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To,



**APAR INDUSTRIES LTD.**

Annual Report 2010-11

# Powering Ahead

"Tomorrow's Progress Today"



**APAR INDUSTRIES LTD.**

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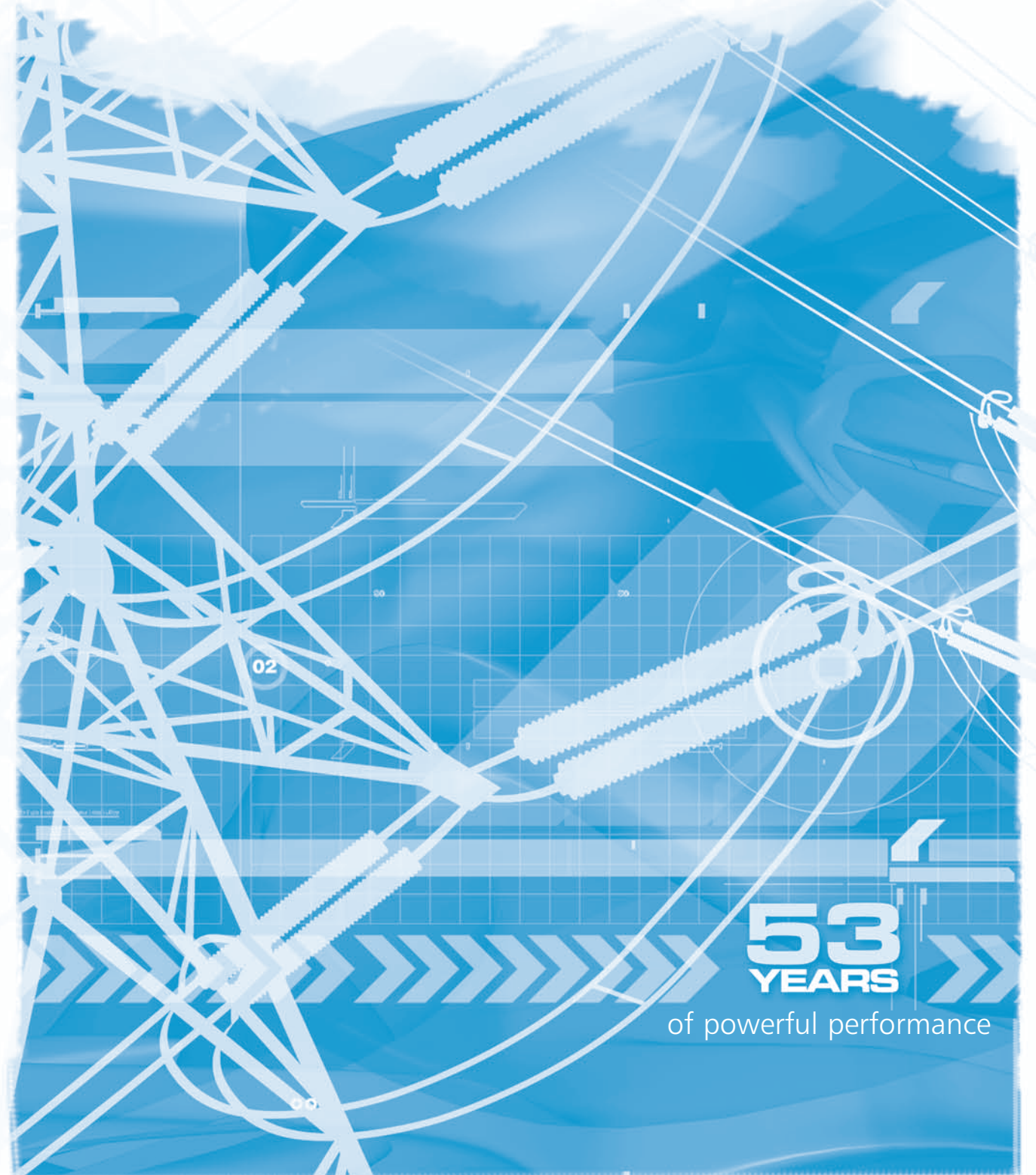
**APAR INDUSTRIES LTD.**

301, Panorama Complex, R. C. Dutt Road

Vadodara - 390007

[www.apar.com](http://www.apar.com)

A TRISYS PRODUCT [info@trisys.com](mailto:info@trisys.com)



# Forward-looking statement

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

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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APAR INDUSTRIES LTD.

