

**38<sup>th</sup>**  
**A** **NNUAL**  
**REPORT**  
**2011-2012**

**APM INDUSTRIES LIMITED**

# APM INDUSTRIES LIMITED

## BOARD OF DIRECTORS

R K RAJGARHIA  
Chairman & Managing Director

R L TOSHNIWAL

K R GUPTA

S G RAJGARHIA

R R BAGRI

H R Sharma  
Executive Director

**AUDITORS**  
Chaturvedi & Co.

**BANKERS**  
Punjab National Bank  
State Bank of Bikaner & Jaipur

**HEAD OFFICE**  
2-Brabourne Road  
Kolkata - 700 001

**CORPORATE OFFICE**  
910, Chiranjiv Tower,  
43, Nehru Place  
New Delhi - 110019

**COMPANY SECRETARY**  
F C GOEL

**REGISTERED OFFICE & WORKS**  
SP-147, RIICO Industrial Area  
Bhiwadi, Dist. Alwar  
(Rajasthan) - 301019

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# 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 **38<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, the 15<sup>th</sup> day  
of September, 2012 at 11.30 A.M. at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)**  
and at any adjournment thereof.

Signed this ..... day of ..... 2012

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 **38<sup>th</sup> Annual General Meeting of the Company held on Saturday,  
the 15<sup>th</sup> day of September, 2012, at 11.30 A.M. at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar  
(Rajasthan).**

Full Name of the Member (in Block Letters) .....

Full Name of Proxy, if applicable .....

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

No. of Shares held .....

Signatures of Member / Proxy .....

**BOOK-POST**

*If undelivered please return to:*

**APM INDUSTRIES LIMITED**

910, Chiranjiv Tower,

43, Nehru Place

New Delhi - 110019

# APM INDUSTRIES LIMITED

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 38<sup>th</sup> Annual General Meeting of the Members of APM Industries Limited will be held on **Saturday**, the 15<sup>th</sup> day of **September, 2012** 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 31<sup>st</sup> March 2012, 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 R L Toshniwal, 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.

### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with **Schedule - XIII** and all other applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby accorded to the re-appointment of Shri H R Sharma, as Executive Director of the Company for a period of five (5) years w.e.f. **March 1, 2012**".

The principal terms and conditions governing the payment of remuneration of Shri H R Sharma w.e.f. March 1, 2012 are as under:

#### a) Salary

- i. Basic salary – in the range of Rs.1,20,000/- to Rs. 2,00,000/- per month. In the first year, i.e. from 01.03.2012 to 28.02.2013 Rs. 1,20,000/- per month will be paid. Thereafter the Board of Directors shall fix annual increments every year within the above ceiling. First increment shall become due from 01.03.2013. Other allowances, bonus, perquisites etc., shall also increase accordingly.
- ii. Bonus/Exgratia shall be paid, as payable to Senior Executives of the Company but not exceeding 20% of basic salary.

#### b) Perquisites

##### PART – A

##### i) Housing

Rent free furnished residential accommodation with free electricity the monetary value of which will be evaluated as per Rules 3 of the Income Tax Rules, 1962,

OR

In case own premises are occupied, then house rent allowance payable as per rules of the company but not exceeding 60% of basic salary. The expenses on electricity will be borne by the company.

##### ii) Medical Benefits for self and family

The total cost of medical expenses/allowance to the Company shall not exceed one month salary per year or three months salary in a period of three years.

##### iii) Leave

Leave and leave encashment as per rules of the Company.

##### iv) Leave Travel Allowance/Concession

For self and family once in a year in accordance with the rules of company.

##### v) Club Fees

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

### PART – B

##### i) Provident Fund

The Company's contribution towards Provident Fund as per rules of the Company.

##### ii) Gratuity

Not exceeding half month salary for each completed year of service according to the Company's Scheme.

### PART – C

##### i) Conveyance

The Company will provide a Car with driver partly for official use and partly for private purpose. The Car provided for private purpose will be considered as perquisites as per Income Tax Rules.

##### ii) Telephone

The company shall provide telephone at residence at Company's cost.

##### iii) Sitting Fee etc.

No sitting fee shall be paid to him for attending the meetings of Board of Directors or any Committees thereof. He shall not be liable to retire by rotation.

- c) Minimum remuneration: In the event of loss or inadequacy of profit in any financial year during the tenure of Shri H R Sharma as Executive Director, he shall be entitled to receive and be paid the remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limits as specified under Part II, Section II of Schedule XIII of the Companies Act, 1956 for a period of three years from the date of appointment.

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

"RESOLVED THAT the members of the company do hereby accord their approval under section 314 (1) and other applicable provision of the Companies act, 1956, to the promotion of Shri Ajay Rajgarhia, Son of Shri R K Rajgarhia, Chairman & Managing Director of the company, who holds an office of profit in the company, for holding and continuing to hold the office or place of profit as Vice President (Business Development) or such other designation as the management may assign in due course under a contract of service".

"FURTHER RESOLVED THAT Shri Ajay Rajgarhia be paid salary in the scale of Rs. 50,000 – 5,000 – 60,000 per month as basic salary plus usual perks as payable to other senior executives of the company for a period of 3 years from 01.01.2012 to 31.12.2014".

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

By Order of the Board

New Delhi  
**August 1, 2012**

**F C GOEL**  
Company Secretary

# APM INDUSTRIES LIMITED

## 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. Explanatory statement as required Under Section 173(2) of the Companies Act, 1956 in respect of Item No.5 & 6 are Annexed.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **September 8, 2012 (Saturday)** to **September 15, 2012 (Saturday)** (both days inclusive) in connection with the payment of final dividend for the financial year 2011-2012.
4. The payment of dividend, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after **September 19, 2012** 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 **September 7, 2012**.
  - 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 **September 7, 2012**.
5. The amount of dividend remaining unpaid for the year 2004-05, 2005-06, 2006-07 and 2010-11 transferred to the company's unpaid dividend account, can be claimed from the company by the members entitled to it for a period of seven years from the respective dates of such transfer after which it shall be transferred to the Investor Education and Protection Fund (IEPF) constituted Under Section 205 (C) of the Companies Act, 1956. The amount pertaining 2004-05 will be transferred to IEPF in October 27, 2012.
6. The company sub-divided the face value of equity shares from Rs.10 to Re.2 w.e.f. January 28, 2011. Members were advised through a circular dated January 29, 2011 to surrender their old share certificates for exchange with the new ones. Members who have not already exchanged their old certificates which anyway ceased to be valid from that date, may do so by sending the old certificates to the Registrar/Company.

The members are requested to get their shares dematerialized. The company's new ISIN Code INE170D01025 pursuant to change in face value.
7. 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](mailto:os.delhi@orientsyntex.com)
  - b) [admin@skylinerta.com](mailto:admin@skylinerta.com)

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO.5

Shri H R Sharma was appointed as Executive Director of the Company w.e.f. March 1, 2007 for a period of five years, which term expired on February 28, 2012. The Board at its meeting held on February 6, 2012 re-appointed Shri H R Sharma as Executive Director of the Company for a further period of five years w.e.f. March 1, 2012 subject to the approval of members.

Under Section 309 of the Companies Act, 1956, this appointment requires members' approval by way of an ordinary resolution. However, in terms of Schedule XIII to provide for minimum remuneration in the event of loss or inadequacy of profits in any financial year, a special resolution is required to be passed by the members approving payment of remuneration for a period of 3 years. The proposed special resolution combines both for appointment and payment of minimum remuneration.

The information required to be given as per paragraph 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 in the context of above appointment is given below:

#### i) GENERAL INFORMATION:

##### 1. Nature of industry

The company's activities can be classified under the Textile Industry, manufacturing man made fibres Spun yarns.

##### 2. Date of commencement of commercial production

The commercial production commenced in January 15, 1981.

##### 3. In case of new companies, expected date of commencement of activities – Not applicable

##### 4. The financial performance for the year ended March 31, 2012.

	(Rs. In lacs)
Gross sales	25982.00
Net profit	1260.00
EPS (Rs.)	5.83

##### 5. Export performance and net foreign exchange collaboration

Export turnover decreased from previous year i.e. Rs. 2,217 Lacs to Rs.1,443 Lacs.

##### 6. Foreign investments or collaborators, if any – Not applicable

#### ii) INFORMATION ABOUT THE APPOINTEE:

##### 1. Background details

Shri H R Sharma, aged 61 years, is having over 38 years of experience in the field of textile industry. He is holding post of Executive Director. He is looking after overall activities of the company.

##### 2. Past remuneration

The remuneration paid to him during the Financial Year 2011-12 is Rs. 19.01 lacs.

