

APM INDUSTRIES LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 37th Annual General Meeting of the Members of APM Industries Limited will be held on **Saturday, the 3rd day of September, 2011 at 11.30 A.M.**, at its Registered Office at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Shri S G Rajgarhia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Chaturvedi & Co., Chartered Accountants, who are eligible for re-appointment as Auditors of the Company and to fix their remuneration.

Registered Office:
SP-147, RIICO Industrial Area,
Bhiwadi, Dist. Alwar (Rajasthan)

By Order of the Board

New Delhi
July 30, 2011

F C GOEL
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from **August 27, 2011 (Saturday) to September 3, 2011 (Saturday)** (both days inclusive) in connection with the payment of final dividend for the financial year 2010-2011.
3. The payment of dividend, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after **September 7, 2011** as under:-
 - a) To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on **August 26, 2011**.
 - b) To all those shareholders holding shares in physical form after giving effect to all the valid share transfers lodged with the company before the closing hours on **August 26, 2011**.
4. As per the provisions of Section 205-C of the Companies Act, 1956, Unclaimed Dividend amount in respect of 2002 – 2003 has been transferred to Investor Education and Protection Fund on **October 24, 2010** upon expiry of 7 Years period. Unclaimed Dividend for the year 2003 – 2004 will be transferred to Investor Education and Protection Fund on **October 27, 2011** shareholders who have not claimed dividend for the year 2003 – 2004 are requested to claim the divided on or before **October 27, 2011**.

5. A) On **January 28, 2011** the company's equity shares of Rs.10/- each split/sub-division into 5 equity shares of Rs.2/- each. The new ISIN No. is **INE170D01025**. **Members are requested to surrender their old certificates to the registrar/company in original with a request letter for issuance of new share certificates.**

- B) The shareholders, who have not converted their shares in demat form, are requested to do so, in their own interest.

6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

a) os.delhi@orientsyntex.com

b) admin@skylinerta.com

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

BRIEF RESUME OF DIRECTOR OFFERING FOR REAPPOINTMENT

Name of the Director	: Shri S G Rajgarhia
Date of Birth	: 21.08.1946
Date of appointment	: 26.07.2000
Qualification	: B. Tech. (Hons.) and S.M. (MIT)
Expertise in specific functional area	: Shri S G Rajgarhia is Managing Director of M/s Orient Abrasives Limited. He brings with him varied experience of more than 40 years.
List of other Directorship held	: <ul style="list-style-type: none">- Orient Abrasives Limited- Autometers Alliance Ltd.- Rajat Leasing Limited- Madhushree Properties Pvt. Ltd.- Rajgarhia Leasing & Financial Services (P) Ltd.- Sheevam Comfort Hotels Pvt. Ltd.- Suvidha Parkliff Pvt. Ltd.- Mourya Realty Pvt. Ltd.
Chairman/member of the Committee of the Board of Directors of the Company	: Audit Committee – Member.

Registered Office:
SP-147, RIICO Industrial Area,
Bhiwadi, Dist. Alwar (Rajasthan)

By Order of the Board

New Delhi
July 30, 2011

F C GOEL
Company Secretary

APM INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 37th Annual Report and Audited Accounts for the year ended on March 31, 2011.

FINANCIAL RESULTS

(Rs. In lacs)

	2010-11	2009-10
Gross Sales	24350	19686
Profit before depreciation and tax	2666	1420
Less: Depreciation	471	455
Profit before income tax	2195	965
Less: Income Tax	813	305
Net profit for the year	1382	660
Add: Balance brought forward from the previous year	2262	2717
Amount available for appropriation	3644	3377
Appropriations: -		
• Proposed Dividend	130	-
• Corporate Dividend Tax	21	-
• General reserve	1000	1115
• Balance carried forward to Balance Sheet	2493	2262
Total	3644	3377

OPERATIONS

During the year 2010-11, your company's performance has improved significantly. The net profit recorded a growth of 109% from Rs.660 lacs to Rs.1382 lacs while the turnover grew by 24% from Rs.19686 lacs to Rs.24350 lacs. The main contributors to the increase of profits was the product mix and a favourable market.

The earnings per share for the year 2010-11 works out to Rs.6.39 as compared to previous year Rs.3.05.

EXPORTS

During the year 2010-11, the export turnover at Rs.2217 lacs, as against Rs.1970 lacs during 2009-10, an increase of 13%.

EXPANSION AND MODERNIZATION

The Company continues to modernize its Plant and Machinery under Technology Upgradation Fund Scheme (TUFS). The company proposes to install some balancing equipments which would help manufacture more value added products. The total capacity of the company as on 31.03.2011 is 50336 spindles.

PROSPECTS

The Polyester and Viscose prices have started falling during 2011-12, as the reduction in the fibre prices is gradual and continuous. It is not unusual, but a short term phenomena, in the long run, the lower raw material prices would ultimately help the textile industry to perform better.

DIVIDEND

Your Directors are pleased to recommend a Dividend @ 30% i.e. Rs.0.60 per fully paid equity shares of Rs.2/- each for the year ended March 31, 2011 for consideration of the members at the forthcoming Annual General Meeting.

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

The prescribed details as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are annexed as **Annexure - I** to this Report.

PARTICULARS OF EMPLOYEES

The statement showing particulars of the employees as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended), is not given as no employee was in receipt of remuneration equal to or exceeding Rs. 60,00,000/- (Rupees sixty lacs only) per annum, if employed for the full year or Rs. 5,00,000/- (Rupees five lacs only) per month, if employed for a part of the year.

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

AUDIT COMMITTEE

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

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

AUDITORS

M/s Chaturvedi & Co., Chartered Accountants, the auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A certificate under section 224(1B) of the Companies Act, 1956 confirming their eligibility has been obtained from them. Your Directors recommend that they be reappointed by the members at the 37th Annual General Meeting.

AUDITORS REPORT

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

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

APPRECIATION

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

For and on behalf of the Board

New Delhi
July 30, 2011

R K RAJGARHIA
Chairman & Managing Director

ANNEXURE – I TO DIRECTORS’ REPORT

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

A. CONSERVATION OF ENERGY

Energy Conservation Measures taken:

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

1. Installation of 6 Solar Water Heater in Staff Colony.
2. Replacement of 367 ordinary bulbs by CFL in Staff Colony.
3. Installation of 206 heavy duty nozzles in 23 Humidity plants.
4. Installation of 4 Nos Motors having 1400 RPM in place of 2800 RPM in L/R, Draw Frame (LD06) after modification.
5. Installation of 15 KW 13 Nos. Energy Efficient Motor in place of 15 KW Old Motors in Humidity Plant.
6. Installation of 22 KW 46 Nos new energy efficient motors in place of 22 KW Motors in Unit-I & II and Ring Frame.
7. Installation of 22 KW – 20 Nos new energy efficient motors in TFO against 26 KW Motors.

8. Installation of 22 KW – 22 Nos energy efficient motors in TFO against 30 KW Motors.
9. In Plant Air Consumption reduced 315 CFM by very accurate settings in various machines.
10. C1/3 Carding Fan Modification Work.
11. Installation of 3 Nos. 11 KW Energy Efficient Motors in doubling in place of ordinary motors.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO.