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

## PROXY FORM

FOLIO NO. :
CLIENT ID NO. :
DP ID NO. :

NO. OF EQUITY SHARES :
------------------------

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

being **Equity Shareholder(s)** of Apar Industries Limited hereby appoint \_\_\_\_\_

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

of \_\_\_\_\_ as my / our Proxy to attend and vote for me / us and on my / our behalf

at the 22nd Annual General Meeting of the Equity Shareholders of the Company to be held on Wednesday, 24th August, 2011 at 10:30 A.M. at the Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007 and at any adjournment thereof.

As witness my / our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Affix a  
Re. 1  
Revenue  
Stamp  
here

Signature (s) of shareholder (s)

**N. B.** This Proxy Form must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting. The Proxy need not be a Shareholder of the Company.



APAR INDUSTRIES LTD.

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

**22ND ANNUAL GENERAL MEETING – 24TH AUGUST, 2011**

## ATTENDANCE SLIP

(To be handed over at the entrance of the meeting Venue)

FOLIO NO. :
CLIENT ID NO. :
DP ID NO. :

NO. OF EQUITY SHARES :
------------------------

Name of the attending member (in block letters) \_\_\_\_\_

Name of proxy (in block letters) \_\_\_\_\_

(to be filled by the proxy attending instead of the member)

I hereby record my presence at the 22nd Annual General Meeting to be held on **Wednesday, 24th August, 2011 at 10:30 A.M.** at the Auditorium of Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara-390 007.

Member's / Proxy's Signature

**Notes:** 1) Interested joint members may obtain attendance slip from the Regd. Office of the Company.

2) Members /Joint members / Proxies are requested to bring attendance slip with them. Duplicate slips will not be issued at the entrance of the Auditorium.



# Corporate Information

## BOARD OF DIRECTORS

Dr. N. D. Desai	<i>Chairman</i>
Dr. N. K. Thingalaya	
Mr. F. B. Virani	
Mr. Kushal N. Desai	<i>Managing Director</i>
Mr. C. N. Desai	<i>Joint Managing Director</i>
Mr. H. N. Shah	
Mr. Rajesh Sehgal	<i>Additional Director (w.e.f. 27th June, 2011)</i>

## AUDIT COMMITTEE

Mr. H. N. Shah	<i>Chairman</i>
Dr. N. K. Thingalaya	
Mr. F. B. Virani	
Mr. Rajesh Sehgal	<i>(w.e.f. 27th June, 2011)</i>

## COMPANY SECRETARY

Mr. Sanjaya Kunder

## AUDITORS

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

## BANKERS

■ Union Bank of India ■ Syndicate Bank ■ ING-Vysya Bank Ltd.  
■ IDBI Bank Limited ■ ICICI Bank Ltd. ■ State Bank of India  
■ Standard Chartered Bank ■ Yes Bank Ltd. ■ Bank of Baroda  
■ Axis Bank Ltd. ■ Credit Agricole - Corporate & Investment Bank

## REGISTERED OFFICE

301, Panorama Complex,  
R.C. Dutt Road  
Vadodara – 390 007  
Tel: (+ +91) (265) 2339906, 2331935  
Fax: (+ +91) (265) 2330309  
e-mail: com\_sec@apar.com  
Website: www.apar.com