##### 3. Recognition or awards

No such awards

##### 4. Job profile and his suitability

Shri H R Sharma is looking after the overall activities of the company and management. Considering his skill, your Board is of the opinion that the service of Shri H R Sharma as Executive Director is required to be availed for allround growth and development of the company.

## APM INDUSTRIES LIMITED

5. Remuneration proposed

The remuneration proposed to be paid to Shri H R Sharma is set out in the resolution.

6. Comparative remuneration profile with respect to industry.

No such data is available with the company. But the Board is of the view that the remuneration paid/to be paid by the company is totally in line with the performance made by the company under his dedicated services.

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any

Shri H R Sharma pecuniary relationship is limited to the remuneration receives in the capacity of Executive Director.

iii) **OTHER INFORMATION:**

1. Reason of loss or inadequate profits

For the present the profit of the company are adequate to pay the remuneration as proposed. However, there could be events or external factors beyond the control of the company which would influence company's profitability. Hence it is necessary to provide for minimum remuneration to adequately compensate the Executive Director in case of any such eventuality.

2. Steps taken or proposed to be taken for improvement

The profit of the company during the year is adequate and it is expected that the company will perform satisfactorily in the coming years.

3. Expected increase in productivity and profits in measurable terms

The total revenues recorded a growth of 6.65% from Rs. 24362 Lacs to Rs. 25982 lacs, while Net profit achieved Rs. 1260 Lacs as against Rs. 1382 Lacs during the Previous year.

iv) **DISCLOSURES:**

The remuneration package is already explained in the foregoing paragraph. The report on Corporate Governance which forms part of this annual Report also gives various details related to remuneration and contact of service as required.

The appointment and the remuneration have been approved by the Remuneration Committee and the Board of Directors in their respective meetings held on 06.02.2012.

He shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

Shri H R Sharma being concerned is interested in the resolution.

The Board recommends the proposed resolution for your approval.

**Item No.6**

Shri Ajay Rajgarhia, aged about 45 years, is having specialization in the field of finance as he is M.B.A. from William E Simon Graduate School of Business Management University of Rochester, USA. He is the Son of Shri R K Rajgarhia, the Chairman & Managing Director. He was appointed as Vice President (Business Development) from 01.07.1995 by the Board of Directors. He has been contributing tremendous efforts towards development of exports and further expansion. The Board of Directors in their meeting held on 06.02.2012 decided to increase his remuneration w.e.f. January 1, 2012 and seek members' approval by way of special resolution as required by section 314 (1) of the Companies Act., 1956 for paying him remuneration as per resolution.

The proposed special resolution is for the same. Your directors recommend passing of the resolution with requisite majority.

None of the Directors except Shri R K Rajgarhia is concerned or interested in the resolution.

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

**BRIEF RESUME OF DIRECTOR OFFERING FOR REAPPOINTMENT**

Name of the Director	:	Shri R L Toshniwal
Date of Birth	:	22.11.1933
Date of appointment	:	09.06.1980
Expertise in specific functional area	:	Shri R L Toshniwal is an Industrialist with about 57 years of experience and associated with the company since 1980. He is at present Chairman & Managing Director of M/s Banswara Syntex Limited. He has been President of Rajasthan Textile Mills' Association and Chairman of The Synthetic & Rayon Textile Export Promotion Council. Several times, he has been elected as Chairman of Indian Spinners' Association. He is at present a Committee Member of Confederation of Indian Textile Industry (CITI).
Qualification	:	M.Sc (Text) from Leeds University, United Kingdom, in 1957.
List of other Directorship held	:	Banswara Syntex Limited Banswara Fabrics Limited Carreman Fabrics India Limited Mefcom Agro Inds. Ltd. Niral Trading Pvt. Ltd.
Chairman/member of the Committee of the Board of Directors of the Company	:	Remuneration Committee – Member.

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

By Order of the Board

New Delhi  
August 1, 2012

**F C GOEL**  
Company Secretary

# APM INDUSTRIES LIMITED

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 38<sup>th</sup> Annual Report and Audited Accounts for the year ended on March 31, 2012.

### FINANCIAL RESULTS

	(Rs. In lacs)	
	2011-12	2010-11
Gross Sales	<u>25982</u>	<u>24362</u>
Profit before depreciation and tax	2413	2666
Less: Depreciation	462	471
Profit before income tax	1951	2195
Less: Income Tax	691	813
Net profit for the year	1260	1382
Add: Balance brought forward from the previous year	2493	2262
Amount available for appropriation	<u>3753</u>	<u>3644</u>
<b>Appropriations: -</b>		
• Proposed Dividend	130	130
• Corporate Dividend Tax	21	21
• General reserve	1000	1000
• Balance carried forward to Balance Sheet	2602	2493
Total	<u>3753</u>	<u>3644</u>

### OPERATIONS

During the year, profitability was under pressure due to general recession, especially in the textiles industry. The demand both in the local and export markets was low. The total revenues recorded a growth of 6.65% from Rs. 24362 Lacs to Rs. 25982 lacs, while Net profit achieved was at Rs. 1260 Lacs as against Rs. 1382 Lacs during the previous year.

The earnings per share for the year 2011-12 works out to Rs. 5.83 as compared to the previous year's Rs. 6.39.

### EXPORTS

During the year 2011-12, the export turnover was Rs. 1443 Lacs, as against Rs. 2217 lacs during 2010-11.

### EXPANSION AND MODERNIZATION

The Company continues to modernize its Plant and Machinery and add some balancing equipment. This would enable the company to widen its product range and improve the quality of its products.

### PROSPECTS

The cotton fibre prices have stabilized at higher levels. This will help the man-made fibre industry by way of higher demand and better realization. The company should perform better in the current year subject to unforeseen circumstances.

### 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, 2012 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 R L Toshniwal 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 38<sup>th</sup> 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  
August 1, 2012

**R K RAJGARHIA**  
Chairman & Managing Director



# APM INDUSTRIES LIMITED

## 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. Replacement of 12 Nos. Old LC1/3 Cards 10 HP Motors by energy efficient motors.
2. Removal of 24 Nos. 2.2 K.W. Fan Motors in carding machine linking the fan with the main motor.
3. Installation of 2100 Litre capacity in total 5 Nos. Solar Water heaters in staff colony & removal of Electric heaters.
4. Replacement of 21 Nos. old FRP supply air fan by High Energy efficient light weight fans in the humidity plants.
5. Installation of 5 Nos. stabilizers (50 KVA each) for factory lighting to give constant power of 220 Volts.
6. Installation of 2 Nos. Variable frequency device (Inverter) 15 KW capacity in speed frame and dye house (Hydro Extractor machine).

7. Replacement of 46 Nos Tube lights of 30 Watt by CFL in staff colony.
8. Installation of 150 Nos Electronic Ballast Chokes in place copper Ballast Chokes tube lights.

### 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:

We have been continuously developing new varieties of yarn to meet the requirement of the export market so that, we can increase the export. We are continuously exploring new markets, in various countries and hence making the market broad based.

The information in respect of Foreign Exchange earnings and outgo is contained in item (f) & (g) in Note No. 33 annexed to the Balance Sheet.

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

	Unit	2011-12	2010-11
<b>A POWER AND FUEL CONSUMPTION</b>			
<b>1 Electricity</b>			
Purchased unit	Unit in lacs	443.31	449.56
Total amount	Rs. In lacs	2154.90	1913.70
Rate	Rs./Unit	4.86	4.26
<b>2 Own Generation</b>			
a) Through Diesel Generator	Unit in lacs	2.88	5.49
Unit per Litre of Diesel	Unit	3.62	3.61
Cost	Rs./Unit	11.45	10.13
b) Through HFO Generator	Unit in lacs	7.08	12.73
Unit per Litre of Diesel/HFO	Unit	3.75	3.78
Cost	Rs./Unit	8.50	7.71
<b>3 Coal (Grade B, C, D &amp; E)/Petcock</b>			
Quantity	MT	2335.09	2355.60
Total cost	Rs. in lacs	197.87	210.20
Average rate	Rs./MT	8473.62	8923.58
<b>4 Diesel</b>			
Quantity	Ltrs. In lacs	1.14	1.81
Total cost	Rs. In lacs	45.81	63.27
Average rate	Rs./Ltr.	40.13	34.95
<b>5 Furnace Oil</b>			
Quantity	Ltrs. In lacs	1.54	3.08
Total cost	Rs. In lacs	43.93	84.37
Average rate	Rs./Ltr.	28.45	27.39
<b>B CONSUMPTION PER UNIT OF PRODUCTION*</b>			
1 Electricity		294.00	307.00
2 Coal B, C, D & E Grade/Pet coke		15.14	15.44

\* 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 and readymade garment exports. The company has also developed new varieties of yarn for domestic markets.