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

The information in respect of Foreign Exchange earning and outgo is contained in item 11 (f) & (g) in Schedule – 18 annexed to the Balance Sheet.

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY

	Unit	2010-11	2009-10
A POWER AND FUEL CONSUMPTION			
1 Electricity			
Purchased unit	Unit in lacs	449.56	422.93
Total amount	Rs. in lacs	1913.70	1835.51
Rate	Rs./Unit	4.26	4.34
2 Own Generation			
a) Through Diesel Generator	Unit in lacs	5.49	9.40
Unit per Litre of Diesel	Unit	3.61	3.68
Cost	Rs./Unit	10.13	8.82
b) Through HFO Generator	Unit in lacs	12.73	31.39
Unit per Litre of Diesel/HFO	Unit	3.78	3.95
Cost	Rs./Unit	7.71	5.93
3 Coal (Grade B, C, D & E)/Petcock			
Quantity MT	2355.60	2201.39	
Total cost	Rs. in lacs	210.20	154.63
Average rate	Rs./MT	8923.58	7024.11
4 Diesel			
Quantity Ltrs. In lacs	1.81	2.88	
Total cost	Rs. In lacs	63.27	89.93
Average rate	Rs./Ltr.	34.95	31.18
5 Furnace Oil			
Quantity Ltrs. In lacs	3.08	7.61	
Total cost	Rs. In lacs	84.37	171.02
Average rate	Rs./Ltr.	27.39	22.44
B CONSUMPTION PER UNIT OF PRODUCTION*			
1 Electricity		307.00	326.00
2 Coal B, C, D & E Grade/Pet coke		15.44	15.49

* Production unit, per 100 kgs.

FORM 'B'

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

A. Research & Development:

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

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

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

Product improvement, cost reduction and improvement in customer satisfaction.

• **Future course of action:**

To develop new varieties and shades as per market requirements.

• **Expenditure on R&D:**

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

B. Technology Absorption, Adaptation and Innovation:

• **Efforts made:**

The indigenous technology available is continuously being upgraded.

• **Benefit derived:**

Improvement in the overall performance of the Company.

• **Particulars of imported technology:**

Not applicable

For and on behalf of the Board

New Delhi
July 30, 2011

R K RAJGARHIA
Chairman & Managing Director

APM INDUSTRIES LIMITED

ANNEXURE – II TO DIRECTORS' REPORT CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance

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

2. Board of Directors

As on March 31, 2011, the Board is comprised of 6 Members. The composition of the Board of Directors meets with the requirements of Listing Agreement. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors.

During the year 2010 – 11 five Board meetings were held on 26.05.2010, 03.08.2010, 30.10.2010, 29.01.2011, 17.03.2011.

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

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

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

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

Name of the Director	No. of shares	Percentage
Shri S G Rajgarhia	573850	2.66

3. Audit Committee

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

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

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

During the year 2010 – 11 four Audit Committee meetings were held on 26.05.2010, 03.08.2010, 30.10.2010, 29.01.2011.

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

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

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

4. Remuneration Committee

The remuneration committee was constituted in the year 2008 comprising of Shri K R Gupta (Chairman), Shri R R Bagri and Shri R L Toshniwal, all being independent and non-executive directors.

APM INDUSTRIES LIMITED

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

The details of remuneration paid to Chairman & Managing Director and Executive Director during 2010 – 2011 are as under:-

Sl. No.	Name of the Directors	Salary	Perquisites and other benefits	Total
1	Shri R K Rajgarhia	25,28,000	22,93,262	48,21,262
2	Shri H R Sharma	17,23,704	45,760	17,69,464

The details of sitting fee paid to the other Directors during 2010 – 2011 are as under:-

Sl. No.	Name of the Directors	Sitting Fee	Total
1	Shri R L Toshniwal	10,000	10,000
2	Shri K R Gupta	87,500	87,500
3	Shri S G Rajgarhia	62,500	62,500
4	Shri R R Bagri	87,500	87,500

5. Shareholders/Investors Grievance Committee

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

Name, designation and address of Compliance Officer:-

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

8 Shareholders' complaints were received during the year 2010 – 2011 and all of them have been resolved.

There were no pending share transfers as on 31.03.2011.

6. General Body Meeting's

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

Year	Location	Date	Time
2010	SP-147 RIICO Industrial Area,	25.09.2010	11.30 A.M.
2009	Bhiwadi	26.09.2009	11.30 A.M.
2008	Dist. Alwar (Rajasthan)	30.09.2008	11.30 A.M.

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

7. Code of Conduct

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

8. CEO/CFO Certification

Shri R K Rajgarhia, Chairman & Managing Director and Shri H R Sharma, Executive Director have given the above certificate pertaining to financial year 2010 – 11 to the Board of Directors which was taken note of at the Board meeting.

9. Disclosures

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

10. Compliance with mandatory/Non-mandatory Requirements

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

11. Means of Communication

The quarterly Financial Statements are normally published in Business Standard (all Edition) and Seema Sandesh (Jaipur Edition).

APM INDUSTRIES LIMITED

12. General Shareholder Information

A. Annual General Meeting: -

Date : **September 3, 2011 (Saturday)**

Time : 11.30 A.M.

Venue : SP – 147 RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)

B. Financial Calendar for 2011 – 2012

Adoption of Quarterly Results Ended	In the month of
30th June, 2011	August 15, 2011
30th September, 2011	November 15, 2011
31st December, 2011	February 15, 2012
31st March, 2012 (Audited Annual Accounts)	May 15, 2012 (May 30, 2012)

C. Date of Book Closure

From **August 27, 2011** to **September 3, 2011** (both days inclusive).

D. Dividend payment date

On or after **September 7, 2011**

E. Listing on Stock Exchange at: -

Bombay Stock Exchange Limited
Scrip Code
523537

The Listing fees for the year 2011 – 2012 have been paid to the above Stock Exchange.

Demat ISIN No. in NSDL and CDSL for equity shares **INE-170D01025**

F. Shareholding Pattern of the Company as on 31st March 2011.

Category	No. of Shares Held	%age of share holding
a) Promoters/persons acting in concern	13534035	62.62
b) Banks, Financial Institutions, Insurance Companies	1250	0.01
c) NRIs/OCBs	96125	0.44
d) Other Corporate bodies	818370	3.79
e) Indian Public	7161580	33.14
Total	21611360	100.00

G. Distribution of shareholding as on 31st March, 2011

Range	Shareholders		Shares		
	No. of shares	Number	% to Total Holders	Number	% to Total Capital
Upto 500	500	9133	84.77	2051950	9.49
501	1000	780	7.24	663162	3.07
1001	2000	345	3.20	539172	2.49
2001	3000	207	1.92	525500	2.43
3001	4000	60	0.56	221008	1.02
4001	5000	75	0.70	364612	1.69
5001	10000	62	0.57	491677	2.28
10001	And above	112	1.04	16754279	77.53
Total		10774	100.00	21611360	100.00

H. Share Transfer System

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

I. Dematerialization of shares

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

J. Share Dematerialized record

The following data indicates the extent of dematerialization of Company's shares as on 31st March, 2011.

