For and on behalf of the Board of Directors

Firdosh D. Buchia

Partner

Membership No. 038332

Mumbai, 29th May, 2019

Kushal N. Desai

Chairman &

Managing Director &

Chief Executive Officer

DIN : 00008084

Mumbai, 29th May, 2019

Nina P. Kapasi

Director

DIN : 02856816

V. C. Diwadkar

Chief Financial Officer

Sanjaya R. Kunder

Company Secretary



APAR INDUSTRIES LTD.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies
-------------	----------	--

1. General information

Apar Industries Limited ("the Company"), 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. The Company is incorporated in India. The registered office of the Company is situated at 301, Panorama Complex, R. C. Dutt Road, Vadodara, Gujarat – 390 007. Over the ensuing years the Company and its subsidiary companies (collectively referred to as "the Group") it has been offering value added products and services in Power Transmission Conductors, Petroleum Specialties and Power & Telecom Cables.

These financial Statements are approved for issue by the Board of directors on May 29, 2019

2. Statement of compliance

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 (to the extent notified) read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Ind AS 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 (₹), which is the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated. Amounts less than ₹ 0.50 lakhs have been presented as "0.00".

4. Basis of preparation

The consolidated financial statements have been prepared on a going concern basis using 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; and
- 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 and intangible assets**

Useful lives of 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.

- **Recognition and measurement of other provisions**

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

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 Programs**

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. 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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

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.

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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

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 came into force from April 1, 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

C. Revenue recognition

i. Revenue from contract with customers for sale of goods and provision of services

Ind AS 115 Revenue from Contract 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:

- o 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.
- o Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch up approach)

The Group has adopted the standard on April 1, 2018 by using cumulative catch up transition method. The effect on adoption of Ind AS 115 was insignificant on the financial statements. The Group recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Group satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 satisfies; else revenue is recognized at point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenues are recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue & costs, if applicable, can be measured reliably.

a. Performance Obligation

The Group derives its revenue from selling products and services in Power Transmission Conductors, Transformer & Speciality Oils and Cables.

The Group is required to assess each of its contracts with customers to determine whether performance obligation are satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Group has assessed that based on the contracts entered into with the customers and the provisions of relevant laws and regulations, the Group recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Group satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

In cases where the Group determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer. The Group considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided and consumed by the customer as per agreed terms and the Group has unconditional right to consideration.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

In cases where the Group determines that performance obligation is satisfied over time, then revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). 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 Group;
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.

The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Group estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include;

- a. For service contracts, the time elapsed

b. Transaction Price

The Group is required to determine the transaction price in respect of each of its contracts with customers.

Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.

For allocating the transaction price, the Group measured the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Group also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration if any, the Group uses the "most likely amount" method as per IND AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

c. Discounts, Rebates & Incentive to Customers

The Group accounts for volume discounts, rebates and pricing incentives to customer as a reduction of revenue based on the ratable allocation of the discounts / rebates to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning that discounts, rebates or incentive. The Group also recognises the liability based on the past performance of the customers fulfilling the criteria to get the discounts, rebates or incentive and the future outflow of the same is probable. If it is probable that the criteria for the discounts will not be met or if the amounts thereof cannot be estimated reliably, then the discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group accounts for discounts, rebates and pricing incentives in the year of payment where customer qualifies for the same and wherein provision was not made due to Group's inability to make reliable estimates based on the available data at reporting date.

d. Contract Modification

Any changes in the scope or price of the contracts are accounted only when the same is approved. The accounting of modification calls for assessment of changes in the scope or prices. If the goods or services added are not of distinct nature then modification are accounted on a cumulative catch up basis, while those that are distinct are accounted prospectively, either as a separate contract, if additional goods or services are priced at the standalone selling prices or as a termination of the existing contract and creation of new contract if not priced at the standalone selling price.

ii. 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 basis as per the terms of the lease contract

iii. Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

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.

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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

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:

- has a legally enforceable right to set off the recognised amounts; and
- 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:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- 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 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:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- 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.
- 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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 1 Significant Accounting Policies (Contd.)

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 Down Value 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:

- 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).
- 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.
- 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.
- 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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

- 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.
- ♦ 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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

- ♦ 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.

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.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

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.

ii. Lease assets

Assets held by the Group under leases that transfer to the Group'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 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 exceeds 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.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

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 Group cash 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.

8. Ind AS issued but not effective

The following Ind AS / amendments to Ind AS have been notified by Ministry of Corporate Affairs ("MCA"), which the Group has not applied as they are effective from April 1, 2019.

a. Ind AS 116 – Leases

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right of use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Currently under Ind AS 17, leases are classified as finance lease and operating lease.

Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant & equipment) and lease liability similarly to other financial liabilities. As consequences, a lessee recognizes depreciation of the right of use asset and interest on the lease liability and also classifies cash repayments of lease liability into a principal portion and interest portion.

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)

The Group will adopt the standard on April 1, 2019 by using cumulative catch up transition method and accordingly comparative for the year ending or ended March 31, 2019 will not be retrospectively adjusted. As at the date of this report, the Group's management does not expect that the Group's result of operations and financial position will be materially impacted upon adoption of Ind AS 116.

b. Amendment to Ind AS 12 Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group is currently evaluating the impact on account of this amendment to the financial statements.

c. Ind AS 12, Appendix C, uncertainty over income tax treatments

Ind AS 12, Appendix C, Uncertainty over Income Tax treatments is to be applied while performing the determination of Taxable Profits (Loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	1	Significant Accounting Policies (Contd.)
-------------	----------	---

treatment under Ind AS 12. According to appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which had to be considered to compute the most likely amount or the expected value of tax treatment when determining taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods 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)

The Group will adopt the standard on April 1, 2019 by using cumulative catch up transition method and accordingly comparative for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Group does not expect any material impact on account of this amendment.

d. Ind AS 109 - prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect any material impact on account of this amendment.

e. Ind AS 19 - Plan amendment, curtailment or settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect any material impact on account of this amendment.

f. Ind AS 23 - Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any material impact on account of this amendment.

g. Ind AS 28 - Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

h. Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group does not expect any material impact on account of this amendment.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 2 Property, plant and equipment

₹ in crore)										
	Gross Carrying Amount					Depreciation			Net Block	
	Cost As at 01-04-2018	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2019	Upto 31-03-2018	For the year	Deductions/ Adjustments	Upto 31-03-2019	As at 31-03-2019
(i) Tangible assets										
Land- Freehold	26.64	0.28	-	-	26.92	-	-	-	-	26.92
Land-Leasehold	10.63	-	-	-	10.63	0.42	0.14	-	0.56	10.07
Building (Refer Note below)	205.66	36.53	[0.07]	1.67	243.79	17.20	8.67	[0.03]	25.84	217.95
Plant and machinery (Refer Note below)	488.50	73.24	[1.42]	4.70	565.02	93.43	48.52	[1.15]	140.80	424.22
Furniture and fixtures	5.88	1.14	[0.31]	0.02	6.73	1.71	0.90	[0.29]	2.32	4.41
Equipments	18.21	5.38	[0.32]	0.57	23.84	5.45	3.24	[0.30]	8.39	15.45
Motor vehicles	8.17	1.77	[0.85]	0.03	9.12	3.53	1.65	[0.74]	4.44	4.68
Sub total (i)	763.69	118.34	[2.97]	6.99	886.05	121.74	63.12	[2.51]	182.35	703.70
(ii) Capital work-in-progress										
Buildings					-				-	16.02
Plant and machinery					-				-	87.46
Sub total (ii)	-	-	-	-	-	-	-	-	-	103.48
Grand Total										807.18
	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
(i) Tangible assets										
Land- Freehold	25.95	0.69	-	-	26.64	-	-	-	-	26.64
Land-Leasehold	10.60	0.03	-	-	10.63	0.28	0.14	-	0.42	10.21
Building (Refer Note below)	168.41	37.25	-	-	205.66	10.24	6.96	-	17.20	188.47
Plant and machinery (Refer Note below)	405.63	84.40	[1.56]	0.03	488.50	53.97	40.24	[0.78]	93.43	395.06
Furniture and fixtures	4.60	1.43	[0.14]	-	5.88	1.06	0.78	[0.13]	1.71	4.17
Equipments	13.10	5.24	[0.14]	-	18.21	3.07	2.52	[0.13]	5.45	12.76
Motor vehicles	7.29	1.79	[0.91]	-	8.17	2.65	1.63	[0.76]	3.53	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
(ii) Capital work-in-progress										
Buildings					-				-	3.66
Plant and machinery					-				-	14.98
Sub total (ii)	-	-	-	-	-	-	-	-	-	18.64
Grand Total										660.59
										591.06