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

Product improvement, cost reduction and improvement in customer satisfaction.

- **Future course of action:**

To develop new varieties and shades as per market requirements.

- **Expenditure on R&D:**

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

### B. Technology Absorption, Adaptation and Innovation:

- **Efforts made:**

The indigenous technology available is continuously being upgraded.

- **Benefit derived:**

Improvement in the overall performance of the Company.

- **Particulars of imported technology:**

Not applicable

For and on behalf of the Board

New Delhi  
August 1, 2012

**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, 2012, 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 2011 – 12 five Board meetings were held on 18.05.2011, 29.07.2011, 18.08.2011, 08.11.2011, 06.02.2012.

**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	No. of other Board Committees of which Member/Chairman		Last AGM Attended
			Held	Attended		Member	Chairman	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Shri R K Rajgarhia	Chairman & Managing Director	5	5	5	-	2	Yes
2	Shri R L Toshniwal	Non Executive & Independent	5	1	4	-	-	No
3	Shri K R Gupta	Non Executive & Independent	5	5	1	1	1	Yes
4	Shri S G Rajgarhia	Non Executive	5	5	5	-	-	Yes
5	Shri R R Bagri	Non Executive & Independent	5	5	3	1	-	Yes
6	Shri H R Sharma	Executive	5	5	-	-	-	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 Point C of Note 30 annexed to the Balance Sheet.

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	5,73,850	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 2011 – 12 four Audit Committee meetings were held on 18.05.2011, 29.07.2011, 08.11.2011, 06.02.2012.

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

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

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

## APM INDUSTRIES LIMITED

4. **Remuneration Committee**

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

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 2011 – 2012 are as under:-

Sl. No.	Name of the Directors	Remuneration paid (Rs.)
1	Shri R K Rajgarhia	49,87,882
2	Shri H R Sharma	19,01,412

The details of sitting fee paid to the other Directors during 2011 – 2012 are as under:-

Sl. No.	Name of the Directors	Sitting Fee	Total
1	Shri R L Toshniwal	17,500	17,500
2	Shri K R Gupta	95,000	95,000
3	Shri S G Rajgarhia	80,000	80,000
4	Shri R R Bagri	95,000	95,000

5. **Shareholders/Investors Grievance Committee**

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

Name, designation and address of Compliance Officer:-

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

4 Shareholders' complaints were received during the year 2011 – 2012 and all of them have been resolved.

There were no pending share transfers as on 31.03.2012.

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
2011	SP-147 RIICO Industrial Area,	10.09.2011	11.30 A.M.
2010	Bhiwadi	25.09.2010	11.30 A.M.
2009	Dist. Alwar (Rajasthan)	26.09.2009	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 2011 – 12 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.

# APM INDUSTRIES LIMITED

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).

12. **General Shareholder Information**

A. **Annual General Meeting: -**

Date : **September 15, 2012 (Saturday)**  
Time : 11.30 A.M.  
Venue : SP – 147 RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)

B. **Financial Calendar for 2012 – 2013**

Adoption of Quarterly Results Ended	In the month of
30th June, 2012	August 15, 2012
30th September, 2012	November 15, 2012
31st December, 2012	February 15, 2012
31st March, 2013 (Audited Annual Accounts)	May 15, 2013 (May 30, 2013)

C. **Date of Book Closure**

From **September 8, 2012** to **September 15, 2012** (both days inclusive).

D. **Dividend payment date**

On or after **September 19, 2012**

E. **Listing on Stock Exchange at:**

Bombay Stock Exchange Limited  
Scrip Code: 523537  
The Listing fees for the year 2012 – 2013 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 31<sup>st</sup> March 2012.**

Category	No. of Shares Held	%age of share holding
a) Promoters/persons acting in concern	13573771	62.81
b) Banks, Financial Institutions, Insurance Companies	1250	0.01
c) NRIs/OCBs	107875	0.50
d) Other Corporate bodies	607664	2.80
e) Indian Public	7320800	33.88
<b>Total</b>	<b>21611360</b>	<b>100.00</b>

G. **Distribution of shareholding as on 31<sup>st</sup> March, 2012**

Range	Shareholders		Shares	
	No. of shares	Number	% to Total Holders	% to Total Capital
Upto 500	9130	84.87	2040257	9.44
501 1000	774	7.19	654688	3.03
1001 2000	346	3.22	543233	2.51
2001 3000	202	1.88	518429	2.40
3001 4000	73	0.68	263686	1.22
4001 5000	77	0.72	374106	1.73
5001 10000	58	0.54	441708	2.04
10001 And above	98	0.91	16775253	77.62
<b>Total</b>	<b>10758</b>	<b>100.00</b>	<b>21611360</b>	<b>100.00</b>

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, 2012.

No. of shares dematerialized	19570450	90.56% of the total share capital
No. of shareholders in D-mat Form	3489	32.43% of the total No. of shareholders

## APM INDUSTRIES LIMITED

### K. Market Share Price Data (Rs.)

Month	Bombay Stock Exchange Limited	
	High	Low
April 2011	17.75	14.40
May 2011	15.75	12.20
June 2011	14.50	11.55
July 2011	13.69	11.16
August 2011	15.51	10.96
September 2011	13.00	11.07
October 2011	12.80	11.01
November 2011	14.88	11.00
December 2011	12.75	10.00
January 2012	13.20	10.03
February 2012	13.95	11.00
March 2012	12.79	10.70

### 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 – 220433/09694090890  
Fax : 01493 – 220228  
Email : [os.bhiwadi@orientsyntex.com](mailto:os.bhiwadi@orientsyntex.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: [os.delhi@orientsyntex.com](mailto:os.delhi@orientsyntex.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 – 26812682/83/84  
E-mail : [admin@skylinerta.com](mailto: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, 2012, 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.

**Chaturvedi & Co.**  
Chartered Accountants

New Delhi  
August 1, 2012

**(Pankaj Chaturvedi)**  
Partner  
Membership No. 91239

## 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**

A large number of textile manufacturers in India have expanded their production capacity due to Technology Upgradation Fund Scheme (TUFS), which allows interest subsidy.

The textile industry holds a very significant position in the Indian Industry and the 2<sup>nd</sup> 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 demand for Indian fabric in the domestic and international market is an opportunity for us.

The sudden fall in yarn prices and sluggish demand is a threat to industry.

Non-availability of trained manpower is a matter of concern.

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 modernize its plant and machinery and add some balancing equipment. This would enable the company to widen its product range and improve the quality of its products.

The cotton fibre prices have stabilized at higher levels. This will help the man-made fibre industry by way of higher demand and better realization. The company should perform better in the current year subject to unforeseen circumstances.

e) **Internal control system**

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

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

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

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

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

h) **Cautionary Statement**

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

For and on behalf of the Board

New Delhi  
August 1, 2012

**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, 2012, the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012;
    - ii. in the case of the Statement of Profit and Loss, 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 29, 2012

**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. Accordingly, 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. 86,467,768 and year end balance was Rs. 16,150,740.
  - c. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken are not prima facie prejudicial to the interest of the Company.
  - d. The Company is regular in repaying the principal amount and interest thereon, as stipulated.

- 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 that need to be entered in the register maintained under Section 301 of the Act have been so entered.
  - 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 having 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 cost records maintained by the Company pursuant to the Companies (Cost accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed cost records have been 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, 2012 for a period of more than six months from the date they became payable.
  - c. According to information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute excepting those mentioned hereunder:

S. No	Name of the Statute	Nature of Dues	Amount in Rs.	Forum where dispute is pending
1.	Entry Tax, Rajasthan	Entry Tax	5,308,655	Rajasthan High Court
2.	Sales Tax, Rajasthan	Sales Tax	2,550,809	Rajasthan High Court
3.	Cenvat Credit Rules, 2004	Excise Duty	722,694	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 information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. 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. Accordingly, 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  
**PANKAJ CHATURVEDI**  
Partner  
Membership No. 091239