## CORPORATE OFFICE

Apar House, Corporate Park,  
Sion – Trombay Road, Chembur,  
Mumbai – 400 071.  
Tel: (+ +91) (22) 25263400, 67800400  
Fax: (+ +91) (22) 2524 6326  
e-mail: corporate@apar.com  
Website: www.apar.com

## REGISTRAR & SHARE TRANSFER AGENT

MCS Limited  
Neelam Apartment, 88, Sampatrao Colony,  
B/H Standard Chartered Bank,  
Alkapuri, Vadodara – 390 007.  
Tel: (+ +91) (265) 2339397, 2350490  
Fax: (+ +91) (265) 2341639  
e-mail: mcsltbaroda@yahoo.com

# Financial Highlights for last five years (Consolidated)

(Rs. in million)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
<b>PROFIT AND LOSS ACCOUNT DATA</b>					
Sales (Net of Excise)	30,283	22,355	26,371	17,658	15,114
% of Growth	35	(15)	49	17	36
Exports	7,442	6,236	7,899	6,874	3,157
Materials, Operating and other costs	28,129	20,901	25,717	16,467	14,047
Employee cost	375	321	256	185	159
Depreciation	205	185	147	140	100
Interest and Discounting charges	135	332	412	371	324
Profit before tax, exceptional & Extraordinary Items	1,538	1,016	5	739	686
% of Growth	51	19,083	(99)	8	26
Taxation	578	224	23	118	167
Profit after tax (PAT)	960	792	(18)	621	519
Exceptional items	-	12	17	38	38
Extraordinary Items - net of tax	-	603	-	(323)	-
Associate profit/(loss)	-	-	(58)	(13)	-
Minority interest	(7)	67	40	(4)	1
Balance of Profit	953	244	(53)	889	482
% of Growth	290	-	(106)	84	15
<b>BALANCE SHEET DATA</b>					
Share Capital	323	323	323	323	323
Reserves & Surplus	3,191	2,511	2,476	2,521	1,844
Net worth	3,514	2,834	2,799	2,844	2,167
Minority interest	5	3	79	6	-
Loan Funds	1,359	1,617	1,615	1,009	1,328
Deferred Tax (Net)	89	72	63	54	139
<b>Total Liabilities</b>	<b>4,967</b>	<b>4,526</b>	<b>4,556</b>	<b>3,913</b>	<b>3,634</b>
Gross Block	3,283	3,091	2,794	1,469	2,234
Net Block	1,862	1,811	1,793	1,107	1,604
Investments including Goodwill on Consolidation	-	-	603	374	3
Net Current assets	3,105	2,715	2,148	2,403	1,984
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	12	29	43
<b>Total Assets</b>	<b>4,967</b>	<b>4,526</b>	<b>4,556</b>	<b>3,913</b>	<b>3,634</b>
<b>KEY RATIOS</b>					
PAT to Sales (%)	3.15	1.09	(0.20)	5.03	3.19
Return on Net Worth (%)	30.03	30.57	(1.28)	37.53	26.61
Asset Turns (Revenue to total Assets)	6.39	4.97	6.27	4.74	4.61
Return on Capital Employed (%) *	21.85	24.65	5.94	24.49	23.30
Debt to Equity Ratio	0.21	0.36	0.41	0.07	0.29
Earning per Equity Share (Basic) Rs.	29.48	7.56	(1.65)	27.48	15.42
Rate of dividend % p.a.	60%	50%	-	55%	35%
Book value per Equity Share Rs.	108.68	87.63	86.22	87.08	65.68
Share Price as on 31st March (BSE)	214.90	197.50	78.05	205.70	139.20

\* Excluding extraordinary items



# Notice

NOTICE is hereby given that the **TWENTY SECOND** Annual General Meeting of the Equity Shareholders of **APAR INDUSTRIES LIMITED** will be held at the **Auditorium of the Vanijya Bhavan, Central Gujarat Chamber of Commerce, Race Course Circle, Vadodara – 390 007** on **Wednesday, the 24th August, 2011 at 10:30 A.M.** to transact the following business :

## Ordinary Business :

1. To receive, consider and adopt Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To confirm declaration of Interim Dividend on Equity Shares and declare final dividend on Equity Shares of the Company.
3. To appoint a Director in place of Shri F. B. Virani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Kushal N. Desai, who retires by rotation and being eligible, offers himself for re-

appointment.