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note	3	Goodwill		
			Amortisation for the year	Net Block as at 31-03-2018
		7.42	2.66	4.76
		4.76	2.66	2.10

Note	3A	Intangible assets
------	----	-------------------

	Gross Block				Depreciation		Net Block	
	Cost As at 01-04-2018	Additions	Deductions	Other Adjustment	As at 31-03-2019	Upto 31-03-2018	As at 31-03-2019	As at 31-03-2018
Specialised software	4.47	2.12	-	-	6.59	2.90	2.85	1.57
Non compete fee	0.41	-	-	-	0.41	0.17	0.19	0.24
	4.88	2.12	-	-	7.00	3.07	3.04	1.81
Intangible assets under development							-	0.86
TOTAL	4.88	2.12	-	-	7.00	3.07	3.04	2.67

(₹ in crore)

	Gross Block				Depreciation		Net Block	
	Cost As at 01-04-2017	Additions	Deductions	Other Adjustment	As at 31-03-2018	Upto 31-03-2017	As at 31-03-2018	As at 31-03-2017
Specialised software	3.85	0.62	-	-	4.47	2.02	1.57	1.83
Non compete fee	0.41	-	-	-	0.41	0.12	0.24	0.29
	4.26	0.62	-	-	4.88	2.14	1.81	2.12
Intangible assets under development							0.86	1.02
TOTAL	4.26	0.62	-	-	4.88	2.14	2.67	3.14

Note:

- Includes expenditure on Research and development ₹ 3.18 crore, (Previous year ₹ 1.30 crore) for Plant and machinery (Refer Note 44)
- Addition to Fixed Assets includes, ₹ 0.56 crore for the year ended 31 March 2019 (Previous year ₹ 0.03 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, 2019 is ₹ 7.99 crore (Previous year ₹ 8.92 crore)
- The Company had contractual commitments of ₹ 25.21 crore for the year ended 31 March 2019 (Previous year ₹ 17.91 crore).
- 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, 2019

Note 4 Other Non-current Financial Assets

(₹ in crore)

	31 March 2019	31 March 2018
Unsecured, considered good		
Security deposits	8.30	7.25
Other financial assets (Refer Note i below)	3.98	0.03
	12.28	7.28

Note :

Includes fixed deposit of ₹ 2.79 crore (Previous Year ₹0.03 crore) under lien.

Note 5 Other Non-current Assets

(₹ in crore)

	31 March 2019	31 March 2018
Capital advances	14.65	10.01
Balance with government authority	3.98	5.68
Others	-	1.02
	18.63	16.71

Note 6 Inventories

(₹ in crore)

	31 March 2019	31 March 2018
Raw materials and components	564.55	571.37
Raw materials-in transit	203.57	260.76
Work-in-progress	151.81	137.34
Finished goods	302.23	147.81
Finished goods - in transit	9.23	37.75
Stock-in-trade	13.43	27.43
Stock-in-trade - in transit	-	-
Stores and spares	38.06	29.80
	1,282.88	1,212.26

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 7 Current investments

(₹ in crore)

	31 March 2019	31 March 2018
a. Investment in mutual funds		
Union Liquid Fund Growth-Direct Plan	186.92	-
No. of units : 1,039,160.265 [31 March 2018: Nil]		
	186.92	-
b. Market Value of Quoted Investments		
Book value	186.92	-
Market value	186.92	-
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 34

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 8 Trade receivables (Current)

(₹ in crore)

	31 March 2019	31 March 2018
Trade receivables		
Secured, considered good	0.52	0.52
Unsecured, considered good	2,141.09	1,733.96
Unsecured, Credit Impaired	35.40	33.52
	2,177.01	1,768.00
Less: Allowances for doubtful debts	35.40	33.52
	2,141.61	1,734.48

Note :

- i) For receivables offered as security against borrowing refer note 19
- ii) For allowances for Expected Credit Loss refer note 35
- iii) The Group's exposure to credit and currency risk related to trade receivables are disclosed in note 35 and note 37 respectively.

Note 8A Trade receivables (Non-Current)

(₹ in crore)

	31 March 2019	31 March 2018
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1.93	0.86
Unsecured, Credit Impaired	-	-
	1.93	0.86
Less: Allowances for doubtful debts	-	-
	1.93	0.86

Note 9 Cash and cash equivalents

(₹ in crore)

	31 March 2019	31 March 2018
Balances with banks	209.89	165.76
On deposits with original maturity of less than three months	-	0.00
Cash on hand	0.20	0.18
Cheques on hand	1.95	1.29
Funds in transit	1.20	76.17
	213.24	243.40

Note:

Bank balances include ₹ 0.82 Crore as at March, 31 2019 (₹ 2.79 Crore as at March 31, 2018) held in a foreign country which are not freely remissible because of exchange restrictions.

Note 10 Bank balances other than (Note 10) above

(₹ in crore)

	31 March 2019	31 March 2018
Deposits with original maturity for more than 3 months but less than 12 months (Refer Note i below)	11.24	30.05
Margin money deposit (Refer Note ii below)	0.10	0.29
On unclaimed dividend account (Refer Note iii below)	0.71	0.63
	12.05	30.97

Note:

- i Includes fixed deposit of ₹ 11.05 crore (Previous Year ₹ 10.47 crore) under lien.
- ii Against letters of credit for Group's import of raw materials and working capital loans.
- iii There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2019

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 11 Short-term loans and advances

(₹ in crore)

	31 March 2019	31 March 2018
Unsecured, Considered Good, Unless Otherwise Stated		
Others		
Advances recoverable in cash or in kind or for value to be received	18.50	8.19
Interest accrued but not due on fixed deposits	0.46	0.41
Interest accrued but not due on security deposits	0.08	0.10
Other receivable	2.72	4.47
	21.76	13.17

Note 12 Derivatives-Asset

(₹ in crore)

	31 March 2019	31 March 2018
Forward exchange contract used for hedging	25.48	6.05
Interest rate swap used for hedging	-	0.02
	25.48	6.07

Note 13 Other current assets

(₹ in crore)

	31 March 2019	31 March 2018
Balances with statutory/government authorities	147.43	173.33
Prepayments and others	80.44	102.54
	227.87	275.87

Note 14A Equity Share Capital

(₹ in crore)

		31 March 2019	31 March 2018
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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

		31 March 2019	31 March 2018
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	38,268,619
	Issued (Buy Back) during the year	-	-
	Outstanding at the end of the year	38,268,619	38,268,619
e	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 2019	31 March 2018
	Equity Shares bought back	228,150	228,150
		228,150	228,150

f Terms/rights attached to equity shares

- 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.
- 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.

Events after the reporting period

The Company declares and pays dividends in Indian rupees. The Board of Directors of the Company has recommended dividend for the financial year 2018 -19 @ ₹ 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. The actual dividend amount will be dependent upon the relevant share capital outstanding as on the record date / book closure.

g	Shareholders holding more than 5% shares in the company is set out below:	31 March 2019		31 March 2018	
		No of shares	%	No of shares	%
	Kushal N. Desai	9,310,503	24.33%	9,187,974	24.01%
	Chaitanya N. Desai	9,226,946	24.11%	9,103,656	23.79%
	Maithili N. Desai Family Pvt. Trust No. 2 - Trustee maithili trusteeship services private limited	3,480,000	9.09%	1,800,000	4.70%
	HDFC Trustee Company Limited	3,441,727	8.99%	3,010,750	7.87%
	Reliance Capital Trustee Company Limited	2,435,968	6.37%	2,368,341	6.19%
	L&T Mutual Fund Trustee Limited	2,399,905	6.27%	955,985	2.50%

h Shares Reserved for issue under options

Note	14B	Other Equity
-------------	------------	---------------------

(₹ in crore)

	31 March 2019	31 March 2018
Retained earnings	682.69	605.45
General reserve	240.00	225.00
Securities premium	205.18	205.18
Capital reserve	23.77	23.77
Capital Redemption reserve	14.98	14.98
	1,166.62	1,074.38
Retained earnings		
Opening balance	605.45	521.78
Increase/(Decrease) during the year	77.23	83.67
Closing Balance	682.69	605.45
General reserve		
Opening balance	225.00	210.00
Increase/(Decrease) during the year	15.00	15.00
Closing Balance	240.00	225.00