New Delhi  
May 29, 2012

# APM INDUSTRIES LIMITED

## BALANCE SHEET

AS AT MARCH 31, 2012

PARTICULARS	Note No.	As At March 31, 2012 (Rs.)	As At March 31, 2011 (Rs.)
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	43,222,720	43,222,720
(b) Reserves and Surplus	2	1,314,062,289	1,213,070,130
<b>2 Non-Current Liabilities</b>			
(a) Long Term Borrowings	3	166,049,251	219,325,755
(b) Deferred Tax Liabilities (Net)	4	77,570,000	71,551,000
(c) Long Term Provisions	5	2,785,975	12,488,089
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	6	179,411,525	404,797,203
(b) Trade Payables	7	14,262,513	66,307,201
(c) Other Current Liabilities	8	135,973,812	124,231,471
(d) Short Term Provisions	9	26,524,016	22,871,541
<b>Total</b>		<b>1,959,862,101</b>	<b>2,177,865,110</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>1 (a) Fixed Assets</b>			
(i) Tangible Assets	10	1,235,050,010	1,250,521,603
(ii) Intangible Assets		4,779,648	4,594,737
(iii) Capital Work in Progress		-	1,079,052
(b) Non-Current Investments	11	18,991,416	17,597,416
(c) Long Term Loans and Advances	12	37,144,095	44,557,549
<b>2 Current Assets</b>			
(a) Inventories	13	375,492,116	423,059,291
(b) Trade Receivables	14	231,952,833	314,598,455
(c) Cash and cash equivalents	15	5,972,673	6,959,360
(d) Short Term Loans and Advances	16	41,185,823	77,090,979
(e) Other Current Assets	17	9,293,488	37,806,668
<b>Total</b>		<b>1,959,862,101</b>	<b>2,177,865,110</b>
<b>Significant Accounting Policies, and</b>	26		
<b>Notes to the Financial Statements</b>	27 to 36		

As per our report of even date attached

**For CHATURVEDI & CO.**

Chartered Accountants

FRN: 302137E

**(PANKAJ CHATURVEDI)**

Partner

Membership No. 091239

**F C GOEL**

Company Secretary

**H R SHARMA**

Executive Director

**K R GUPTA**

R R BAGRI

**S G RAJGARHIA**

Directors

**R K RAJGARHIA**

Chairman & Managing Director

Place : New Delhi

Date : May 29, 2012



## APM INDUSTRIES LIMITED

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

#### Statement of Profit & Loss

PARTICULARS	Note No.	For the Year Ended March 31, 2012 (Rs.)	For the Year Ended March 31, 2011 (Rs.)
<b>INCOME</b>			
I Revenue from Operations	18	2,588,536,766	2,429,365,299
II Other Income	19	9,709,120	6,850,607
III <b>Total Revenue (I + II)</b>		<b>2,598,245,886</b>	<b>2,436,215,906</b>
<b>IV Expenses:</b>			
Cost of Materials Consumed	20	1,710,815,673	1,573,613,763
Changes in Inventories of Finished Goods and Work-in-Progress	21	(60,505,262)	(63,287,519)
Employee Benefits Expense	22	230,866,538	206,651,961
Finance Costs	23	51,414,417	59,283,098
Depreciation and Amortization Expense	24	46,170,662	47,136,899
Other Expenses	25	424,350,810	393,312,475
<b>Total Expenses</b>		<b>2,403,112,838</b>	<b>2,216,710,677</b>
V <b>Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>195,133,048</b>	<b>219,505,229</b>
VI Exceptional Items		-	-
VII <b>Profit before Extraordinary Items and Tax (V-VI)</b>		<b>195,133,048</b>	<b>219,505,229</b>
VIII Extraordinary Item		-	-
IX <b>Profit before tax (VII-VIII)</b>		<b>195,133,048</b>	<b>219,505,229</b>
X <b>Tax Expense</b>			
Current Tax		63,060,035	76,726,144
Deferred Tax		6,019,000	4,600,000
XI <b>Profit for the year (IX-X)</b>		<b>126,054,013</b>	<b>138,179,085</b>
Earning per equity share: Basic and Diluted		<b>5.83</b>	<b>6.39</b>
<b>Significant Accounting Policies, and Notes to the Financial Statements</b>	26 27 to 36		

As per our report of even date attached

**For CHATURVEDI & CO.**  
Chartered Accountants  
FRN: 302137E

**(PANKAJ CHATURVEDI)**  
Partner  
Membership No. 091239

**F C GOEL**  
Company Secretary

**H R SHARMA**  
Executive Director

**K R GUPTA**  
**R R BAGRI**  
**S G RAJGARHIA**  
Directors

**R K RAJGARHIA**  
Chairman & Managing Director

Place : New Delhi  
Date : May 29, 2012

# APM INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year before Taxation</b>	<b>195,133,048</b>	219,505,229
Adjustments for		
Depreciation and amortisation	46,170,662	47,136,899
Excess Provision Written Back	(1,155,033)	(3,036,758)
Profit on Sale of Fixed Assets	(3,529,744)	(2,922,288)
Provision for doubtful debtors	502,600	-
Interest & Finance Charges	36,524,874	39,171,416
Dividend Income	(113,532)	(186,278)
Round off adjustment		
Foreign Fluctuation		(212,357)
<b>Operating profit before working capital changes</b>	<b>273,532,875</b>	299,455,863
<b>Changes in assets and liabilities</b>		
(Increase)/Decrease in Inventories	47,567,175	(156,721,529)
(Increase)/Decrease in Sundry Debtors	82,143,023	(101,925,380)
(Increase)/Decrease in Loans and Advances	64,468,149	(9,130,677)
Increase/(Decrease) in Current Liabilities	(50,270,282)	33,307,026
<b>Cash generated from operations activities</b>	<b>417,440,940</b>	64,985,303
Taxes Paid	54,579,680	71,007,500
<b>Net cash provided by operating activities</b>	<b>362,861,260</b>	(6,022,197)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(41,552,728)	(39,748,764)
Sale of Fixed Assets	5,286,048	5,727,433
Purchase of investments	(1,394,000)	
Dividend received	113,532	186,278
Interest Received	17,019,322	18,073,610
<b>Net cash used in investing activities</b>	<b>(20,527,826)</b>	(15,761,443)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in Term borrowings	(66,617,619)	(48,796,727)
Increase/(decrease) in Working Capital and other borrowings	211,975,934	130,501,637
Dividend Paid	(13,026,964)	(81,135)
Interest and finance charges paid	(51,699,604)	(59,858,113)
<b>Net cash provided by financing activities</b>	<b>(343,320,121)</b>	21,765,662
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>(986,687)</b>	(17,978)
Cash and cash equivalents at the beginning of the year	6,959,360	6,977,338
Cash and cash equivalents at the end of the year	5,972,673	6,959,360
<b>Notes</b>		
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	379,543	320,603
Cheques in Hand		-
Balances with Scheduled Banks		
- In Current Accounts	1,291,742	1,244,100
- In Fixed Deposits	4,050,000	5,083,116
- In Unclaimed Dividend Account	251,388	311,541
Remittance in Transit		-
	<b>5,972,673</b>	<b>6,959,360</b>

As per our report of even date attached

**For CHATURVEDI & CO.**

Chartered Accountants

FRN: 302137E

**(PANKAJ CHATURVEDI)**

Partner

Membership No. 091239

**F C GOEL**

Company Secretary

**H R SHARMA**

Executive Director

**K R GUPTA**

R R BAGRI

**S G RAJGARHIA**

Directors

**R K RAJGARHIA**

Chairman & Managing Director

Place : New Delhi

Date : May 29, 2012

# APM INDUSTRIES LIMITED

## NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012

NOTE NO.	As At March 31, 2012 (Rs.)	As At March 31, 2011 (Rs.)
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
3,50,00,000 (Previous Year 35,000,000) Equity Shares of Rs. 2/- each	<u>70,000,000</u>	<u>70,000,000</u>
300,000 (Previous Year 300,000) Redeemable Preference Shares of Rs. 100/- each	<u>30,000,000</u>	<u>30,000,000</u>
<b>Issued</b>		
22,217,080 (22,217,080) Equity Shares of Rs. 2/- each	44,434,160	44,434,160
<b>Subscribed and Paid up</b>		
21,611,360 (21,611,360) Equity Shares of Rs. 2/- each (fully paid up)	<u>43,222,720</u>	<u>43,222,720</u>
<b>Total</b>	<u>43,222,720</u>	<u>43,222,720</u>
a) The reconciliation of number of shares outstanding is set out below:		
Number of Equity Shares at the beginning	21,611,360	21,611,360
Add: Number of Shares Issued	-	-
Number of Equity Shares at the end	<u>26,611,360</u>	<u>21,611,360</u>
b) Details of Shareholders holding more than 5 percent Shares :		
<b>Name</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>
	<b>Percentage Held</b>	<b>Percentage Held</b>
	<b>Number of Shares</b>	<b>Number of Shares</b>
<b>Equity</b>		
Rajendra Kumar Rajgarhia	17.81	3,850,000
Faridabad Paper Mills Limited	13.73	2,966,305
Ajay Rajgarhia	10.41	2,250,000
Prabha Rajgarhia	7.40	1,599,750
	<u>49.35</u>	<u>49.26</u>
<b>2 RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>	31,000	31,000
Balance at the beginning and end of the year		
<b>General Reserve</b>	250,000,000	150,000,000
Add: Transferred from Surplus	<u>100,000,000</u>	<u>100,000,000</u>
<b>Closing Balance</b>	<u>350,000,000</u>	<u>250,000,000</u>
<b>Revaluation Reserve (Refer note 10.1)</b>		
Balance at the beginning of the Year	689,413,204	699,404,700
Less: Transferred to statement of profit and loss	<u>9,991,496</u>	<u>9,991,496</u>
<b>Closing Balance</b>	<u>679,421,708</u>	<u>689,413,204</u>
<b>Securities Premium Reserve</b>		
Balance at the beginning and end of the year	24,311,925	24,311,925
<b>Surplus</b>		
Balance at the beginning of the year	249,314,001	226,205,274
Add: Transferred from Statement of Profit and Loss	<u>126,054,013</u>	<u>138,179,085</u>
	<u>375,368,014</u>	<u>364,384,359</u>
Less : Appropriations		
Transferred to General Reserve	100,000,000	100,000,000
Proposed Dividend	12,966,816	12,966,816
Tax on Dividend	<u>2,103,542</u>	<u>2,103,542</u>
<b>Total</b>	<u>115,070,358</u>	<u>115,070,358</u>
<b>Balance at the end of the year</b>	<u>260,297,656</u>	<u>249,314,001</u>
<b>Total</b>	<u>1,314,062,289</u>	<u>1,213,070,130</u>