No. of shares dematerialized	12486140	57.78% of the total share capital
No. of shareholders in D-mat Form	3357	31.16% of the total No. of shareholders

APM INDUSTRIES LIMITED

K. Market Share Price Data (Rs.)

Month		Bombay Stock Exchange Limited	
		High	Low
April	2010	58.00	42.00
May	2010	56.50	39.00
June	2010	59.80	42.00
July	2010	60.00	52.15
August	2010	80.00	58.00
September	2010	89.95	68.00
October	2010	110.00	83.00
November	2010	106.90	69.00
December	2010	91.35	65.55
January*	2011	95.00	15.00
February*	2011	17.10	13.50
March*	2011	17.70	14.00

*On January 28, 2011 the company's equity shares of Rs.10/- each split/sub-division into 5 equity shares of Rs. 2/- each.

L. Registered Office and Plant Location of the Company

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

M. Investors Correspondence

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

1. Corporate office

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

2. Registrars and Share Transfer Agent

M/s Skyline Financial Services Pvt. Ltd.,
 D-153/A, 1st Floor
 Okhla Industrial Area Phase -1
 New Delhi – 110 020
 Tel : 011 – 30857575 (10 Lines)
 Fax : 011 – 30857562
 E-mail : admin@skylinerta.com

AUDITORS' CERTIFICATE

To

The Shareholders of
 APM Industries Limited

We have examined the compliance of conditions of Corporate Governance by APM Industries Limited for the year ended March 31, 2011, as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges in India.

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

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

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

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

(Pankaj Chaturvedi)
 Partner
 Membership No. 091239

New Delhi
 July 30, 2011

APM INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

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

a) **Industry structure and development**

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

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

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

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

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

c) **Segment-wise performance**

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

d) **Outlook**

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

e) **Internal control system**

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

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

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

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

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

h) **Cautionary Statement**

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

For and on behalf of the Board

New Delhi
July 30, 2011

R K RAJGARHIA
Chairman & Managing Director

AUDITORS' REPORT

**To the Members of
APM INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of **APM INDUSTRIES LIMITED**, as at March 31, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No.302137E

PANKAJ CHATURVEDI
Partner
Membership No. 091239

New Delhi
May 18, 2011

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

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b. A major portion of the fixed assets has been physically verified by the management during the year pursuant to a programme for physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
c. Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
- ii. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account.
- iii. a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of the clause (iii) (b), (iii)(c) and (iii)(d) Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
b. The Company has taken unsecured loan from two directors and three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 91,593,359 and year end balance was Rs. 40,268,359.
c. In our opinion and according to the information and explanations given to us, the rate of interest of loans taken is not prima facie prejudicial to the interest of the Company.
d. The Company is regular in repaying the principal amount and interest thereon, wherever stipulated/ on demand.
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of

inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weaknesses in internal control system of the Company.

- v. a. In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b. In our opinion according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under. No order against the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we are neither required to nor have we carried out any detailed examination of such accounts and records.
- ix. a. According to the information and explanations given to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.
c. According to information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute excepting those mentioned hereunder:

S. No	Name of the Statute	Nature of Dues	Amount (₹)	Financial Year	Forum where dispute is pending
1.	Entry Tax, Rajasthan	Entry Tax	1,894,342	2010-11	Rajasthan High Court
2.	Sales Tax, Rajasthan	Sales Tax	6,842,285	1999-2000 2003-2004 2004-2005	Rajasthan High Court Rajasthan Tax Board.
3.	Excise Duty	Excise Duty	319,964	2006-07	Asstt. Commissioner

- x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xi. In our opinion and according to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date. The Company has not issued any debentures.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. In our opinion, and according to the information and explanations given to us, term loans have been applied for the purposes for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on a short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year. Accordingly, the provisions of clause 4 (xviii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No.302137E

New Delhi
May 18, 2011

PANKAJ CHATURVEDI
Partner
Membership No. 091239

APM INDUSTRIES LIMITED

BALANCE SHEET

AS AT MARCH 31, 2011

PARTICULARS	Schedule Nos	As At		As At	
		Rs.	March 31, 2011 Rs.	Rs.	March 31, 2010 Rs.
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	43,222,720		43,222,720	
Reserves and Surplus	2	1,213,070,130	1,256,292,850	1,099,952,899	1,143,175,619
Loan Funds :-					
Secured Loans	3	589,360,362		570,338,811	
Unsecured Loans	4	92,768,359	682,128,721	30,085,000	600,423,811
DEFERRED TAX LIABILITY (NET)			71,551,000		66,951,000
(Refer Note 7 of Schedule 18)					
			<u>2,009,972,571</u>		<u>1,810,550,430</u>
APPLICATION OF FUNDS					
FIXED ASSETS:-					
	5				
Gross Block		1957,061,611		1,933,525,995	
Less : Depreciation		701,945,271		660,341,119	
Net Block		1255,116,340		1,273,184,876	
Add : Capital Work-in-progress		1,079,052	1,256,195,392	7,892,580	1281,077,456
INVESTMENTS			17,597,416		17,597,416
CURRENT ASSETS, LOANS AND ADVANCES					
	7				
Inventories		423,059,291		266,337,762	
Sundry Debtors		314,598,454		212,460,717	
Cash and Bank Balances		6,959,360		6,977,338	
Other Current Assets		32,905,569		17,688,561	
Loans & Advances		126,549,627		132,600,423	
		<u>904,072,301</u>		<u>636,064,801</u>	
LESS: CURRENT LIABILITIES & PROVISIONS					
	8				
Current Liabilities		132,532,908		105,673,152	
Provisions		35,359,630		18,516,091	
		<u>167,892,538</u>		<u>124,189,243</u>	
Net Current Assets			<u>736,179,763</u>		<u>511,875,558</u>
			<u>2,009,972,571</u>		<u>1,810,550,430</u>
ACCOUNTING POLICIES					
	17				
NOTES TO ACCOUNTS					
	18				
As per our report of even date annexed			For and on behalf of the Board		
For CHATURVEDI & CO.					
FRN: 302137E					
Chartered Accountants					
(PANKAJ CHATURVEDI)	F C GOEL	H R SHARMA	K R GUPTA	R K RAJGARHIA	
Partner	Company Secretary	Executive Director	Director	Chairman & Managing Director	
Membership No. 091239					
Place : New Delhi					
Date : May 18, 2011					