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Securities premium		
Opening balance	205.18	205.18
Increase/(Decrease) during the year	-	-
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	14.98
Increase/(Decrease) during the year	-	-
Closing Balance	14.98	14.98

Note	14C	Items of OCI
-------------	------------	---------------------

(₹ in crore)

	31 March 2019	31 March 2018
Currency fluctuation reserve (net of tax)	3.33	3.40
Cash flow hedging reserve (net of tax)	(4.26)	(6.78)
Other items of OCI (Net of tax)	(1.59)	(1.02)
	(2.52)	(4.40)
Currency fluctuation reserve (net of tax)		
Opening balance	3.40	3.47
Increase/(Decrease) during the year	(0.07)	(0.07)
Closing Balance	3.33	3.40
Cash flow hedging reserve (net of tax)		
Opening balance	(6.78)	19.66
Increase/(Decrease) during the year	2.52	(26.44)
Closing Balance	(4.26)	(6.78)
Other items of OCI (Net of tax)		
Opening balance	(1.02)	(0.99)
Increase/(decrease) during the year	(0.57)	(0.03)
Closing balance	(1.59)	(1.02)

Note: The nature, purpose & movement of each of the Reserves have been explained under Statement of changes in Equity.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 15 Long term borrowings

(₹ in crore)

	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Non current		Current	
Term loans (Secured)				
Rupee term loans from banks	84.48	105.80	21.50	13.33
Foreign currency term loans from banks	45.83	56.06	13.65	17.59
	130.31	161.86	35.15	30.92

Information about the Group'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:

- 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 Group's Athola properties and exclusive hypothecation charge on the assets acquired by the Group with the proceeds of the facility situated at other locations.
- The rupees term loan from ING Vysya Bank Ltd (now Kotak Mahindra Bank) is secured by first charge by way of mortgage of Group's Khatalwad properties and hypothecation of movable plant and machinery at Khatalwad.
- The foreign currency term loan from Arab Banking Corporation (ABC) Bank, kingdom of Bahrain is secured by :
 - Mortgage over specified assets situated at Plot No. 1C-02D1, Hamriyah Free Zone, Sharjah - UAE.
 - Joint and several guarantees of Petroleum specialities PTE Ltd - Singapore and Apar Industries Limited - India.
- The rupees term loan from Kotak Mahindra Bank is secured by first charge by way of equitable mortgage by deposit of title deed of Group'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 1.25X of outstanding terms loans (including the term loan from ING Vysya Bank Ltd.)]

b Terms of repayment of term loan :

- 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
- In respect of Foreign Currency Term Loans from Union Bank of India, Hongkong; last installment was paid in May, 2018 ₹ 14.88 crore.
- 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 has started from 29 March 2019 onwards, first 2 installments of ₹ 2.76 crore each, next 4 installments of ₹ 3.63 crore each, next 4 installments of ₹ 4.49 crore each, next 3 installments of ₹ 6.05 crore each and last installment of ₹ 6.08 crore.
- 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 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 2019	31 March 2018
Short Term Borrowings	87.82	169.75
Interest accrued but not due on above	-	0.61
Long Term Borrowings	165.46	192.78
Interest accrued but not due on above	0.70	0.67
Net Debt	253.98	363.81

Changes in Borrowings	Long Term Borrowings	Short Term Borrowings	Total
As at 01.04.2017	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
As at 31.03.2018	193.45	170.36	363.81
Availed during the year	-	179.85	179.85
Paid during the year	(31.48)	(267.90)	(299.38)
Foreign Exchange Adjustments	4.19	5.51	9.70
As at 31.03.2019	166.16	87.82	253.98

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 16 Other non-current financial liabilities

(₹ in crore)

	31 March 2019	31 March 2018
Deposits from dealers (Refer Note*)	3.30	2.52
	3.30	2.52

Note* : Measured at amortised cost

Information about the Group'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 2019	31 March 2018
Provision for gratuity- In respect of directors	1.13	0.98
Provision for leave benefits	4.36	3.66
Provision for gratuity- In respect of other employees	0.51	0.27
	6.00	4.91

Note 18 Deferred Tax Liabilities (Net)

a) Movement in deferred tax balances

(₹ in crore)

		2018-2019		31 March 2019		
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(50.15)	(6.11)		(56.26)	-	(56.26)
Derivatives	3.65	(0.04)	(1.53)	2.08	2.08	-
Loans and borrowings	(0.30)	0.06		(0.24)	-	(0.24)
Employee benefits	2.00	0.35	0.30	2.65	2.65	-
Deferred income	0.25	(0.14)		0.11	0.11	-
Provisions	11.60	0.77		12.37	12.37	-
Investments	-	(0.06)		(0.06)	-	(0.06)
Security Deposits	0.00	0.00		0.00	0.00	-
Other items	(1.67)	0.71	0.04	(0.92)	-	(0.92)
Tax assets (Liabilities)	(34.62)	(4.46)	(1.19)	(40.27)	17.21	(57.48)
Set off tax						17.21
Net tax Assets (Liabilities)	(34.62)	(4.46)	(1.19)	(40.27)	17.21	(40.27)

b) 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
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)

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

The Group 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 2019	31 March 2018
Secured Loans		
Working capital loans from banks (Refer Notes below)		
Packing credit loan in foreign currency from banks	87.82	80.39
	87.82	80.39
Unsecured Loans		
Buyer's Credit in foreign currency	-	89.36
	87.82	169.75

Note :

Working capital loans from banks are secured by :

- (i) hypothecation of specified stocks, specified book debts of the Group.
- (ii) first charge by way of equitable mortgage by deposit of title deeds of Group's specified immovable properties, both present and future.

The Group 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 2019	31 March 2018
Acceptances	2,484.77	1,847.14
Due to micro, small and medium enterprises	7.83	7.69
Due to other than micro and small and medium enterprises	771.12	696.29
Total	3,263.72	2,551.12

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 consolidated 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 2019	31 March 2018
Current portion of long-term foreign currency loan (Refer Note 15 (b))	13.65	17.59
Current portion of long-term Rupee loan (Refer Note 15 (b))	21.50	13.33
Interest accrued but not due	20.77	16.12
Channel finance	2.12	2.27
Bill Discounting with recourse	1.10	4.33
Creditors for capital expenditure	12.30	4.78
Unclaimed dividend (Refer note below)	0.71	0.64
Bank Overdraft	2.87	-
Deposits from Dealers	0.52	0.36
	75.55	59.42

Note:-

1. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2019.

Note 21A Derivatives-Liability

(₹ in crore)

	31 March 2019	31 March 2018
Forward exchange contract used for hedging	39.43	15.22
Interest rate swap used for hedging	0.43	-
	39.86	15.22

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 22 Other current liabilities		
(₹ in crore)		
	31 March 2019	31 March 2018
Statutory dues towards Government	12.19	4.60
Other payables (Refer Note below)	82.70	87.58
	94.89	92.18

Note:-

- Other payables includes security deposit and advance from customers.
- Refer note 45 for advances from customers classified as contract liability as per Ind As 115

Note 23 Short term provisions		
(₹ in crore)		
	31 March 2019	31 March 2018
Provision for employee benefits		
Provision for gratuity	0.34	-
Provision for leave benefits	1.24	1.03
	1.58	1.03

Note 24 Revenue from operations*		
(₹ in crore)		
	2018-19	2017-18
Sale of products		
Finished goods	7,721.06	5,738.79
Raw materials	52.25	19.54
Traded goods	104.90	92.12
Total	7,878.21	5,850.45
Sale of services	27.30	44.97
Other operating revenue		-
Others	58.34	43.28
Total	58.34	43.28
Revenue from operations	7,963.85	5,938.70

* Revenue from operations for FY 2017-18 are inclusive of Excise Duty and for FY 2018-19 are net of GST.