# APM INDUSTRIES LIMITED

NOTE NO.	As At March 31, 2012 (Rs.)	As At March 31, 2011 (Rs.)
<b>3 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
From Banks	165,861,279	218,950,762
From Others	187,972	374,993
<b>Total</b>	<b>166,049,251</b>	<b>219,325,755</b>
<b>3.1 Nature of Security</b>		
a. Following 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.:		
<b>Loan From</b>	<b>Terms of Repayment</b>	
i. <b>Industrial Development Bank of India (Rs. 560 Lacs)</b> Term Loans from Banks amounting to Rs. 39,976,840 (March 31,2011 Rs. 50,797,282)	Repayable in 32 quartely instalments from October 2011 along with interest at the rate of 13.75% p.a.	
ii. <b>Industrial Development Bank of India (Rs. 865 Lacs)</b> Term Loans from Banks amounting to Rs. 21,700,000 (March 31,2011 Rs. 32,500,000)	Repayable in 32 quartely instalments from April 2006 along with interest at the rate of 11% p.a.	
iii. <b>Punjab National Bank (Rs. 790 Lacs)</b> Term Loans from Banks amounting to Rs.19,913,056 (March 31,2011 Rs. 29,869,313)	Repayable in 32 quartely instalments from June 2006 along with interest at the rate of 13.50% p.a.	
iv. <b>Punjab National Bank (Rs. 330 Lacs)</b> Term Loans from Banks amounting to Rs.8,354,380 (March 31,2011 Rs. 12,513,285)	Repayable in 32 quartely instalments from June 2006 along with interest at the rate of 13.50% p.a.	
v. <b>Punjab National Bank (Rs. 163 Lacs)</b> Term Loans from Banks amounting to Rs.16,231,835 (March 31,2011 Rs. NIL)	Repayable in 20 quartely instalments from June 2014 along with interest at the rate of 13.50% p.a.	
vi. <b>Punjab National Bank (Rs. 42 Lacs)</b> Term Loans from Banks amounting to Rs. 949,960 (March 31,2011 Rs. Nil)	Repayable in 20 quartely instalments from June 2014 along with interest at the rate of 14.50% p.a.	
vii. <b>State Bank of Bikaner &amp; Jaipur (Rs. 1710 Lacs)</b> Term Loans from Banks amounting to Rs. 100,973,422 (March 31,2011 Rs. 124,570,954)	Repayable in 32 quartely instalments from July 2008 along with interest at the rate of 14.00% p.a.	
viii. <b>State Bank of Bikaner &amp; Jaipur (Rs. 230 Lacs)</b> Term Loans from Banks amounting to Rs. 13,304,468 (March 31,2011 Rs. 16,599,224)	Repayable in 32 quartely instalments from May 2009 along with interest at the rate of 14.00% p.a.	
b. Vehicle loans from Banks amounting to Rs. 2,487,409 (March 31,2011 Rs. 4,094,461/-) are secured by hypothecation/ Lien of the respective vehicles.	Repayable in 36 equalised monthly instalments	
c. Vehicle loans from Others amounting to Rs. 232,273/- (March 31,2011 Rs. 622,854/-) are secured by hypothecation/ Lien of the respective vehicles.	Repayable in 35 monthly instalments	
<b>3.2 Secured long term loans aggregating to Rs. 221,403,961/- (March 31,2011 Rs. 272,614,203/-) are guaranteed by the chairman and Managing Director.</b>		
<b>4 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation	83,182,558	80,711,000
<b>Deferred Tax Assets</b>		
On Timing differences	5,612,558	9,160,000
<b>Total</b>	<b>77,570,000</b>	<b>71,551,000</b>
Deferred Tax Assets and Deferred Tax liabilities have been offset as they relates to the same governing taxation laws i.e. The Income Tax Act,1961		

## APM INDUSTRIES LIMITED

NOTE NO.	As At March 31, 2012 (Rs.)	As At March 31, 2011 (Rs.)
<b>5 LONG TERM PROVISIONS</b>		
<b>Provision for Employment Benefits (Refer note 33)</b>		
For Gratuity	2,785,975	6,166,266
For Leave Encashment	-	6,321,823
	2,785,975	12,488,089
<b>6 SHORT TERM BORROWINGS</b>		
<b>Secured :</b>		
Working Capital Loans from banks (Refer Note 6.1)	153,260,785	312,028,844
<b>Unsecured</b>		
Loans Repayable on Demand		
From Directors	13,875,000	4,250,000
From Other Parties	12,275,740	88,518,359
	26,150,740	92,768,359
<b>Total</b>	179,411,525	404,797,203
<b>6.1 Note :</b>		
Working capital loans are secured by hypothecation of inventories, book debts, receivables and other movable assets and also by second charge on Company's immovable properties situated at Bhiwadi ranking pari-passu between the Banks/ Financial Institutions and guaranteed by Chairman & Managing Director of the Company.		
<b>7 TRADE PAYABLES</b>		
Dues to Micro, Small and Medium Enterprises (Refer Note 29)	391,023	201,178
Other Sundry Creditors	13,871,490	66,106,023
<b>Total</b>	14,262,513	66,307,201
<b>8 OTHER CURRENT LIABILITIES</b>		
Current Maturities of long Term Debts		
From Banks (Refer Note 3.1)	57,568,881	57,192,620
From Others	44,301	247,861
Interest accrued but not due	1,057,530	1,446,789
Advance from Customer	3,569,270	4,276,745
Unpaid Dividend (Refer note 8.1)	251,393	311,541
Other Payables		
i. Accrued salaries and benefits	23,131,267	15,701,304
ii. Statutory Dues Including Provident Fund and Tax Deducted At Source	2,319,530	3,221,275
iii. Security deposit	557,370	419,750
iv. Other payables	47,474,270	41,413,585
	135,973,812	124,231,471
<b>8.1</b> There are no amounts due for payment to The Investor Education and protection Fund under section 205C of the Companies Act,1956 as at the year end.		
<b>9 SHORT TERM PROVISIONS</b>		
<b>Provision for Employee Benefits :</b>		
For Gratuity	8,081,020	5,658,124
For Leave Encashment	-	2,016,915
<b>Other Provisions</b>		
For Income Tax (Net of Advances)	3,232,603	-
For Fringe Benefit Tax	100,000	100,000
For Wealth Tax	40,035	26,144
Proposed Dividend on Equity Shares	12,966,816	12,966,816
Dividend Distribution Tax	2,103,542	2,103,542
<b>Total</b>	26,524,016	22,871,541