APM INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedules Nos.	For the Year ended March 31, 2011 Rs.	For the Year ended March 31, 2010 Rs.
INCOME			
Sales	9	2,435,016,798	1,968,629,106
Less: Excise Duty		20,851,937	7,884,536
Net Sales		<u>2,414,164,861</u>	<u>1,960,744,570</u>
Other Income	10	6,880,311	3,638,236
Increase / (Decrease) in stocks	11	63,287,519	(2,745,507)
		<u>2,484,332,691</u>	<u>1,961,637,299</u>
EXPENDITURE			
Raw material consumed	12	1,573,613,763	1,243,840,396
Manufacturing and operating expenses	13	343,479,159	311,841,892
Personnel expenses	14	206,651,961	171,450,642
Financial expenses	15	39,171,416	40,809,341
Administrative and selling expenses	16	54,774,264	51,627,820
Depreciation- Gross		57,128,395	56,515,806
Less: Charged to Revaluation Reserve		<u>9,991,496</u>	<u>10,990,646</u>
		<u>2,264,827,462</u>	<u>1,865,095,251</u>
Profit before Taxation		219,505,229	96,542,048
Provision for Taxation			
- Current Tax		71,700,000	16,400,000
- Deferred Tax		4,600,000	22,546,000
- Wealth Tax		26,144	14,560
- Income Tax related to earlier years		-	(3,388,377)
MAT Credit Entitlement		<u>5,000,000</u>	<u>(5,000,000)</u>
Profit after Taxation		138,179,085	65,969,865
Balance brought forward		226,205,274	271,699,827
Balance available for Appropriation		<u>364,384,359</u>	<u>337,669,692</u>
Appropriation			
Transfer to General Reserve		100,000,000	111,464,418
Proposed Dividend		12,966,816	-
Corporate Dividend Tax		2,103,542	-
Balance Carried to Balance Sheet		<u>249,314,001</u>	<u>226,205,274</u>
		<u>364,384,359</u>	<u>337,669,692</u>
Earning Per Share (In Rs.) Basic and diluted		6.39	3.05
Accounting Policies	17		
Notes to Accounts	18		

As per our report of even date annexed

For and on behalf of the Board

For CHATURVEDI & CO.

FRN: 302137E

Chartered Accountants

(PANKAJ CHATURVEDI)

Partner

Membership No. 091239

F C GOEL

Company Secretary

H R SHARMA

Executive Director

K R GUPTA

Director

R K RAJGARHIA

Chairman & Managing Director

Place : New Delhi

Date : May 18, 2011

APM INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET			
	As At March 31, 2011 Rs.		As At March 31, 2010 Rs.
SCHEDULE 1 : SHARE CAPITAL			
Authorised			
3,50,00,000 Equity Shares of Rs. 2/- each	70,000,000		70,000,000
3,00,000 Preference Shares of Rs. 100/- each	30,000,000		30,000,000
	100,000,000		100,000,000
Issued			
2,22,17,080 Equity shares of Rs. 2/- each	44,434,160		44,434,160
Subscribed and Paid up			
2,16,11,360 Equity shares of Rs. 2/- each	43,222,720		43,222,720
	43,222,720		43,222,720
Note			
7,50,000 Equity shares of Rs. 2/- each were allotted in earlier years to the promoters of the Company for consideration other than cash pursuant to clause at page 2 of the Memorandum of Association for taking over of business undertaking.			
SCHEDULE 2: RESERVES & SURPLUS			
Share Premium Account	24,311,925		24,311,925
Capital Reserve	31,000		31,000
Revaluation Reserve	699,404,700	710,395,346	
Less:- Depreciation	9,991,496	10,990,646	699,404,700
General Reserve	250,000,000		150,000,000
Profit and Loss Account	249,314,001		226,205,274
	1,213,070,130		1,099,952,899
SCHEDULE:3.SECURED LOANS			
Term Loans (under TUF Scheme)			
IDBI Bank Ltd.	89,061,427		97,200,000
State Bank of Bikaner & Jaipur Ltd.	141,170,178		166,079,280
Punjab National Bank Ltd.	42,382,598		56,503,484
Working Capital Loans (Banks)			
Rupee Loan	205,908,897		162,599,091
Export Packing Credit	31,947,000		30,854,290
Bill Discounting	74,172,947		50,757,185
Other Loans			
Vehicle Loans from Banks	4,094,461		5,604,963
Vehicle Loans from Others	622,854		740,518
	589,360,362		570,338,811
Notes:-			
1. Term loans are secured by joint mortgage by deposit of title deeds of the Company's immovable properties situated at Bhiwadi and charge on all immovable and movable assets,both present and future, except book debts subject to prior charge created on specified movable assets in favour of Company's bankers ranking pari-passu for working capital facilities and guaranteed by Chairman & Managing Director of the Company.			
2. Working capital loans are secured by hypothecation of inventories, book debts, receivables and other movable assets and also by second charge on Company's immovable properties situated at Bhiwadi ranking pari-passu between the Banks/ FI'S and guaranteed by Chairman & Managing Director of the Company.			
3. Vehicle Loans are secured by hypothecation/ Lien of the respective vehicles.			
4. Term loans repayable within one year Rs. 5,29,93,000/- (Rs. 53,404,000/-)			
5. Vehicle Loans repayable within one year Rs. 25,22,306/- (Rs. 2,033,615/-)			
SCHEDULE:4. UNSECURED LOANS			
UNSECURED LOANS:			
From Director	4,250,000		-
From Bodies Corporate	88,518,359		30,085,000
Total	92,768,359		30,085,000

SCHEDULE. 5 :- FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At April 1, 2010 (Rs.)	Additions 31.03.2011 (Rs.)	Sales/ adjustments (Rs.)	Total As At March 31, 2011 (At Cost) (Rs.)	Upto March 31, 2010 (Rs.)	For the Current Period (Rs.)	Sales/ adjustments (Rs.)	Upto March 31, 2011 (Rs.)	As At March 31, 2010 (Rs.)	As At March 31, 2011 (Rs.)
Lease hold Land	720,000,000	-	-	720,000,000	20,114,360	9,997,679	-	30,112,039	689,887,961	699,885,640
Building										
- Spinning Division	106,696,863	11,084,362	-	117,781,225	29,189,966	3,114,521	-	32,304,487	85,476,738	77,506,897
- Power Plant Division I	2,309,095	-	-	2,309,095	816,616	77,124	-	893,740	1,415,355	1,492,479
- Power Plant Division II	1,995,607	-	-	1,995,607	399,370	66,653	-	466,023	1,529,584	1,596,237
	111,001,565	11,084,362	-	122,085,927	30,405,952	3,258,298	-	33,664,250	88,421,677	80,595,613
Plant & Machinery										
- Spinning Division	935,515,700	24,594,378	16,564,931	943,545,147	537,861,805	33,384,834	14,641,370	556,605,269	386,939,878	397,653,895
- Power Plant Division I	59,250,112	449,913	-	59,700,025	32,526,404	3,141,748	-	35,668,152	24,031,873	26,723,708
- Power Plant Division II	67,324,735	-	-	67,324,735	21,259,605	3,554,746	-	24,814,351	42,510,384	46,065,130
	1,062,090,547	25,044,291	16,564,931	1,070,569,907	591,647,814	40,081,328	14,641,370	617,087,772	453,482,135	470,442,733
Furniture & Fixtures	10,985,350	2,279,414	-	13,264,764	7,286,039	1,056,280	-	8,342,319	4,922,445	3,699,311
Office Equipments	15,461,513	1,565,691	-	17,027,204	8,826,207	1,416,029	-	10,242,236	6,784,968	6,635,306
Vehicles	13,987,020	1,891,246	176,4457	14,113,809	2,060,747	1,318,781	882,873	2,496,655	11,617,154	11,926,273
	1,933,525,995	41,865,004	18,329,388	1,957,061,611	660,341,119	57,128,395	15,524,243	701,945,271	1,255,116,340	1,273,184,876
For previous year	1,895,121,134	55,164,398	16,759,537	1,933,525,995	617,329,446	56,515,806	13,504,133	660,341,119	1,273,184,876	
Capital work-in-progress:										
Building									243,404	4,418,570
Plant & Machinery									835,648	3,474,010
Total									1,079,052	7,892,580
GRAND TOTAL									1,256,195,392	1,281,077,456