Note 25 Other Income		
(₹ in crore)		
	2018-19	2017-18
Interest income	8.11	6.49
Financial assets at FVTPL-net change in fair value	0.18	-
Net gain on sale of current investments	6.73	4.58
Other Non-Operating Income	0.03	0.04
	15.05	11.11

Note 26 Cost of materials consumed		
(₹ in crore)		
	2018-19	2017-18
Inventory at the beginning of the year	832.12	615.49
Add : Purchases	6,323.59	4,622.13
	7,155.71	5,237.62
Less: Closing Inventory	768.12	832.12
	6,387.59	4,405.50

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 27 Purchases of Stock-in-Trade

(₹ in crore)

	2018-19	2017-18
Thermoplastic Elastomers	9.19	42.81
Lubricants	18.75	20.81
Aluminium, HTLS Hardware & GSW Steel Wire, etc.	42.61	22.93
Others	4.34	0.50
	74.89	87.05

Note 28 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2018-19	2017-18
Inventories at the beginning 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
Inventories at the end of the year		
Finished goods	311.45	185.60
Work-in-progress	151.81	137.34
Traded goods	13.43	27.43
	476.69	350.37
	(126.32)	2.49

Note 29 Employee benefits expense

(₹ in crore)

	2018-19	2017-18
Salaries, wages and bonus	132.01	111.22
Contribution to provident and other funds	6.62	5.65
Gratuity expense	0.97	0.94
Staff welfare expenses	8.42	8.27
	148.02	126.08

Note 30 Finance costs

(₹ in crore)

	2018-19	2017-18
Interest expenses	154.39	88.96
Bank charges for borrowing	12.75	12.99
Applicable net loss on foreign currency transactions and translation	32.73	38.05
	199.87	140.00

Note 31 Other expenses

(₹ in crore)

	2018-19	2017-18
Consumption of stores and spares	37.27	25.18
Packing materials	258.51	206.51
Excise duty adjustment of finished goods stock	-	(15.32)
Storage charges	16.17	13.81
Power, electricity and fuel	100.81	60.49
Processing charges, fabrication and labour charges	140.30	108.17
Freight and forwarding charges	248.17	203.85
Rent	3.71	3.14
Rates and taxes	2.52	4.84
Insurance	9.13	7.75
Repairs and maintenance		

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Plant and machinery	7.63	6.09
Buildings	2.23	2.22
Others	6.44	6.01
Advertising and sales promotion	4.06	3.49
Sales commission	36.05	34.04
Travelling and conveyance	22.93	20.08
Printing and stationery	1.88	1.69
Legal and professional fees	16.41	11.51
Directors' sitting fees	0.09	0.11
Commission to Chairman & Managing Director and Joint Managing Director	4.55	4.56
Discount and rebates	0.23	0.05
Lease rental	4.34	3.89
CSR Activities	4.48	3.52
Donations	0.04	0.04
Royalty	6.37	5.75
Bank charges and commission	23.25	18.07
Bad debts and advances written-off	3.13	1.73
Less: Allowances for doubtful debts utilised	(0.55)	(0.26)
Allowances for doubtful debts and advances	5.02	7.10
Loss on sale of fixed assets (net)	0.33	0.03
Miscellaneous expenses	49.55	44.73
	1,015.05	792.87

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, 2019	March 31, 2018
Profit (loss) for the year, attributable to the owners of the Company		136.06	144.74
Profit (loss) for the year, attributable to ordinary shareholders	A	136.06	144.74

ii. Weighted average number of ordinary shares (basic)

	Note	March 31, 2019	March 31, 2018
Issued ordinary shares at April 1		38,268,619	38,268,619
Effect of buy back		-	-
Effect of treasury shares sold		-	-
Effect of share options exercised		-	-
Weighted average number of shares at March 31	B	38,268,619	38,268,619
Basic EPS (₹)	A / B	35.55	37.82
Face Value per Share (₹)		10	10

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2019 and as at 31/03/2018, 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, 2019

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		93.58	1,125.20	107.99	146.93	126.23	2.38	108.24	149.31		
Subsidiaries											
Indian											
Apar Transmission & Distribution Projects Pvt Ltd		[0.04]	[0.44]	[1.18]	[1.60]	-	-	[1.16]	[1.60]		
CEMA Optilinks Private Limited (Upto 18th September 2018)		[0.00]	[0.00]	0.13	0.18	-	-	0.13	0.18		
Foreign											
Petroleum Specialities Pte Limited		8.50	102.15	0.33	0.45	77.18	1.46	1.38	1.90		
Petroleum Specialities FZE		4.86	58.47	[7.27]	[9.90]	[103.41]	[1.95]	[8.59]	[11.85]		
Minority Interests in all subsidiaries		-	-	-	-	-	-	-	-		
Adjustments / Eliminations		[6.90]	[83.01]	-	-	-	-	-	-		
Total		100.00	1,202.37	100.00	136.06	100.00	1.89	100.00	137.94		

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 33 Tax expense
(a) Amounts recognised in profit and loss

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax	75.69	75.03
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	4.47	3.00
Deferred tax expense	4.47	3.00
Tax expense for the year	80.16	78.03

(b) Amounts recognised in other comprehensive income

(₹ in crore)

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	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)	(0.87)	0.30	(0.57)	(0.04)	0.01	(0.03)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	3.94	(1.49)	2.45	(40.98)	14.47	(26.51)
	3.07	(1.19)	1.88	(41.02)	14.48	(26.54)

(c) Reconciliation of effective tax rate

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	216.22	222.77
Enacted Income tax rate in India	34.944%	34.608%
Tax using the Company's domestic tax rate	75.56	77.10
Tax effect of:		
Non-deductible tax expenses	0.79	0.63
Incremental deduction allowed for research and development costs	(0.41)	(0.35)
Deduction under chapter VIA	(0.48)	(0.29)
Income exempt from tax	-	-
Others	0.82	0.71
Change in deferred tax balances due to change in income tax rate	0.35	-
Non-Taxable subsidiaries and effect of Differential tax rate under various jurisdiction	3.53	0.23
	80.16	78.03

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

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)

March 31, 2019	Note No.	Fair value- hedging instruments	Carrying amount				Fair value			
			FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Investments										
- Mutual Fund	7		186.92			186.92	186.92			186.92
Loans & advances										
- Non-current						-				-
- Current	11				21.76	21.76				-
Trade Receivables										-
- Non-current					1.93	1.93				-
- Current	8				2,141.61	2,141.61				-
Cash and Cash Equivalents	9				213.24	213.24				-
Other Bank Balances	10				12.05	12.05				-
Other financial assets						-				
- Non-current	4				12.28	12.28				-
- Current					-	-				-
Derivatives	12	25.48	0.60	24.88		25.48		25.48	-	25.48
Total financial assets		25.48	187.52	24.88	2,402.86	2,615.27	186.92	25.48	-	212.40
Financial liabilities										
Borrowings	15/19				218.13	218.13				-
Other financial liabilities										
- Non-current	16				3.30	3.30				-
- Current	21				75.55	75.55				-
Derivatives	21A	39.86	9.49	30.37		39.86		39.86		39.86
Trade Payables	20				3,263.73	3,263.73				-
Total financial liabilities		39.86	9.49	30.37	3,560.71	3,600.57	-	39.86	-	39.86

(₹ in crore)

March 31, 2018	Note No.	Fair value- hedging instruments	Carrying amount				Fair value			
			FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Investments										
- Mutual Fund	7		-			-	-			-
Loans & advances										-
- Non-current						-				-
- Current	11				13.17	13.17				-
Trade Receivables						-				-
- Non-current					0.86	0.86				-
- Current	8				1,734.48	1,734.48				-
Cash and Cash Equivalents	9				243.40	243.40				-
Other Bank Balances	10				30.97	30.97				-
Other financial assets										-
- Non-current	4				7.28	7.28				-
- Current					-	-				-

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Derivatives	12	6.07	1.16	4.91		6.07		6.07		6.07
Total financial assets		6.07	1.16	4.91	2,030.16	2,036.23	-	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				59.42	59.42				-
Derivatives	21A	15.22		15.22		15.22		15.22		15.22
Trade Payables	20				2,551.12	2,551.12				-
Total financial liabilities		15.22	-	15.22	2,944.67	2,959.89	-	15.22	-	15.22

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 ₹ 246.5 Crore and ₹ 292.58 Crore as of March 31, 2019 and March 31, 2018, 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 ₹ 102.47 crores and ₹ 98.12 crores as of March 31, 2019 and March 31, 2018 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	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 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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 35 Financial instruments – Fair values and risk management Credit Risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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:

(₹ in crore)

	March 31, 2019	March 31, 2018
Neither past due nor impaired	1,545.23	1,176.64
past due 1-90 days	417.02	435.83
past due 91 -180 days	102.70	89.59
past due 180 days	113.97	66.81
Total	2,178.92	1,768.87
Less : Provisions	35.40	33.52
Net Total	2,143.52	1,735.35

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, 2019	March 31, 2018
Neither past due nor impaired	21.76	13.17
past due 1-90 days	-	-
past due 91 -180 days	-	-
past due 180 days	-	-
	21.76	13.17

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%	0.01%	0.00%
past due 1-90 days	0.00%	0.01%	0.00%
past due 91 -180 days	0.01%	0.19%	0.00%
past due 180 days	4.75%	1.66%	0.17%
	0.12%	0.08%	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, 2019

(₹ in crore)

	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2017	27.02	-
Amounts provided	5.87	-
Amount written back / utilised	(0.60)	-
Balance as on 31 March 2018	32.29	-
Amounts provided	5.09	-
Amount written back / utilised	(3.14)	-
Balance as on 31 March 2019	34.24	-

Allowances for Expected Credit Loss

(₹ in crore)

	As at 31.3.2019	As at 31.3.2018
Balance at the beginning of the year	1.23	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.07)	1.23
Balance at the end of the year	1.16	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 group's policy.