# APM INDUSTRIES LIMITED

## NOTE 10 :- FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As At April 1, 2011 (At Cost) (Rs.)	Additions 31.03.2012 (Rs.)	Sales/ Adjustments (Rs.)	Other Adjustments (Rs.)	Total As At March 31, 2012 (At Cost) (Rs.)	Upto March 31, 2011 (Rs.)	For the Current Period (Rs.)	Sales/ Adjustments (Rs.)	Upto March 31, 2012 (Rs.)	As At March 31, 2012 (Rs.)	As At March 31, 2011 (Rs.)
<b>Tangible Assets (A)</b>											
<b>(I) Own Assets</b>											
Building	122,085,927	245,882	-	-	122,331,809	33,664,250	3,361,177	-	37,025,427	85,306,382	88,421,677
Plant & Equipments	1,070,569,907	38,321,832	21,403,510	1,087,677,519	617,087,772	39,205,304	20,333,333	635,959,743	451,717,776	453,482,135	
Furniture & Fixtures	13,264,764	985,206	112,400	14,137,570	8,342,319	655,308	75,304	8,922,323	5,215,247	4,922,445	
Office Equipments	10,883,707	638,371	-	11,522,078	8,693,476	546,133	-	9,239,609	2,282,469	2,190,231	
Vehicles	14,113,809	1,005,126	1,088,349	14,030,586	2,496,655	1,335,395	439,318	3,392,732	10,637,854	11,617,154	
<b>Total (A)</b>	<b>1,230,918,114</b>	<b>41,196,417</b>	<b>22,604,259</b>	<b>-</b>	<b>1,249,699,562</b>	<b>670,284,472</b>	<b>45,103,317</b>	<b>20,847,955</b>	<b>694,539,834</b>	<b>555,159,728</b>	<b>560,633,642</b>
<b>(II) Asset on Lease</b>											
Lease hold Land	720,000,000	-	-	-	720,000,000	30,112,039	9,997,679	-	40,109,718	679,890,282	689,887,961
Total Tangible Assets (I + II)	1,950,918,114	41,196,417	22,604,259	-	1,969,699,562	700,396,511	55,100,996	20,847,955	734,649,552	1,235,050,010	1,250,521,603
For previous year (Tangible Assets)	1,928,493,908	1,932,414,585	18,329,388	-	3,842,579,105	659,674,202	56,246,552	15,524,243	700,396,511	1,250,521,603	
<b>Intangible Assets (B)</b>											
Computer Software	6,143,497	1,246,073	-	-	7,389,570	1,548,760	1,061,162	-	2,609,922	4,779,648	4,594,737
For previous year (Intangible Assets)	5,032,087	1,111,410	-	-	6,143,497	666,917	881,843	-	1,548,760	4,594,737	4,365,170
<b>Grand Total Fixed Assets (A+B)</b>	<b>1,957,061,611</b>	<b>42,442,490</b>	<b>22,604,259</b>	<b>-</b>	<b>1,977,089,132</b>	<b>701,945,271</b>	<b>56,162,158</b>	<b>20,847,955</b>	<b>737,259,474</b>	<b>1,239,829,658</b>	<b>1,255,116,340</b>
For previous year	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	

### Note 10.1

- (a) Other adjustments include adjustments on account of borrowing costs amounting to Rs. 189,290 from pre-operative expenses.
- (b) Lease hold land was revalued as on 12.05.2008 by an external valuer at the then market value which resulted in a net increase of Rs.719,387,692
- (c) Depreciation for the year Rs. 56,162,158/- includes Amortisation on revalued lease hold land Rs. 9,991,496/-

## APM INDUSTRIES LIMITED

NOTE No.		As At March 31, 2012 Rs.	As At March 31, 2011 Rs.		
<b>11 NON-CURRENT INVESTMENTS</b>					
<b>(at Cost, other than Trade)</b>					
<b>In Government securities</b>					
(i)	National Saving Certificates (Pledged with Sales Tax Department)	6,000	16,000		
(ii)	In Post Office Saving Bank (pledged with Excise Department)	31,110	31,110		
	<b>Total</b>	<b>37,110</b>	<b>47,110</b>		
<b>S. No.</b>	<b>Particulars</b>	<b>Face Value Per Unit (Rs.)</b>	<b>As at March 31, 2012 Nos</b>	<b>As at March 31, 2011 Nos</b>	<b>As at March 31, 2011 (Rs.)</b>
I	<b>Trade investments (Valued at Cost)</b>				
	<b>a. Un-quoted Equity Instruments</b>				
	Fully Paid Equity Shares, held in V.S.Lignite Power Private Limited	10	577778	577778	5,777,780
	<b>b. Un-quoted Preference Shares</b>				
	0.01% Fully Paid Redeemable Preference Shares held in V.S.Lignite Power Private Limited	10	1114222	1114222	11,142,220
	<b>Total Un-quoted</b>				<b>16,920,000</b>
II	<b>Other Investments</b>				
	<b>a. Quoted Equity Instruments</b>				
	<b>Fully paid equity shares, in</b>				
	Bhilwara Spinners Ltd.	10	100	(100)	508
	Deepak Spinners Ltd.	10	100	(100)	765
	G.S.L. (India) Ltd.	10	50	(50)	1,819
	Hind Syntex Ltd.	10	100	(100)	2,642
	Visaka Industries Ltd.	10	10	(10)	194
	Indo Rama Synthetics (I) Ltd.	10	10	(10)	76
	Spentex industries Ltd.	10	9	(9)	77
	Rajasthan Spng.& Wvg. Mills. Ltd.	10	195	(195)	1,831
	Sangam India Ltd.	10	158	(158)	1,951
	Shree Rajasthan Syntex Ltd.	10	50	(50)	1,043
	State Bank of Bikaner & Jaipur	10	12200	(8600)	464,400
	GVK Power & Infrastructure Ltd.	1	5000	(5000)	155,000
	<b>Total (Quoted)</b>				<b>630,306</b>
	<b>Grand Total</b>				<b>17,597,416</b>
	Aggregate amount of quoted Investments		2,034,306		630,306
	Market Value of Quoted Investments		5,029,206		4,655,721
	Aggregate amount of unquoted Investments		16,920,000		16,920,000
	Aggregate Provision for diminution in Value of Investments		-		-
<b>12 LONG TERM LOANS AND ADVANCES</b>					
<b>Loans and Advances</b>					
(Un-secured & Considered Good, Unless otherwise stated)					
	Capital Advances {Refer Note 28 (b)}		5,911,690		13,008,324
	Security Deposits		31,232,405		31,549,225
	<b>Total</b>		<b>37,144,095</b>		<b>44,557,549</b>

# APM INDUSTRIES LIMITED

Note No.	As At March 31, 2012 Rs.	As At March 31, 2011 Rs.
<b>13 INVENTORIES</b> {Refer Note 27 (e)}		
Raw Materials	104,099,576	207,157,836
Work-in-Progress	45,447,425	46,707,567
Finished Goods	218,649,156	156,794,020
Stores and Spares	7,295,959	12,399,868
<b>Total</b>	<b>375,492,116</b>	<b>423,059,291</b>
<b>14 TRADE RECEIVABLES</b>		
<u>Unsecured, Considered Good</u>		
Out standing for a period exceeding six months from the date they are due for repayment	3,584,867	1,430,061
<u>Unsecured, Considered Doubtful</u>		
	661,500	158,900
	4,246,367	1,588,961
Less: Provision for Doubtful debts	661,500	158,900
	3,584,867	1,430,061
<u>Others</u>		
Unsecured, Considered Good	228,367,966	313,168,394
<b>Total</b>	<b>231,952,833</b>	<b>314,598,455</b>
<b>15 CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
<u>Cash on Hand</u>	379,543	320,603
Balance with Banks:-		
- In Current Accounts	1,291,742	1,244,100
- In Deposit Accounts with less than 3 months maturity	3,500,000	4,050,000
	5,171,285	5,614,703
<b>Other Bank Balances</b>		
In margin money with deposit accounts with maturities less than 12 months	550,000	1,033,116
- In Unpaid dividend accounts	251,388	311,541
	801,388	1,344,657
<b>Total</b>	<b>5,972,673</b>	<b>6,959,360</b>
Other Bank balances are restricted bank balances on account of margin money deposit against guarantees and unclaimed dividends.		
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
<u>Unsecured Considered Good</u>		
Advance Income Tax & Tax Deducted at Source (Net of Provision)	-	5,233,861
<u>Other loans and advances</u>		
- Prepaid Expenses	2,347,998	2,354,342
- CENVAT/VAT Credit Receivable	32,900,862	60,112,056
- Others advance for supply of goods and rendering of services	5,936,963	9,390,720
<b>Total</b>	<b>41,185,823</b>	<b>77,090,979</b>
<b>17 OTHER CURRENT ASSETS</b>		
<u>(Unsecured, consider good)</u>		
Interest Accrued	1,367,307	3,497,086
Claim and other receivable	7,926,181	34,309,582
	9,293,488	37,806,668