Note:-

- Fixed Assets / Capital Work in Progress include borrowing cost of Rs. NIL (Rs. 14,79,611/-) capitalised during the year.
- (a) Lease hold land was revalue as on 12.05.2008 by government approved professional valuer.
(b) Depreciation for the year Rs. 5,71,28,395/- includes Amortisation on revalued lease hold land Rs. 99,91,496/-

APM INDUSTRIES LIMITED

				As At March 31, 2011 Rs.	As At March 31, 2010 Rs.
SCHEDULE 6 : INVESTMENTS					
PARTICULARS	Closing Quantity	Opening Quantity	Face Value		
LONG TERM INVESTMENTS OTHER THAN TRADE					
In Government securities					
(i) National Saving Certificates (pledged with Sales Tax Department)				16,000	16,000
(ii) In Post Office Saving Bank (pledged with Excise Department)				31,110	31,110
				<u>47,110</u>	<u>47,110</u>
In Fully paid equity shares (Quoted)					
Bhilwara Spinners Ltd.	100	(100)	10	508	508
Deepak Spinners Ltd.	100	(100)	10	765	765
G.S.L. (India) Ltd.	50	(50)	10	1,819	1,819
Hind Syntex Ltd.	100	(100)	10	2,642	2,642
Indo Rama Synthetics (I) Ltd.	10	(10)	10	76	76
Spentex industries Ltd.	9	(9)	10	77	77
Rajasthan Spng.& Wvg. Mills. Ltd.	195	(195)	10	1,831	1,831
Sangam India Ltd.	158	(158)	10	1,951	1,951
Shree Rajasthan Syntex Ltd.	50	(50)	10	1,043	1,043
State Bank of Bikaner & Jaipur	8600	(8600)	10	464,400	464,400
Visaka Industries Ltd.	10	(10)	10	194	194
GVK Power & Infrastructure Ltd.	5000	(5000)	1	155,000	155,000
				<u>630,306</u>	<u>630,306</u>
LONG TERM INVESTMENT TRADE					
In Fully paid equity shares (unquoted)					
V.S. Lignite Power Private Limited	577778	(577778)	10	5,777,780	5,777,780
In Fully paid redeemable preference shares (unquoted)					
V.S.Lignite Power Private Limited (0.01% cumulative Redeemable Preference Shares)	1114222	(1114222)	10	11,142,220	11,142,220
				<u>16,920,000</u>	<u>16,920,000</u>
Total Investments				<u>17,597,416</u>	<u>17,597,416</u>
Market value of quoted equity shares				<u>4,655,721</u>	<u>4,162,378</u>
SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES					
Current Assets					
Inventories					
Raw Materials				207,157,836	113,075,381
Finished Goods				156,794,020	96,749,257
Stock In Process				46,707,567	43,448,012
Stores and Spares				11,757,994	12,406,439
Waste Material				641,874	658,673
				<u>423,059,291</u>	<u>266,337,762</u>
SUNDRY DEBTORS					
(Unsecured, considered good unless otherwise stated)					
Debts outstanding for a period exceeding six months:					
- Considered Good				1,430,061	935,379
- Considered Doubtful				158,900	182,400
- Other Debts				313,168,393	211,525,338
				<u>314,757,354</u>	<u>212,643,117</u>
Less: Provision for Doubtful Debts				158,900	182,400
				<u>314,598,454</u>	<u>212,460,717</u>

APM INDUSTRIES LIMITED

	As At March 31, 2011 Rs.	As At March 31, 2010 Rs.
CASH AND BANK BALANCES		
Cash in Hand	320,603	257,386
Balance with Scheduled Banks:		
- In Current Account	1,244,100	272,270
- In Fixed Deposit Account	5,083,116	5,848,506
- Unclaimed Dividend Account	311,541	392,676
Remittance in Transit	-	206,500
	6,959,360	6,977,338
OTHER CURRENT ASSETS		
Claim and other receivable	25,133,395	12,931,730
DEPB Receivable	7,772,174	4,756,831
	32,905,569	17,688,561
LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
For Purchase of Capital Assets	10,475,746	5,778,458
Other Advances	23,453,827	23,307,179
Deposits	31,549,225	17,961,427
Interest Receivable	3,497,086	1,459,014
Balance With Excise Department	52,339,882	72,160,659
Advance Tax/Income Tax deducted at source (Net of provisions)	5,233,861	6,403,686
Mat Credit Entitlement	-	5,530,000
	126,549,627	132,600,423
GRAND TOTAL	904,072,301	636,064,801
SCHEDULE :8. CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
Total outstanding due to Micro,small & Medium Enterprises (Refer Note 3 of schedule 18)	201,178	90,627
Total outstanding due to creditors other than Micro, Small & Medium Enterprises		
Due to suppliers of Materials	66,106,023	50,154,893
Due to others	45,597,691	37,199,618
Others liabilities	19,015,218	15,941,948
Investors Education and Protection Fund (#)		
Not Due- Unclaimed dividends	311,541	392,676
Security deposits	419,750	436,868
Interest accrued but not due	881,507	1,456,522
	132,532,908	105,673,152
Note (#) The figure do not include any amounts, due and outstanding to be credited to Investor Education and Protection Fund.		
PROVISIONS		
Employee Benefits	20,163,128	17,408,766
Frinze Benefit Tax (Net of Advances)	100,000	100,000
Wealth Tax	26,144	14,560
Income Tax	-	992,765
Proposed Dividend	12,966,816	-
Corporate Dividend Tax	2,103,542	-
	35,359,630	18,516,091
Grand Total	167,892,538	124,189,243