Cash and cash equivalents

The Group holds cash and cash equivalents of ₹ 225.29 Crore as on 31 March 2019 (₹ 274.37 Crore as on 31 March 2018). 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.

Note 36 Financial instruments – Fair values and risk management Liquidity Risk

Liquidity risk

Liquidity risk is the risk that the Group 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)

March 31, 2019	Contractual cash flows					
	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	165.46	165.46	35.15	33.59	96.72	-
Short term loan from bank (Secured)	87.82	87.82	87.82	-	-	-
Short term loan from bank (Unsecured)	-	-	-	-	-	-
Trade and other payables	3,263.72	3,263.72	3,263.72	-	-	-
Other financial liabilities	40.40	40.40	40.40	-	-	-
Derivative financial liabilities						
Forward exchange contracts/Futures used for hedging						
- Outflow	39.44	39.44	39.44	-	-	-
Interest Rate Swap						
- Outflow	0.43	1.61	1.61	-	-	-
- Inflow	-	1.18	1.18	-	-	-

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

(₹ in crore)

March 31, 2018	Contractual cash flows					
	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	28.50	28.50	28.50	-	-	-
Derivative financial liabilities						
Forward exchange contracts/Futures used for hedging						
- Outflow	15.22	15.22	15.22	-	-	-

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 Group 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 Group is Indian Rupee. The Group 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, 2019:

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, 2019					
	USD	EUR	CAD	JPY	ETB	NPR
Trade receivables	7.71	0.28	0.01	-	-	-
Cash and cash equivalents	0.52	0.02	0.01	-	0.09	0.95
Long term Borrowings	(0.86)	-	-	-	-	-
Short term borrowings	(1.27)	-	-	-	-	-
Trade payables	(10.11)	(0.05)	-	0.04	0.16	-
Net Exposure	(4.01)	0.25	0.02	0.04	0.25	0.95

	March 31, 2019		
	PHLP. PESO	KES	EGP
Trade receivables	-	-	-
Cash and cash equivalents	0.01	0.04	0.01
Long term Borrowings	-	-	-
Short term borrowings	-	-	-
Trade payables	-	-	-
Net Exposure	0.01	0.04	0.01

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

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 outstanding payable / (receivable)	(11.07)	(0.71)	1.91	0.69	1.92

The following significant exchange rates have been applied during the year.

	Average Rate		Year end Spot Rate	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD	69.89	64.45	69.16	65.18
EUR	80.93	75.42	77.47	80.30
CAD	53.29	50.31	52.00	50.56
JPY	0.63	0.58	0.63	0.61
ETB	2.52	2.56	2.43	2.32
NPR	0.62	0.62	0.62	0.62
Phlp. PESO	1.32	1.27	1.32	1.25
KES	0.69	0.63	0.69	0.65
EGP	3.93	3.63	3.99	3.70

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, 2019		
USD (1% movement)	2.80	(2.80)
EUR (1% movement)	(0.20)	0.20
CAD (1% movement)	(0.01)	0.01
JPY (1% movement)	(0.00)	0.00
ETB (1% movement)	(0.01)	0.01
NPR (1% movement)	(0.01)	0.01
Phlp. PESO (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
	2.58	(2.58)

	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)	(0.96)	0.96
ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.01)	0.01
	6.79	(6.79)

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 manage the risk of changing interest rates, the Group 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.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

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.

(₹ in crore)

	Nominal amount	
	March 31, 2019	March 31, 2018
Fixed rate instruments	165.46	177.80
Variable-rate instruments*	3,017.82	2,329.40
	3,183.28	2,507.20

*Variable rate instruments include letter of credit

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.

(₹ in crore)

	Profit or loss	
	100 bp increase	100 bp decrease
March 31, 2019		
Variable-rate instruments	(30.18)	30.18
Interest rate swaps	0.59	(0.59)
Cash flow sensitivity (net)	(29.59)	29.59
March 31, 2018		
Variable-rate instruments	(23.29)	23.29
Interest rate swaps	0.15	(0.15)
Cash flow sensitivity (net)	(23.14)	23.14

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 to 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 Group 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, 2019

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 Group receives 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	Group 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	Group 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
4	Forecasted Export Sales	Highly Probable Purchases	Mitigate the impact of fluctuations in foreign exchange rates	Forecasted Export Sales	Group uses its Forecasted Export Receivable to mitigate the risk of foreign currency movement in settlement of Highly Probable Purchases	Cash flow hedge

The Group, 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.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

The table below provides details of the derivatives that have been designated as cash flow hedges for the periods presented:

(₹ in crore)

As at 31 March 2019									
	Notional principal amounts (Net)	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	59.48	-	0.43	0.41	0.43	NA	NA	(0.02)	Finance Cost
Foreign exchange forward contracts	655.12	1.63	17.03	(12.81)	(39.54)	NA	NA	26.74	Finance Cost
Commodity contracts	769.94	22.63	13.76	16.67	75.00	NA	NA	(58.33)	COGS
Forecasted Export Sales	76.05	0.62	-	0.63	(5.91)	NA	NA	6.54	Sales

(₹ in crore)

As at 31 March 2018									
	Notional principal amounts (Net)	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Assets	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	-	NA	NA	0.11	Finance Cost
Foreign exchange forward contracts	214.80	-	2.91	(3.94)	13.79	NA	NA	(17.73)	Finance Cost
Commodity contracts	189.82	4.89	12.31	44.71	(0.14)	NA	NA	44.85	COGS

The tables below provide details of the Group hedged items under cash flow hedges:

(₹ in crore)

	As at 31 March 2019			As at 31 March 2018		
	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	0.41	0.43	NA	0.11	(0.02)	NA
Highly probable purchases	(12.81)	15.40	NA	(3.94)	2.91	NA
Highly probable forecast transactions	16.67	(8.87)	NA	44.71	7.42	NA
Forecasted Export Sales	0.63	(0.62)	NA	-	-	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-19	31-Mar-18
Opening balance	10.39	(30.49)
Effective portion of changes in fair value:		

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

a) Interest rate risk	[0.43]	-
b) Commodity price risk	(75.00)	(0.14)
c) Foreign currency risk	39.54	13.79
d) Highly Probable Purchases	5.91	
Net amount reclassified to profit or loss:		-
a) Interest rate risk	0.02	0.11
b) Commodity price risk	58.33	44.85
c) Foreign currency risk	(26.74)	(17.73)
d) Highly Probable Purchases	(6.54)	-
Movements on reserves during the year		
Closing balance	5.48	10.39

Disclosure of effects of hedge accounting on financial performance

(₹ in crore)

31st March, 2019				
Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised 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	0.43	NA	(0.02)	Finance Cost
Foreign exchange risk	(39.54)	NA	26.74	Finance Cost
Commodity price risk	75.00	NA	(58.33)	COGS
Highly Probable Purchases	(5.91)	NA	6.54	COGS

(₹ in crore)

31st March, 2018				
Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised 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	-	NA	0.11	Finance Cost
Foreign exchange risk	13.79	NA	(17.73)	Finance Cost
Commodity price risk	(0.14)	NA	44.85	COGS

Note	40	Capital Management
-------------	-----------	---------------------------

Capital Management

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves. The primary objective of the Group's Capital Management is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group 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, 2019	As at March 31, 2018
Borrowings	253.28	362.53
Less : Cash and cash equivalent*	214.25	263.90
Adjusted net debt	39.03	98.63
Total equity	1,202.37	1,108.25
Less : Hedging reserve	(4.26)	(6.78)
Adjusted equity	1,206.63	1,115.03
Adjusted net debt to adjusted equity ratio	0.03	0.09