# APM INDUSTRIES LIMITED

## NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

Note No.	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
<b>18 REVENUE FROM OPERATIONS</b>		
Sale of products	2,558,277,405	2,396,198,799
Other Operating Revenues :		
Sales of Scrap	21,780,728	20,290,573
Interest from customers on account of overdue	14,469,227	19,679,910
Export and other incentives	15,582,411	19,019,390
Sub total	2,610,109,771	2,455,188,672
Less : Excise Duty	(21,573,005)	(25,823,373)
<b>Revenue from Operations</b>	<b>2,588,536,766</b>	<b>2,429,365,299</b>
<b>19 OTHER INCOME</b>		
Interest received on deposits with banks	420,316	431,772
Dividend received on investments	113,532	186,278
Profits on Sales of Fixed Assets	3,529,744	2,922,288
Liabilities/Provisions no longer required, written back	1,155,033	3,036,758
Gains/losses on Foreign currency transactions and translations (Net)	4,267,578	212,357
Miscellaneous Income	222,917	61,154
<b>Total</b>	<b>9,709,120</b>	<b>6,850,607</b>
<b>20 COST OF MATERIALS CONSUMED {Refer note 34(b)}</b>		
Raw Materials Consumed		
Inventory at the beginning of the year	207,157,836	113,075,381
Add: Purchases (net)	1,607,757,413	1,668,302,430
Less: inventory at the end of the year	104,099,576	207,764,048
<b>Cost of Raw Materials consumed during the year</b>	<b>1,710,815,673</b>	<b>1,573,613,763</b>
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
Stock at the end of the year:		
Finished Goods	218,649,156	156,794,020
Work-in-Progress	45,999,567	47,349,441
<b>Total A</b>	<b>264,648,723</b>	<b>204,143,461</b>
Stock at the beginning of the year		
Finished Good	156,794,020	96,749,257
Work-in-Progress	47,349,441	44,106,685
<b>Total B</b>	<b>204,143,461</b>	<b>140,855,942</b>
<b>Change in inventories (A-B)</b>	<b>60,505,262</b>	<b>63,287,519</b>
<b>22 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	203,365,837	180,182,976
Contribution to Provident and other Funds	16,536,805	16,879,464
Staff Welfare Expenses	10,963,896	9,589,521
<b>Total</b>	<b>230,866,538</b>	<b>206,651,961</b>
<b>23 FINANCE COSTS</b>		
Interest Expense	48,670,225	54,631,611
Other Borrowing costs	2,744,192	4,651,487
<b>Total</b>	<b>51,414,417</b>	<b>59,283,098</b>

## APM INDUSTRIES LIMITED

Note No.	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
<b>24 DEPRECIATION AND AMORTIZATION</b>		
Depreciation and Amortization (Refer Note - 10)	56,162,158	57,128,395
Less: Withdrawn from Revaluation Reserve (Refer Note- 2)	9,991,496	9,991,496
	<u>46,170,662</u>	<u>47,136,899</u>
<b>25 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Consumption of Stores and Spare Parts	64,399,270	64,893,614
Power and Fuel	244,592,728	227,765,169
Repairs to Machinery	42,277,463	42,936,386
Repairs to Building	4,805,052	2,439,874
	<u>356,074,513</u>	<u>338,035,043</u>
<b>Selling and Distribution Expenses</b>		
Freight and Forwarding Expenses	18,323,511	14,277,226
Brokerage and Commission	14,118,886	12,626,225
Provision for Doubtful Debts	502,600	-
Claims & Discount	7,705,243	3,653,256
	<u>40,650,240</u>	<u>30,556,707</u>
<b>Establishment Expenses</b>		
Legal and Professional Fees	2,221,759	1,911,405
Rent	2,510,800	2,463,151
Rates and Taxes	788,771	937,426
Repairs to Others	611,328	472,680
Insurance	1,735,763	1,555,102
Travelling Expenses	1,721,479	1,144,205
Payment to Auditors (Refer note 32)	535,898	570,083
Printing & Stationary	1,382,631	1,340,737
Vehicle Running Expenses	1,811,043	1,539,172
Computer Maintenance	492,745	592,941
Charity and Donation	5,100	10,250
Communication Expenses	1,977,455	1,808,652
Electricity & Water Charges	415,584	370,624
Membership Fee & Subscription	278,561	207,638
General Expenses	2,924,597	2,521,982
Director Remuneration & Sitting Fees	7,106,234	6,733,204
CSR & Pollution Control Exp	1,106,310	541,473
	<u>27,626,057</u>	<u>24,720,725</u>
<b>Total</b>	<u>424,350,810</u>	<u>393,312,475</u>

**26 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 customer's and is considered as other operating income.
  - 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.

# APM INDUSTRIES LIMITED

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.

27. Contingent liabilities and commitments (to the extent not provided for)

a. Claims against the Company not acknowledged as debts;

Particulars	Year ended	
	March 31, 2012 Rupees	March 31, 2011 Rupees
Excise-Duty(Payment made Rs. 486,240{Previous year Rs. 486,240})	1,208,934	806,204
Sales Tax	2,550,809	6,842,285

b. Other Commitments

Estimated amount of contracts remaining to be executed on capital account [Net of advances Rs.5,911,690/-Previous Year Rs.13,008,324/-] not provided for Rs.35,738,215/- (Rs. 35,714,530/-).

28. 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, 2012. 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.

29. **Related party disclosures**

Information regarding Related Party Transactions as per Accounting Standard AS-18 "Related Party Disclosures" notified by Companies (Accounting Standards) Rules, 2006, (as amended).

30 **List of related parties**

**A. Companies under common control**

S. No.	Name of the Company
1	Orient Abrasives Limited
2	Orient Refractories Limited
3	Perfectpac Limited
4	Rajgarhia Leasing and Financial Services Private Limited
5	Faridabad Paper Mills Limited
6	Axis Cottex Private Limited
7	AJR Fiscal Private Limited

**B. Key Management Personnel and their relatives**

S. No.	Name of the Company	Relationship
1	R K Rajgarhia	Chairman and Managing Director
2	H R Sharma	Executive Director
3	S G Rajgarhia	Director
4	Ajay Rajgarhia	Key Management Person
5	Aditi Rajgarhia	Grand Daughter of CMD
6	R K Rajgarhia & Sons	HUF

## APM INDUSTRIES LIMITED

Particulars	Year	Company under common control (Rs.)	Key Management Personnel (Rs.)	Total (Rs.)
<b>Income/Expense</b>				
Sales ( Net of Indirect Taxes )	2011-12	659,407	-	659,407
	2010-11	-	-	-
Purchases	2011-12	6,756,472	-	6,756,472
	2010-11	6,530,499	-	6,530,499
Interest paid	2011-12	3,577,666	1,634,556	5,212,222
	2010-11	2,712,047	1,804,316	4,516,363
<b>Payment made by the Company for Rent</b>				
	2011-12	-	2,500,090	2,500,090
	2010-11	-	2,452,441	2,452,441
<b>Finance</b>				
Loans Repayment	2011-12	142,342,619	34,650,000	176,992,619
	2010-11	114,816,641	45,250,000	160,066,641
<b>Finance</b>				
Loans/ Advances Taken	2011-12	109,385,000	44,275,000	153,660,000
	2010-11	129,250,000	49,500,000	178,750,000
Remuneration to key Management personnel	2011-12	-	6,889,294	6,889,294
	2010-11	-	6,590,726	6,590,726
Remuneration to Others	2011-12	-	632,600	632,600
	2010-11	-	562,415	562,415
<b>Balances with related parties</b>				
Advances Taken	2011-12	2,275,740	13,875,000	16,150,740
	2010-11	36,018,359	4,250,000	40,268,359
Purchases	2011-12	712,663	-	712,663
	2010-11	177,467	-	177,467

**C. Related Party Transactions**

- D. No amount pertaining to related parties which have been provided for as doubtful debts written off in respect of related parties  
E. Related party relationship is as identified by the Company and relied upon by the Auditors  
F. Disclosure of material transaction with related party  
G.