APM INDUSTRIES LIMITED

	For the year ended March 31, 2011		For the year ended March 31, 2010	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 9 : SALES				
Finished goods		2,396,198,799		1,926,865,694
Export Benefit		12,877,856		21,824,160
Waste/Scrap		25,940,143		19,939,252
		<u>2,435,016,798</u>		<u>1,968,629,106</u>
SCHEDULE 10 : OTHER INCOME				
Miscellaneous receipts		30,666		17,503
Dividend		186,278		103,270
Job Work		491,964		304,242
Exchange Rate Fluctuation		212,357		-
Surplus on sale of fixed assets (Net)		2,922,288		2,187,446
Excess provisions / Balances written back		3,036,758		1,025,775
		<u>6,880,311</u>		<u>3,638,236</u>
SCHEDULE : 11 INCREASE/(DECREASE) IN STOCK				
STOCK IN TRADE (Closing)				
Stock in process	46,707,567		43,448,012	
Finished goods	156,794,020		96,749,257	
Waste material	641,874		204,143,461	
		658,673		140,855,942
STOCK IN TRADE (Opening)				
Stock in process	43,448,012		30851108	
Finished goods	96,749,257		112258673	
Waste material	658,673	140,855,942	491668	143,601,449
		<u>63,287,519</u>		<u>(2,745,507)</u>
SCHEDULE 12 : RAW MATERIAL CONSUMED				
Opening Stock		113,075,381		78,240,168
Purchases		1,668,302,430		1,279,234,952
		1,781,377,811		1,357,475,120
Sales/Adjustments (Refer Note 12 of Schedule 18)		606,212		559,343
Closing Stock		207,157,836		113,075,381
		<u>1,573,613,763</u>		<u>1,243,840,396</u>
SCHEDULE : 13 MANUFACTURING AND OPERATING EXPENSES				
Stores and spares consumed		36,927,441		29,498,197
Packing material consumed		27,966,173		22,531,336
Power and fuel		227,765,169		225,921,898
Variation in Excise duty on Finished Goods stock		4,971,436		3,007,004
Repairs:				
- Building	2,439,874		1,919,109	
- Plant & Machinery	42,936,386		28,620,577	
- Others	472,680	45,848,940	343,771	30,883,457
		<u>343,479,159</u>		<u>311,841,892</u>

APM INDUSTRIES LIMITED

	For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
SCHEDULE 14 : PERSONNEL EXPENSES		
Salary,Wages and Bonus	180,182,976	149,144,349
Employees Welfare	9,589,521	7,473,779
Contribution to PF & Other Funds	16,879,464	14,832,514
	<u>206,651,961</u>	<u>171,450,642</u>
SCHEDULE 15 : FINANCIAL EXPENSES		
INTEREST		
On Term Loans	22,547,719	19,192,315
On Others	33,477,700	31,715,338
	56,025,419	50,907,653
Less : Interest Earned		
From Banks [Tax deducted at source Rs. NIL (Rs.52,379)]	(431,772)	(463,574)
From Customers [Tax deducted at source Rs. 19,13,780 (Rs.19,79,612)]	<u>(19,679,910)</u>	<u>(13,271,108)</u>
	35,913,737	37,172,971
Finance /Bank Charges	3,257,679	3,636,370
	<u>39,171,416</u>	<u>40,809,341</u>
SCHEDULE 16: ADMINISTRATIVE & SELLING EXPENSES		
ADMINISTRATIVE EXPENSES		
Rent	2,463,151	1,079,910
Rates & Taxes	533,728	438,915
Insurance charges (Net of claims & receipt)	1,524,613	808,382
Auditors' Remuneration (Refer to Note No.9 of Schedule No.18)	570,083	525,250
Miscellaneous Expenses	11,990,683	11,139,487
Charity & Donation	10,250	7,351
Directors Remuneration (Refer to Note 8 of Schedule 18)	6,485,704	5,168,813
Directors sitting fee	247,500	280,000
Foreign Exchange Fluctuation	-	1,634,018
Total (A)	<u>23,825,712</u>	<u>21,082,126</u>
SELLING EXPENSES:		
Freight,delivery,octroi & handling charges	13,521,705	13,356,602
Commission on sale	7,543,320	8,303,079
Bad Debts Written Off	-	298,088
Less:- provision for Bad Debts		<u>298,088</u>
Brokerage and discount	7,684,757	7,011,992
Rebate , claims & other selling expenses	2,198,770	1,874,021
Total (B)	<u>30,948,552</u>	<u>30,545,694</u>
Grand Total (A+B)	<u>54,774,264</u>	<u>51,627,820</u>

APM INDUSTRIES LIMITED

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

- i) The Financial Statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles(GAAP), the mandatory Accounting Standards on an accrual basis(except for revaluation of Land)notified in the Companies(Accounting Standard) Rules 2006 and relevant provisions of the Companies Act, 1956.
- ii) The Company follows the mercantile system of accounting & recognizes the income & expenditure on accrual basis. Claims for interest on customers for delayed payments which is accounted for on acceptance basis as the exact quantum, in respect thereof, cannot be ascertained with reasonable accuracy. This accounting policy has been consistently applied by the company.

b) Fixed Assets

Fixed assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and borrowing costs related to such acquisition or construction. Capital Work in Progress comprises the cost of fixed assets not ready for their intended use as at the reporting date of the financial statements.

c) Depreciation

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

d) Investments

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

e) Inventories

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

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

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

f) Revenue Recognition

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

g) Foreign Currency Transactions

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

h) Employee Benefits

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

i) Borrowing Costs

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

j) Segment Reporting

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

k) Leases

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

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

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

SCHEDULE 18: NOTES TO ACCOUNTS

1. Contingent liabilities not provided for:

Particulars	Year ended	
	March 31, 2011 Rupees	March 31, 2010 Rupees
Unexpired letters of credit [Net of margins Rs. 5,083,116 (Previous year Rs. 5,848,506)]	23,851,982	35,651,494
Bills discounted	74,172,947	50,757,185
Service Tax	NIL	7,725
Excise Duty (Payment made Rs. 486,240 (Previous year Rs. 486,240))	806,204	806,204
Sales Tax	6,842,285	6,842,285

2. Estimated amount of contracts remaining to be executed on capital account [Net of advances **Rs. 10,475,746/-** Previous Year Rs. 5,778,458/-] not provided for **Rs. 35,714,530/-** (Rs. 41,953,885/-).

3. There are no Micro, Small and Medium Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2011. This information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

4. Related party disclosures

- a. The following are the related Parties of the Company

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

2. Related Party Transactions

Particulars	Year	Company under common control	Key Management Personnel	Total
Income/Expense				
Sales (Net of Indirect Taxes)	2010-11	-	-	-
	2009-10	1,576,057		
Purchases	2010-11	6,530,499	-	6,530,499
	2009-10	5,529,181	-	5,529,181
Interest paid	2010-11	2,712,047	1,804,316	4,516,363
	2009-10	2,725,836	1,486,850	4,212,686
Payment made by the Company for				
Rent	2010-11	-	2,452,441	2,452,441
	2009-10	-	1,069,200	1,069,200
Finance				
Loans Repayment	2010-11	114,816,641	45,250,000	160,066,641
	2009-10	104,941,639	28,907,244	133,848,883
Finance				
Loans/ Advances Taken	2010-11	129,250,000	49,500,000	178,750,000
	2009-10	82,775,000	13,050,000	95,825,000
Remuneration to key Management personnel	2010-11	-	6,590,726	6,590,726
	2009-10	-	5,274,826	5,274,826
Remuneration to Others	2010-11	-	562,415	562,415
	2009-10	-	330,840	330,840
Balances with related parties				
Advances Taken	2010-11	36,018,359	4,250,000	40,268,359
	2009-10	21,584,900	-	21,584,900
Purchases	2010-11	177,467	-	177,467
	2009-10	706,788	-	706,788