*Fixed deposit of ₹ 11.05 crore (Previous Year ₹ 10.47 crore) under lien has been excluded.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

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, 2019							
Particulars	Conductor	Transformer & Speciality Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	3,627.64	2,623.93	1,666.96	7,918.53	45.32	-	7,963.85
Other income	3.22	1.21	3.24	7.67	7.38	-	15.05
Intersegment revenue	287.60	5.97	16.97	310.54	-	(310.54)	-
Segment revenue	3,918.46	2,631.11	1,687.17	8,236.74	52.70	(310.54)	7,978.90
Segment profit (loss) before tax & Finance Cost	150.68	118.56	173.05	442.29	2.15	-	444.44
Less :- Interest expense							199.87
Less:- Other unallocated expenditure net of unallocable income							28.35
Profit before tax							216.22
Tax expenses							80.16
Share in net profit (loss) of associates / JV accounted by Equity method	-	-	-	-	-	-	-
Profit after tax							136.06
Capital employed							
Segment assets	2,125.48	1,483.43	1,088.83	4,697.74	24.04		4,721.78
Unallocable corporate and other assets				-			299.67
Total Asset	2,125.48	1,483.43	1,088.83	4,697.74	24.04	-	5,021.45
Segment liabilities	2,028.36	1,132.99	415.17	3,576.52	3.65		3,580.17
Unallocable corporate and other liabilities				-			238.90
Total Liabilities	2,028.36	1,132.99	415.17	3,576.52	3.65	-	3,819.07
Capital expenditure	97.35	34.27	57.52	189.14	2.33		191.47
Capital expenditure -Unallocable							16.63
Depreciation and Amortisation expense	24.29	16.63	22.53	63.45	0.44		63.89
Depreciation and Amortisation- Unallocable							2.78

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

(₹ 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	2,618.19	2,164.38	1,137.16	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	2.75	-	388.41
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	1,333.41	826.91	4,044.53	43.08	-	4,087.61
Unallocable corporate and other assets							188.24
Total Asset	1,884.21	1,333.41	826.91	4,044.53	43.08	-	4,275.85
Segment liabilities	1,506.62	977.54	417.80	2,901.96	2.36		2,904.32
Unallocable corporate and other liabilities							263.28
Total Liabilities	1,506.62	977.54	417.80	2,901.96	2.36	-	3,167.60
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

C. Information about geographical areas

(₹ in crore)

(a) Revenue from external customers	2018-19	2017-18
- Within India*	5,520.38	3,915.33
- Outside India	2,443.47	2,023.37
	7,963.85	5,938.70

* Includes deemed exports ₹ 73.93 Crore (Previous Year ₹ 63.81 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	2018-19	2017-18
USD (US Dollar)	2,239.80	1,638.42
EUR (EURO)	71.78	41.65
GBP (British Pound)	0.06	-
CAD (Canadian Dollar)	44.50	162.40
JPY (Japanese Yen)	-	0.16
INR	87.33	180.74
Total	2,443.47	2,023.37

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

(₹ in crore)

(b) Segment Assets	As at March 31, 2019	As at March 31, 2018
- Within India	4,253.97	3,569.43
- Outside India	767.48	706.42
	5,021.45	4,275.85

(₹ in crore)

Segment assets outside India currency wise	As at March 31, 2019	As at March 31, 2018
USD (US Dollar)	743.04	606.57
EUR (EURO)	22.61	0.22
GBP (British Pound)	0.59	1.18
CAD (Canadian Dollar)	0.93	96.85
PESO (Phillipine PESO)	0.01	-
ETB (Ethiopian Birr)	0.23	1.60
KES (Kenyan Shilling)	0.03	-
EGP (Egyptian Pound)	0.04	-
Total	767.48	706.42

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). Ex-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
Chaitanya N. Desai Family Private Trust
Maithili N. Desai Family Private Trust
Maithili N. Desai Family Private Trust No. 2
Catalis World Private Ltd

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Gayatri Associates
 Maithili Trusteeship Services Private Limited
 Kushal N. Desai Family Private Trust
 Narendra D. Desai Family Private Trust
 Hari Haribol Dairy Products Private Limited
 EM & EM Personal Care Private Limited

B. Related Party Transactions

(i) Key Managerial Personnel :

(₹ in crore)

Sr No.	Transactions	2018-19	2017-18
1	Remuneration	9.54	8.90
2	Dividends paid (payment basis)	19.03	18.30

(ii) Chairman having significant influence Upto 16.10.2016

(₹ in crore)

Sr No.	Transactions	2018-19	2017-18
1	Dividends paid (payment basis)	-	0.17

(iii) Relatives of Key Managerial Personnel:

(₹ in crore)

Sr No.	Transactions	2018-19	2017-18
1	Dividends paid (payment basis)	0.13	1.71

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

(₹ in crore)

Sr No.	Transactions	2018-19	2017-18
1	Rent paid	1.13	1.13
2	Dividends paid (payment basis)	1.91	2.01
3	Sale of finished goods/ Raw materials / traded goods	1.69	-
4	Purchase of finished goods/ Raw materials / traded goods	0.32	-
5	Balance Outstanding as on March 31		
	a) Receivable for supply of finished goods	1.69	-
6	Commitments	3.64	4.77

C. Compensation of Key Management Personnel of the company

(₹ in crore)

Sr No.	Transactions	2018-19	2017-18
1	Short-term employment benefits	9.26	8.70
2	Post Employment benefis	0.17	0.16
3	Other Long term employee benefits	0.11	0.04
	Total	9.54	8.90

Note 43 Contingent liabilities and commitments

A) Contingent liabilities and commitments (to the extent not provided for)

(₹ in crore)

	March 31, 2019	March 31, 2018
Contingent liabilities		
a) Claims against the Company not acknowledged as debts -		
i) Demand/ Show cause-cum-demand notices received and contested by the Group with the relevant appellate authorities:		
Excise duty (also refer note (iii) below)	9.41	8.54
Customs duty	2.40	2.87
Sales tax	16.20	15.32
ii) Arbitration award regarding dispute of alleged contractual non-performance by the Company, against which the Group is in appeal before Bombay High Court.	11.76	11.14
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	2.33
v) Others	9.04	6.59
b) Guarantees		
i) Guarantee given to bank against credit facilities extended to third parties.	8.03	-
ii) Guarantee given to Custom authorities (Refer Footnote 4)	3.09	8.23

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

B) Capital commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	25.21	17.91
---	-------	-------

Note:

1. It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the matters in note a (i) to a (v) of claims against the Group not acknowledged as debts mentioned in A - Contingent Liabilities, pending resolution of the arbitration/appellate proceedings. The liability mentioned as aforesaid includes interest except in cases where the Group has determined that the possibility of such levy is very remote.
2. The cash outflows in respect of Corporate Guarantees mentioned in note b of A - contingent liabilities, could generally occur upto the period over which the validity of such guarantees extends or it could occur any time during the subsistence of the borrowing to which the guarantees relate.
3. The Group does not expect any reimbursements in respect of the above contingent liabilities.
4. The guarantee given are issued in the ordinary course of business from which it is anticipated that no material liability will arise.

Note 44 Research and Development Expenses :

A. R & D Center-OIL Division (Rabale - DSIR Recognised) (₹ in crore)

	Transactions	2018-19	2017-18
(a)	Salary, wages and other benefits	2.15	1.61
	Consumables and Other expenses	0.21	0.43
	sub-Total	2.36	2.04
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	0.92
		-	0.92
	Total	2.36	2.96

B. R & D Center-Conductor Division (₹ in crore)

	Transactions	2018-19	2017-18
(a)	Salary, wages and other benefits	-	-
	Consumables and other expenses	3.58	3.63
	sub-Total	3.58	3.63
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	3.18	0.38
		3.18	0.38
	Total	6.76	4.01

C. R & D Center-Cable Division (₹ in crore)

	Transactions	2018-19	2017-18
(a)	Salary, wages and other benefits	0.16	0.13
	Consumables and other expenses	0.89	0.38
	sub-Total	1.05	0.51
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
		-	-
	Total	1.05	0.51
	Grand Total (A+B+C)	10.17	7.48

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Note 45 IND AS 115 - Revenue from Contracts with Customers

i. Disaggregated revenue

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 consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

The Group uses the same operating segment information for reporting purposes in all its communication to various stakeholders i.e. annual report, investor presentations

For disclosures containing the disaggregated revenue - Refer note no 41 - Segment Reporting

(ii) Contract balances

(₹ in crore)

	2018-19
Contract assets	
As at April 1, 2018	6.72
Add: Addition during the year	0.73
	7.45
Less: Transferred to Receivable	6.72
As at Mar 31, 2019	0.73

	2018-19
Contract liability	
Advances from customers	
As at April 1, 2018	80.45
Add: Addition during the year	104.13
	184.58
Less: Revenue recognised during the year	105.45
As at Mar 31, 2019	79.13

Refer note no 8 - for Trade receivables balances

iii. Remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are having performance obligations, which are a part of the contracts that has an original expected duration of one year or less. Hence, the Group has applied practical expedient as per para 121 of the Ind As 115 in regards to remaining performance obligations.