Particulars	Year ended March 31, 2012 (Rs.)	Year ended March 31, 2011 (Rs.)
<b>Purchases</b>		
Perfectpac Limited	6,726,922	6,433,638
Orient Abrasives Limited	29,550	96,861
<b>Sales</b>		
Orient Refractories Limited	659,407	-
<b>Interest Paid</b>		
S.G.Rajgarhia	840,822	1,217,534
R.K.Rajgarhia	793,734	586,782
Faridabad Paper Mills Ltd	1,132,780	404,649
Rajgarhia Leasing & Financial Services (P) Ltd	2,444,886	2,138,352
AJR Fiscal Private Limited	-	169,046
<b>Rent Paid</b>		
Prabha Rajgarhia	852,600	837,260
Aditi Rajgarhia	145,200	140,800
Rajendra Kumar Rajgarhia & Sons (HUF)	-	1,203,446
Ajay Rajgarhia	1,502,290	270,935

**31. Auditors Remuneration:**

	Year ended March 31, 2012 (Rs.)	Year ended March 31, 2011 (Rs.)
<b>Payment to Statutory Auditors</b>		
Audit Fee	280,900	275,750
Tax audit Fee	82,725	82,725
Limited Review of Results	49,635	49,635
In other capacity		
(a) For Taxation matters	27,575	60,665
(b) For Certification work	5,515	6,618
Reimbursement of expenses	51,015	57,451
<b>Total (A)</b>	<b>497,365</b>	<b>532,844</b>
<b>Payment to Cost Auditors</b>		
(a) Audit Fee	32,000	32,000
(b) Reimbursement of expenses	6,533	5,239
<b>Total (B)</b>	<b>38,533</b>	<b>37,239</b>
<b>Grand Total (A+B)</b>	<b>535,898</b>	<b>570,083</b>

## APM INDUSTRIES LIMITED

### 32. Employee Benefits:

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:

Particulars	For the Year ended March 31, 2012		For the Year ended March 31, 2011	
	Gratuity (Rs.)	Compensated Absences (Rs.)	Gratuity (Rs.)	Compensated Absences (Rs.)
Obligations at year beginning	29,265,058	8,338,738	23,703,119	5,698,193
Service Cost - Current	3,295,698	925,934	3,248,648	1,301,628
Interest Cost	2,487,530	708,793	1,896,250	455,855
Actuarial (gain) / loss	872,639	(450,480)	4,018,049	1,638,840
Benefit Paid	(2,375,865)	(3,705,844)	(3,601,008)	( 755,778)
Obligations at year end	33,489,667	5,817,141	29,265,058	8,338,738
<b>Change in plan assets</b>				
Plan assets at year beginning, at fair value	17,440,668	-	11,992,546	-
Expected return on plan assets	1,613,262	-	1,109,311	-
Actuarial gain / (loss)	(55,393)	-	(77,180)	-
Contributions	6,000,000	-	6,216,495	-
Benefits paid	(2,375,865)	-	(1,800,504)	-
<b>Plan assets at year end, at fair value</b>	<b>22,622,672</b>	<b>-</b>	<b>17,440,668</b>	<b>-</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>				
Present value of the defined benefit obligations at the end of the year	33,489,667	5,817,141	29,265,058	8,338,738
Fair value of the plan assets at the end of the year	22,622,672	6,050,798	17,440,668	-
<b>Liability/(Assets) recognised in the Balance Sheet</b>	<b>10,866,995</b>	<b>(233,657)</b>	<b>11,824,390</b>	<b>8,338,738</b>
<b>Defined benefit obligations cost for the year</b>				
Service Cost - Current	3,295,698	925,934	3,248,648	1,301,628
Interest Cost	2,487,530	708,793	1,896,250	455,855
Expected return on plan assets	(1,613,262)	-	(1,109,311)	-
Actuarial (gain) / loss	872,639	(573,331)	4,095,229	1,638,840
<b>Net defined benefit obligations cost</b>	<b>5,042,605</b>	<b>1,061,396</b>	<b>8,130,816</b>	<b>3,396,323</b>

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

Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	2012 (in %)	2012 (in %)	2011 (in %)	2011 (in %)
Discount Rate	8.50	8.50	8.00	8.00
Future salary increases	6.00	6.00	5.50	5.50
Expected return on plan assets	9.25	9.25	9.25	NIL

### 33. 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	Production	Opening Stock		Closing stock	
			Qty (kgs)	Value (Rs.)	Qty (kgs)	Value (Rs.)
Man- Made Fiber's Spun Yarn	Kgs	15,424,437	1,090,818	156,794,020	1,622,471	218,649,156
		(15,259,300)	(791,222)	(96,749,257)	(1,090,818)	(156,794,020)

#### B. Raw Material Consumption:

Class of Goods	Unit	*Quantity (In Kgs.) Year ended		Value (In Rupees) Year ended	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
1 Viscose Staple Fibre	Kgs	1,473,659	2,175,372	252,067,474	331,211,765
2 Polyester Fibre	Kgs	13,576,182	12,677,727	1,226,987,653	1,024,372,014
3 Acrylic Fibre	Kgs	998,868	1,087,659	143,572,181	142,994,697
4 Cotton/Jute Waste	Kgs	134	-	1,810	-
5 Polyester Filament Yarn	Kgs	35,115	-	3,922,414	-
6 Dyes and Chemicals	Kgs			84,264,141	75,035,287
				<b>1,710,815,673</b>	<b>1,573,613,763</b>

\*Figures are net of sale of raw material

## APM INDUSTRIES LIMITED

**C. Turnover of Products:**

Class of Goods	Unit	*Quantity (In Kgs.)		Value (In Rupees)	
		Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
Man Made Fibre Spun Yarn	Kgs	14,892,774*	14,959,298*	2,558,277,405	2,396,198,799

\* Excluding shortage/wastage of 10 kgs (406 kgs)

**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, 2012		Year ended March 31, 2011	
	(Rs.)	%	(Rs.)	%
<b>1 Raw materials</b>				
Imported	-	-	-	-
Indigenous	1,710,815,673	100	1,573,613,763	100
<b>Total</b>	<b>1,710,815,673</b>	<b>100</b>	<b>1,573,613,763</b>	<b>100</b>
<b>2 Stores, Spares &amp; Packing Material</b>				
Imported	372,329	0.58	1,117,820	1.72
Indigenous	64,026,941	99.42	63,775,794	98.28
<b>Total</b>	<b>64,399,270</b>	<b>100.00</b>	<b>64,893,614</b>	<b>100.00</b>

**E. CIF value of Imports**

Particulars	Year ended March 31, 2012 (Rs.)	Year ended March 31, 2011 (Rs.)
i Stores, Spares & Packing Materials	337,833	985,109
ii Capital Items	993,110	NIL
<b>Total</b>	<b>1,330,943</b>	<b>985,109</b>

**F. Expenditure in Foreign Currency (On Payment Basis)**

Particulars	Year ended March 31, 2012 (Rs.)	Year ended March 31, 2011 (Rs.)
i. Commission	489,105	389,036
<b>G. Earning in Foreign Exchange</b>	<b>100,053,903</b>	<b>169,550,736</b>

34. 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.

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

36. Schedules 1 to 35 form an integral part of the accounts and have duly been authenticated.

As per our report of even date attached

**For CHATURVEDI & CO.**

Chartered Accountants

FRN: 302137E

**(PANKAJ CHATURVEDI)**

Partner

Membership No. 091239

**F C GOEL**

Company Secretary

**H R SHARMA**

Executive Director

**K R GUPTA**

**R R BAGRI**

**S G RAJGARHIA**

Directors

**R K RAJGARHIA**

Chairman & Managing Director

Place : New Delhi

Date : May 29, 2012

# APM INDUSTRIES LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I) Registration Details

- Registration Number	L21015RJ1973PLCO15819
- State Code	17 (Rajasthan)
- Balance Sheet Date	31st March, 2012

### 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	1,959,862
b) Total assets	1,959,862

#### Source of Funds

a) Paid-up Capital	43,223
b) Reserves & Surplus	1,314,062
c) Non Current Liabilities	
i) Long Term Borrowing	166,049
ii) Deferred Tax Liabilities	77,570
iii) Long Term Provision	2,786
d) Current Liabilities	
i) Short-term Borrowings	179,411
ii) Trade payables	14,263
iii) Other current liabilities	135,974
iv) Short term provisions	<u>26,524</u>

#### Application of Funds:-

##### Non-Current Assets

a) Net Fixed Assets	1,239,829
b) Non-Current Investments	18,991
c) Long Term Loans & Advances	37,144

##### Current Assets

a) Inventories	375,492
b) Trade Receivable	231,953
c) Cash and Cash Equivalents	5,973
d) Short term loans and advances	41186
e) Other Current Assets	9,294
	<b>1,959,862</b>

### IV) Performance of Company:

a) Turnover (Gross)	2,598,246
b) Total Expenditure	2,403,113
c) Profit / Loss before Tax	195,133
d) Profit /Loss after Tax	126,054
e) Earning per share in Rs.	5.83
f) Dividend Rate (%)	30%

### V) Generic Name of three principal

(Products/Services of Company)

(As per monetary terms)

Item Code No.(ITC Code)

Product description :

550912

Man Made Fibres Spun Yarn

As per our report of even date attached

#### For CHATURVEDI & CO.

Chartered Accountants

FRN: 302137E

(PANKAJ CHATURVEDI)

Partner

Membership No. 091239

F C GOEL

Company Secretary

H R SHARMA

Executive Director

K R GUPTA

R R BAGRI

S G RAJGARHIA

Directors

R K RAJGARHIA

Chairman & Managing Director

Place : New Delhi

Date : May 29, 2012