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

Disclosure of Material Transactions with Related parties

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Purchases		
Perfectpac Limited	6,433,638	5,448,361
Orient Abrasives Limited	96,861	-
Clear Water Limited	-	80,820
Interest Paid		
Shri S.G.Rajgarhia	1,217,534	611,780
Shri R.K.Rajgarhia	586,782	875,070
Faridabad Paper Mills Ltd	404,649	885,428
Rajgarhia Leasing and Financial Services (P) Ltd	2,138,352	1,545,887
AJR Fiscal Private Limited	169,046	-
Rent Paid		
Smt Prabha Rajgarhia	837,260	530,640
Smt Aditi Rajgarhia	140,800	132,000
Rajendra Kumar Rajgarhia & Sons (HUF)	1,203,446	406,560
Shri Ajay Rajgarhia	270,935	NIL

7. The Deferred Tax Liabilities comprise of the following:

Component	Deferred Tax Asset/ (Liability) As at April 1, 2010	Current year Charge /(Credit)	Deferred Tax Asset/ (Liability) As at March 31, 2011
(i) Difference in depreciation between Accounting books and Tax Return	(77,474,000)	(3,237,000)	(80,711,000)
(ii) Provision for employees benefits/ Doubtful debts	10,523,000	(1,363,000)	9,160,000
(iii) Losses carried forward	NIL	NIL	NIL
Total (Net)	66,951,000	(4,600,000)	(71,551,000)

8. Managerial Remuneration

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

	Chairman & Managing Director		Executive Director	
	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2010
Salary & allowances	2,528,000	2,630,199	1,723,704	1,508,280
Contribution to Provident Fund	-	-	9,360	9,360
Commission	2,234,000	980,000	-	-
Perquisites	59,262	57,253	36,400	89,734
Total	4,821,262	3,667,452	1,769,464	1,607,374

In Schedule 16, Directors' Remuneration does not include Monetary value of perquisites and contribution to Provident Fund.

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Computation of Managerial Remuneration:

Particulars	Year ended March 31, 2011
Net Profit and Loss	219,505,229
Depreciation	47,136,899
MD's Remuneration	4,821,262
Directors Remuneration	1,769,464
Directors Sitting Fee	247,500
Charity and Donation	10,250
Sub Total (A)	273,490,604
LESS:-	
Depreciation	47,136,899
Profit on Sale of Fixed Assets	2,922,288
Provision for Doubtful Debts Written Back	23,500
Sub Total (B)	50,082,687
Profit as per Sec 349 for the year(A-B)	223,407,917
Commission paid	2,234,000

9. Auditors Remuneration:

	Year ended March 31, 2011	Year ended March 31, 2010
Payment to Statutory Auditors		
Audit Fee	275,750	275,750
Tax audit Fee	82,725	82,725
Limited Review of Results	49,635	49,635
In other capacity		
(a) For Taxation matters	60,665	49,635
(b) For Certification work	6,618	8,824
Reimbursement of expenses	57,451	25,051
Total (A)	532,844	491,620
Payment to Cost Auditors		
(a) Audit Fee	32,000	29,000
(b) Reimbursement of expenses	5,239	4,630
Total (B)	37,239	33,630
Grand Total (A+B)	570,083	525,250

10. Employee Benefit :

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

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

	For the Year ended March 31, 2011	
	Gratuity	Leave encashment/ Compensated Absences
Obligations at year beginning	23,703,119	5,698,193
Service Cost - Current	3,248,648	1,301,628
Interest Cost	1,896,250	455,855
Actuarial (gain) / loss	4,018,049	1,638,840
Benefit Paid	(3,601,008)	(755,778)
Obligations at year end	29,265,058	8,338,738
Change in plan assets		
Plan assets at year beginning, at fair value	11,992,546	-
Expected return on plan assets	1,109,311	-
Actuarial gain / (loss)	(77,180)	-
Contributions	6,216,495	-
Benefits paid	(1,800,504)	-
Plan assets at year end, at fair value	17,440,668	-
Reconciliation of present value of the obligation and the fair value of the plan assets		
Present value of the defined benefit obligations at the end of the year	29,265,058	8,338,738
Fair value of the plan assets at the end of the year	17,440,668	-
Liability recognised in the Balance Sheet	11,824,390	8,338,738
Defined benefit obligations cost for the year		
Service Cost - Current	3,248,648	1,301,628
Interest Cost	1,896,250	455,855
Expected return on plan assets	(1,109,311)	-
Actuarial (gain) / loss	4,095,229	1,638,840
Net defined benefit obligations cost	8,130,816	3,396,323

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

	Gratuity 2011 (In %)	Leave Encashment 2011 (In %)
Discount Rate	8.00	8.00
Future salary increases	5.50	5.50
Expected return on plan assets	9.25	0

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

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

Class of Goods	Unit	Licensed Capacity	Installed Capacity (Spindles)	Production	Opening Stock		Closing stock	
					Qty (kgs)	Value (Rs.)	Qty (kgs)	Value (Rs.)
Man- Made Fiber's Spun Yarn	Kgs	NA	50,336 (50,336)	15,259,300 (14,214,432)	791,222 (1,004,688)	96,749,257 (112,258,673)	1,090,818 (791,222)	156,794,020 (96,749,257)

b. Raw Material Consumption:

Class of Goods	Unit	*Quantity (In Kgs.) Year ended		Value (In Rupees) Year ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
		1 Viscose Staple Fibre	Kgs	2,175,372	2,399,583
2 Polyester Fibre	Kgs	12,677,727	11,191,031	1,024,372,014	732,844,275
3 Acrylic Fibre	Kgs	1,087,659	1,323,086	142,994,697	144,435,936
4 Cotton/Jute Waste	Kgs	0	0	0	0
5 Polyester Filament Yarn	Kgs	0	1,608	0	129,741
6 Dyes and Chemicals	Kgs			75,035,287	57,411,686
				1,573,613,763	1,243,840,396

*Figures are net of sale of raw material

c. Turnover of Products:

Class of Goods	Unit	*Quantity (In Kgs.)		Value (In Rupees)	
		Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2010
		Man Made Fibre Spun Yarn	Kgs	14,959,298*	14,427,611*

* Excluding shortage/wastage of 406kgs (287kgs)

d. Value of imported & indigenous Raw Materials and Stores & Spares and packing Materials consumed and percentage of each of the total consumption:

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	Value	%	Value	%
1 Raw materials				
Imported	-	-	-	-
Indigenous	1,573,613,763	100	1,243,840,396	100
Total	1,573,613,763	100	1,243,840,396	100
2 Stores, Spares & Packing Material				
Imported	1,117,820	1.72	2,141,549	4.12
Indigenous	63,775,794	98.28	49,887,984	95.88
Total	64,893,614	100.00	52,029,533	100.00

e. CIF value of Imports

	Year ended March 31, 2011	Year ended March 31, 2010
i. Stores, Spares & Packing Materials		
Total	985,109	1,903,673
	985,109	1,903,673

f. Expenditure in Foreign Currency (On Payment Basis)

i. Commission	389,036	895,197
ii. Foreign Traveling Expenses	NIL	NIL

g. Earning in Foreign Exchange:

	169,550,736	168,739,950
--	-------------	-------------

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

13. At the Extra Ordinary Meeting held on January 18, 2011, the shareholders approved the split of face value of share of Rs. 10/- each into face value of share of Rs. 2/- each. The new share certificates were issued to the members whose named appeared on record date i.e. January 28, 2011.