Note 46 Employee benefits

(i) Defined Contribution Plans:

The Group 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 Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Group recognised ₹ 1.96 crore (previous year ₹ 1.71 crore) for superannuation contribution and other retirement benefit contributions in the consolidated statement of profit and loss.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group has recognised ₹ 4.66 crore (previous year ₹ 3.94 crore) for provident fund contributions in the consolidated statement of profit and loss.

(ii) Defined Benefit Plans:

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

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, 2019. 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.

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

In case of foreign subsidiaries, the Group has recognised ₹ 0.51 crore (previous year ₹ 0.27 crore) towards defined benefit obligation in the consolidated statement of profit and loss.

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 Group's consolidated financial statements as at consolidated balance sheet date:

Movement in net defined benefit (asset) liability

(₹ in crore)

	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded	Funded
Table showing change in benefit obligation		
Defined benefit obligation at beginning of the year	11.63	10.90
a) Included in consolidated statement of profit and loss		
Current service cost	0.97	0.94
Interest cost	0.94	0.82
Actuarial (gain) / loss	-	-
	1.91	1.76
b) Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
demographic assumptions		-
financial assumptions	0.27	(0.46)
experience adjustment	0.54	0.47
	0.81	0.01
c) Other		
Benefits paid	(0.55)	(1.04)
Liability transferred in /Acquisitions		-
	(0.55)	(1.04)
Defined Benefit obligation at end of the year	13.80	11.63

(₹ in crore)

	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded	Funded
Table showing change in Fair Value of Plan Assets		
Fair value of plan assets at beginning of the year	11.63	10.90
Expected return on plan assets	0.94	0.82
Actuarial gain / (loss)	(0.06)	(0.03)
Employer Contribution	1.49	0.98
Benefit paid	(0.55)	(1.04)
Assets transferred in /Acquisitions	-	-
Fair value of plan assets at year end	13.46	11.63
Actual return on plan assets	0.89	0.79
Expected Contribution for next year	1.52	0.97

(₹ in crore)

Table showing category of assets	March 31, 2019	March 31, 2018
Insurance fund	13.46	11.63
Total	13.46	11.63

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Defined benefit obligations

i) Actuarial assumptions

In arriving at the valuation for gratuity & leave salaries following assumptions were used:

	March 31, 2019 Gratuity	March 31, 2018 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	7.79%	8.09%
Expected rate of return on plan assets (per annum)	7.79%	8.09%
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, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(8,761,395)	10,177,937	(7,261,361)	8,430,702
Future salary growth (1% movement)	10,363,648	(9,057,210)	8,610,317	(7,525,967)
Employee Turnover (1% movement)	2,201,668	(2,505,302)	2,099,565	(2,383,641)

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 Group's consolidated financial statements as at consolidated balance sheet date:

(₹ in crore)

Net asset / (liability) recognised in the consolidated balance sheet as at	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded	Funded
Included in consolidated statement of Profit & Loss		
Fair value of plan assets	13.46	11.63
Present value of obligation	(13.80)	(11.63)
Amount recognised in consolidated balance sheet	(0.34)	-
Recognised under:		
Long term provision (refer note 17)	-	-
Short term provision (refer note 23)	0.34	-
Total	0.34	-

(₹ in crore)

Expense recognised during the year	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded	Funded
Included in consolidated statement of Profit & Loss		
Current service cost	0.97	0.94
Interest cost	0.94	0.82
Net actuarial (gain) / loss		
Return on plan assets, excluding actuarial gain or loss	(0.94)	(0.82)
Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
Financial assumptions	0.27	(0.46)

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Experience adjustment	0.54	0.47
Return on plan assets, excluding actuarial gain or loss	0.06	0.03
Net Cost	1.84	0.98

(₹ in crore)

Maturity analysis of the benefit payments: from the fund	March 31, 2019	March 31, 2018
	Gratuity Funded	Gratuity Funded
Projected benefits payable in future years from the date of reporting		
1st following year	3.74	3.29
2nd following year	0.55	0.44
3rd following year	0.91	0.69
4th following year	0.71	0.79
5th following year	1.18	0.64
From 6 to 10 years	4.57	3.81
From 11 years and above	17.38	15.51

Note 47 Master Netting

The following table presents the recognised financial instruments that are subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2019 and March 31, 2018.

(₹ in crore)

Particulars	Effects of offsetting on the consolidated balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
March 31, 2019			
Financial assets			
Derivative instruments			
Forward contract	25.48	24.86	0.62
Interest rate swap	-	-	-
Total	25.48	24.86	0.62
Financial liabilities			
Derivative instruments			
Forward contract	39.44	24.86	14.58
Interest rate swap	0.43	-	0.43
Total	39.86	24.86	15.00

Particulars	Effects of offsetting on the consolidated 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

Notes To The Consolidated Financial Statements as at and for the year ended March 31, 2019

Group 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 Group does not have ant currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on default.

Note	48	Figures for previous periods/year have been regrouped, wherever necessary
-------------	-----------	--

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

Firdosh D. Buchia

Partner

Membership No. 038332

Mumbai, 29th May, 2019

Kushal N. Desai

Chairman &

Managing Director &

Chief Executive Officer

DIN : 00008084

Mumbai, 29th May, 2019

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 Private Limited	CEMA Optilinks Private Limited (Note 2)
		In USD	₹ in Crore	In USD	₹ in Crore	₹ in Crore	₹ in Crore
(a)	Capital	59,101	0.26	12,329,700	81.11	0.01	-
(b)	Reserve	15,312,370	101.88	(3,846,476)	(22.64)	(0.45)	(0.00)
(c)	Total Assets	15,410,541	102.42	37,171,018	256.87	5.32	-
(d)	Total Liabilities	39,070	0.27	28,687,794	198.40	5.77	0.00
(e)	Details of investment (Except in case of investment in Subsidiaries)	-	-	-	-	-	-
(f)	Turnover	-	-	55,378,347	387.65	10.07	0.34
(g)	Profit before taxation	62,999	0.45	(2,240,127)	(10.06)	(2.17)	0.24
(h)	Provision for taxation	-	-	-	-	(0.56)	0.06
(i)	Profit after taxation	62,999	0.45	(2,240,127)	(10.06)	(1.60)	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 31.03.2019; 1 U.S. Dollar(USD) = ₹ 69.1600

2) Ceased to be Subsidiary on 18th September, 2018.

3) Profit/(Loss) figures do not include other comprehensive income.

Annexure X to the Directors' Report

FORM AOC- 2

(Pursuant to clause (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

Mumbai, 29th May, 2019

(Kushal N. Desai)
Chairman & Managing Director

Annexure XI to the Directors' Report

DIVIDEND DISTRIBUTION POLICY OF APAR INDUSTRIES LIMITED

1. Title:

This Policy shall be called "Dividend Distribution Policy"

2. Objective:

The Policy is formulated in line with the requirement of new Regulation 43 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) inserted vide SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated 08.07.2016. (Notification)

During the past 25 years or more Company's dividend payout trend shows that the dividend either remained constant or increased steadily however instance of variations has been very rare. The dividend Policy of the Company largely depends on internal and external factors and hence the Company has designed its dividend distribution Policy in such a way that best interest of both Shareholders and the Company are satisfied.

Consistent dividend trend of the Company reflect its loyalty to shareholders since Board consider dividend as regular source of income for the shareholders.

3. Applicability :

This Policy applies to all the Dividend (including Interim) to be declared on the paid up Equity Share Capital of the Company effective from 5th August, 2016.

4. Guidelines :

This Policy provides the Guidelines based on the following parameters prescribed under the Notification :

(a) the circumstances under which the Equity shareholders may or may not expect dividend.

Dividends are earnings that companies pass on to their shareholders. There are a number of reasons to decide the amount to be distributed as dividends. There are also a number of reasons for the Company to retain earnings.