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

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

As per our report of even date annexed

For and on behalf of the Board

For CHATURVEDI & CO.

FRN: 302137E

Chartered Accountants

(PANKAJ CHATURVEDI)

Partner

Membership No. 091239

F C GOEL

Company Secretary

H R SHARMA

Executive Director

K R GUPTA

Director

R K RAJGARHIA

Chairman & Managing Director

Place : New Delhi

Date : May 18, 2011

APM INDUSTRIES LIMITED

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

I) Registration Details

- Registration Number	L21015RJ1973PLCO15819
- State Code	17 (Rajasthan)
- Balance Sheet Date	31st March, 2011

II) Capital raised during the year

(Amount in thousand)

a) Public Issue	Nil
b) Right Issue	Nil

III) Position of mobilization and deployment of Funds:-

a) Total Liabilities	2,009,972
b) Total assets	2,009,972

Source of Funds

a) Paid-up Capital	43,223
b) Reserves & Surplus	1,213,070
c) Secured Loans	589,360
d) Unsecured Loans	92,768
e) Deferred Tax Liabilities	71,551
	2,009,972

Application of Funds:-

a) Net Fixed Assets	1,256,195
b) Investments	17,597
c) Net Current Assets	736,180
d) Accumulated Losses	NIL
	2,009,972

IV) Performance of Company:

a) Turnover (Gross)	2,484,333
b) Total Expenditure	2,264,828
c) Profit / Loss before Tax	219,505
d) Profit / Loss after Tax	138,179
e) Earning per share in Rs.	6.39
f) Dividend Rate (%)	30%

V Generic Name of three principal Products/Services of Company)

(As per monetary terms)

Item Code No.(ITC Code)	550,912
Product description :	Man Made Fibres Spun Yarn

Signature on schedule 1 to 18

As per our report of even date annexed

For and on behalf of the Board

For CHATURVEDI & CO.

FRN: 302137E

Chartered Accountants

(PANKAJ CHATURVEDI)

Partner

Membership No. 091239

F C GOEL

Company Secretary

H R SHARMA

Executive Director

K R GUPTA

Director

R K RAJGARHIA

Chairman & Managing Director

Place : New Delhi

Date : May 18, 2011

APM INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011		
	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before Taxation	219,505,229	96,542,048
Adjustments for		
Depreciation and amortisation	47,136,899	45,525,160
Excess Provision Written Back	(3,036,758)	(1,025,775)
Profit on Sale of Fixed Assets	(2,922,288)	(2,187,446)
Interest & Finance Charges	39,171,416	40,809,341
Dividend Income	(186,278)	(103,270)
Foreign Fluctuation	(212,357.00)	
Operating profit before working capital changes	299,455,863	179,560,058
Changes in assets and liabilities		
(Increase)/Decrease in Inventories	(156,721,529)	(36,083,544)
(Increase)/Decrease in Sundry Debtors	(101,925,380)	(21,727,010)
(Increase)/Decrease in Loans and Advances	(9,130,677)	(1,231,769)
Increase/(Decrease) in Current Liabilities	33,307,026	30,519,443
Cash generated from operations activities	64,985,303	151,037,178
Taxes Paid	71,007,500	13,477,927
Net cash provided by operating activities	(6,022,197)	137,559,251
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(39,748,764)	(63,328,882)
Sale of Fixed Assets	5,727,433	5,442,850
Dividend received	186,278	103,270
Interest Received	18,073,610	-
Net cash used in investing activities	(15,761,443)	(57,782,762)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in Long Term borrowings	(47,168,561)	(13,110,319)
Increase/(decrease) in Working Capital and other borrowings	130,501,637	(32,240,139)
Dividend Paid	(81,135)	(68,190)
Vehicle Loans	(1,628,166)	5,593,746
Interest and finance charges paid	(59,858,113)	(39,352,819)
Net cash provided by financing activities	21,765,662	(79,177,721)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(17,978)	598,768
Cash and cash equivalents at the beginning of the year	6,977,338	6,378,570
Cash and cash equivalents at the end of the year	6,959,360	6,977,338
Notes		
1. The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.		
2. Figures in brackets indicate cash outflow.		
3. Previous year figures have been regrouped and recast wherever necessary to conform to current year classification.		
4. Cash & Cash Equivalents include:		
Cash in Hand	320,603	257,386
Cheques in Hand		-
Balances with Scheduled Banks		
- In Current Accounts	1,244,100	272,270
- In Fixed Deposits	5,083,116	5,848,506
- In Unclaimed Dividend Account	311,541	392,676
Remittance in Transit	-	206,500
	6,959,360	6,977,338
As per our report of even date annexed	For and on behalf of the Board	
For CHATURVEDI & CO.		
FRN: 302137E		
Chartered Accountants		
(PANKAJ CHATURVEDI) Partner Membership No. 091239	F C GOEL Company Secretary	H R SHARMA Executive Director
		K R GUPTA Director
		R K RAJGARHIA Chairman & Managing Director
Place : New Delhi		
Date : May 18, 2011		

APM INDUSTRIES LIMITED

BOARD OF DIRECTORS

R K Rajgarhia,
Chairman & Managing Director

R L TOSHNIWAL

K R GUPTA

S G RAJGARHIA

R R BAGRI

H R Sharma
Executive Director

AUDITORS

Chaturvedi & Co.

BANKERS

Punjab National Bank
State Bank of Bikaner & Jaipur

HEAD OFFICE

2-Brabourne Road
Kolkata - 700 001

CORPORATE OFFICE

910, Chiranjiv Tower,
43, Nehru Place
New Delhi - 110019

COMPANY SECRETARY

F C GOEL

REGISTERED OFFICE & WORKS

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

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BOOK POST

If undelivered please return to:

APM INDUSTRIES LIMITED

910, Chiranjiv Tower,
43, Nehru Place
New Delhi - 110019

APM INDUSTRIES LIMITED

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

PROXY FORM

I/We.....of
.....in the district of
.....being member/s of the
above named company hereby appoint
of.....in the district of.....
or failing him.....of.....in the
district of as my/our proxy to attend and vote for me/us and on
my/our behalf at the **37th Annual General Meeting of the Company to be held on Saturday, the 3rd day of September, 2011 at 11.30 A.M. at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)**
and at any adjournment thereof.

Signed this day of 2011

Signature

Folio No./ DP ID No. and client ID No.

No. of Shares held

**Affix
Revenue
Stamp**

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

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

APM INDUSTRIES LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the **37th Annual General Meeting of the Company held on Saturday, the 3rd day of September, 2011, at 11.30 A.M. at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan).**

Full Name of the Member (in Block Letters)

Full Name of Proxy, if applicable

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

No. of Shares held

Signatures of Member / Proxy

37th
A **NNUAL**
REPORT
2010-2011

APM INDUSTRIES LIMITED