Company when growing rapidly usually would pay less dividends or do not pay dividend in an exceptional circumstances so as to invest as much as possible into further growth, expansion of activities or forecast of future operations. At a time when Board believes it will be prudent to increase its value (share price) by retaining its earnings; it will choose pay less dividend or do not pay dividends and may utilize the money to finance a new project, acquire new assets, expansion, buyback its shares or even buy out another company.

Also, the choice to not pay or pay less dividends may depend upon tax perspective. At present, Dividends are taxable to certain category of investors at special rate. The capital gains on the sale of appreciated share can have a lower or nil long-term capital gains tax rate depending upon the period of holding of shares.

However, Company's past record of 15 years or more reflect that the Company has been consistently paying dividend, barring one Financial Year of 2008-09.

b) the financial parameters that shall be considered by the Board while recommending / declaring dividend;

The Company follows constant dividend payout. Special dividend is considered in years of exceptionally good profit or on special occasion / anniversary.

The parameter, Company generally considers, is that 25% to 35% (including dividend distribution tax) of Profit After Tax (excluding extra-ordinary & exceptional gains) will be paid as Dividend.

Notwithstanding the above, subject to the provisions of the Companies Act, Dividend shall be declared or paid only out of-

(i) Current financial year's profit:

- after providing for depreciation in accordance with law,
- after considering the dividend distribution tax including surcharge if any,
- after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

And/or

(ii) The profits for any previous financial year(s):

- after providing for depreciation in accordance with law
- after considering the dividend tax including surcharge, if any;
- remaining undistributed; or



The Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non-cash charges pertaining to amortisation or ESOP or resulting from change in accounting policies or accounting standards.

Other parameters the Company may consider are, it's Debt-Equity ratio, Return on Equity, Income Tax, Cash Flow/liquidity, future expansion and acquisition.

(c) internal and external factors that shall be considered for declaration of dividend;

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavor to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The Dividend pay-out decision of the company would depend upon certain external and internal factors-

External Factors:-

Uncertainty - in case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

Volatility - when the Capital markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Regulatory Restrictions - The Board will take in account the restrictions imposed by Companies Act with regard to declaration of dividend.

Interest and inflation rate prevailing from time to time

Internal Factors:

Apart from the various external factors afore-mentioned, the Board will take into account various internal factors while declaring Dividend, which inter alia, will include-

- (i) Profits earned during the year;
- (ii) Present & future Capital requirements of the existing businesses;
- (iii) Brand / Business Acquisitions;
- (iv) Expansion / Modernization of existing businesses;
- (v) Additional investments in subsidiaries / associates of the Company;
- (vi) Fresh investments into external businesses;
- (vii) Any other factor as deemed fit by the Board.

(d) policy as to how the retained earnings shall be utilized:

The Company shall strive to utilize retained earnings at optimum level by investing in the business for expansion, acquisition, product development and at the same time may consider issuing Bonus shares or buyback the shares in order to enhance the value of the shares and give optimum return to the stakeholders.

The Board of Directors of the Company subject to the applicable provisions of the law may appropriate some or all of the company's retained earnings when it wants to restrict dividend distributions to shareholders. Appropriations are usually done at the board's discretion with an exceptional circumstances, Board may contractually or statutorily require to do so.

5. Provisions / Parameters with regard to various classes of shares.

The Company is having only one class of paid up shares i.e. fully paid Equity Shares of the face value of Rs. 10/- each. Hence, the same is not applicable.

6. The Board of Directors shall review the policy periodically.

FORM NO. MGT-11

APAR INDUSTRIES LIMITED

(CIN : L9110GJ1989PLC012802)

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

Phone : 0265-2339906 Fax : 0265- 2330309

Email : com_sec@apar.com Website : www.apar.com

THIRTIETH ANNUAL GENERAL MEETING
Thursday, 8th August, 2019
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 :

- Name :
Address :
Email Id :
Signature _____ or failing him / her;
- Name :
Address :
Email Id :
Signature _____ or failing him / her;
- 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 30th Annual General Meeting of the Company to be held on **Thursday, August 8, 2019 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	Vote (Optional See Note 3)	
Ordinary Business :		For	Against
1.	Adoption of the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended on 31st March, 2019 together with the reports of the Board of Directors and of Auditors thereon.		
2.	Approval of dividend of ₹ 9.50 (95%) per equity share for the F.Y. ended on 31st March, 2019.		
3.	Re-appointment of Mr. Kushal N. Desai as Director who retires by rotation and being eligible offers himself for re-appointment.		
Special Business :			
4.	To approve appointment of Mr. Rishabh K. Desai, who was appointed as an Additional Director of the Company on 7th May, 2019 to act as Non-executive and Non-Independent Director of the Company, whose term of office shall be liable to retire by rotation.		
5.	Re-appointment of Mr. B. Virani as Non-Executive Independent Director of the Company for the second Term of 5 years w.e.f. the conclusion of 30th Annual General Meeting.		
6.	Re-appointment of Mrs. Nina Kapasi as Non-Executive Independent Director of the Company for the second Term of 5 years w.e.f. the conclusion of 30th Annual General Meeting.		
7.	Payment of remuneration to M/s. Rahul Ganesh Dugal & Co., Cost Auditor of the Company.		

Signed this _____ day of _____, 2019.

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

- Notes :**
- 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.
 - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Thirtieth Annual General Meeting.
 - 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.
 - Please complete all details including details of member(s) in above box before submission.



APAR INDUSTRIES LTD.



APAR INDUSTRIES LIMITED

(CIN : L91110GJ1989PLC012802)

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

Phone : 0265-2339906 Fax : 0265- 2330309

Email : com_sec@apar.com Website : www.apar.com

THIRTIETH ANNUAL GENERAL MEETING

Thursday, 8th August, 2019

ATTENDANCE SLIP

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

Registered Folio No. / DP ID No. / Client ID No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of 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 **30th Annual General Meeting** of the Company on **Thursday, August 8, 2019 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).

Phone : 0265-2339906 Fax : 0265- 2330309

Email : com_sec@apar.com Website : www.apar.com

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.	Adoption of the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended on 31st March, 2019 together with the reports of the Board of Directors and of Auditors thereon. (Ordinary Resolution)			
2.	Approval of dividend of ₹ 9.50 (95%) per equity share for the F.Y. ended on 31st March, 2019. (Ordinary Resolution)			
3.	Re-appointment of Mr. Kushal N. Desai as Director who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)			
SPECIAL BUSINESS:				
4.	To approve appointment of Mr. Rishabh K. Desai, who was appointed as an Additional Director of the Company on 7th May, 2019 to act as Non-executive and Non-Independent Director of the Company, whose term of office shall be liable to retire by rotation. (Ordinary Resolution)			
5.	Re-appointment of Mr. F. B. Virani as Non-Executive Independent Director of the Company for the second Term of 5 years w.e.f. the conclusion of 30th Annual General Meeting (Special Resolution)			
6.	Re-appointment of Mrs. Nina Kapasi as Non-Executive Independent Director of the Company for the second Term of 5 years w.e.f. the conclusion of 30th Annual General Meeting (Special Resolution)			
7.	Payment of remuneration to M/s. Rahul Ganesh Dugal & co., Cost Auditor of the Company for the Financial Year 2019-20 (Ordinary Resolution)			
<p>Place :Vadodara</p> <p>Date : _____ (Signature of the shareholder)</p>				

COURIER

APAR'S ANUSHAKTI WIRES SUITABLE TO CARRY EXTRA LOAD WITHOUT DAMAGE TO THE WIRES.

- Developed in house, Apar anushakti wires with specially developed pvc compounds.
- Protection against electric shock/short circuit
- High oxygen & temperature index for fire retardancy
- Wires can easily take long term overload of $\rightarrow$ 40%
- Insulation does not melt in contact with hot object non softening, infusible and non dripping
- High insulation resistance
- Self extinguishing and not catch fire.
- Better ageing properties and longer life



APAR ANUSHAKTI

USED WHERE 'SAFETY COMES FIRST'

- Fire alarm system, panel wiring,
- Metros, airports, shopping malls/commercial complexes, hospitals, residential etc.



< www.apar.com >



If undelivered please return to:

APAR INDUSTRIES LTD.

301, Panorama Complex, R. C. Dutt Road,
Vododara - 390007, Gujarat

Content developed by Four-S Services Pvt. Ltd.
Design by Design Tree Brand Solution Pvt. Ltd.