5. To appoint Auditors of the Company and to fix their remuneration.

## Special Business :

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

**“RESOLVED THAT** Mr. Rajesh Sehgal, who was appointed as an Additional Director of the Company with effect from 27th June, 2011, by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.”

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

**By Order of the Board,**  
**For Apar Industries Ltd.**

Place: Mumbai  
Date: 27th June, 2011.

**Sanjaya Kunder**  
*Company Secretary*

## NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.
2. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from Wednesday, August 17, 2011 to Wednesday, August 24, 2011, both days inclusive.
3. Members desirous of obtaining information / details about the accounts, are requested to write to the Company at least one week before the meeting, so that proper information can be made available at the time of meeting.
4. Shareholders who have not so far surrendered their old share certificates of Gujarat Apar Polymers Limited (GAPL) for exchange against the new share certificates of the

Company i.e. Apar Industries Limited (AIL) are once again requested to forward their old share certificates to the Company for exchange. In terms of the Listing Agreement with the Stock Exchanges, the Registrar and Share Transfer Agent of the Company, MCS Limited has sent necessary reminders to the concerned Shareholders in this regard. The old share certificates of GAPL have already been cancelled and are of no effect or value.

5. Members holding shares in dematerialised form, may please note that while opening a depository account with Depository Participant (DP), they have given their bank account details, which will be printed on their dividend warrants. However, if any member wants to change / correct the bank account details, he / she should communicate the same immediately to the concerned Depository Participant (DP). Members are also requested to furnish the bank account details along with MICR code of their bank to their Depository Participant so as to enable the Company to ensure payment of dividend through Electronic Clearing Service (ECS).

6. The details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting as required in terms of Clause 49 of the Listing Agreement of the Stock Exchanges are also annexed hereto and forming part of the Notice.
7. All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered Office of the Company during the Office hours on all working days except Sundays between 11.00 A.M. and 4.00 P.M. up to the date of the ensuing Annual General Meeting and at the meeting, during the meeting hours.
8. Corporate Members intending to send their Authorised Representative to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
9. Consequent upon the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and no payment shall be made in respect of any such claims by the Fund.

The amount of unclaimed dividend upto the financial year ended March 31, 2003 has been transferred to IEPF. The unpaid / unclaimed Dividend amount of Equity Shares of the Company paid on 02.08.2004 (7th Dividend for 2003-04) and on 19.11.2004 (8th Equity Interim Dividend (First Interim) – 2004-05) are due for transfer to the said fund in the month of September, 2011 and January, 2012, respectively. Members who have not yet encashed their warrant (s) are requested to make their claims to the Company without any delay.

10. (a) As stated in Para No. 8 (b) of the Directors' Report, the Company has not attached the Annual Accounts, Reports and other Statements pursuant to Section 212(1) of the Companies Act, 1956, in respect of – (a) Petroleum Specialities Pte. Ltd., Singapore (PSPL) and (b) Poweroil Speciality Products FZE, Sharjah, U.A.E., Wholly Owned Subsidiaries (WOS) of the Company; (c) Quantum Apar Speciality Oils Pty. Ltd., Australia, Subsidiary of PSPL (d) Uniflex Cables Limited (UCL), a Subsidiary Company and (e) Marine Cables & Wires Private Limited, WOS of UCL, with the Annual Report of

the Company for the financial year ended March 31, 2011 in accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India (MCA). The Company has fulfilled all the conditions of the said Circular in the Annual Report attached herewith.

- (b) A Statement showing information in aggregate of the said subsidiary Companies in compliance with the aforesaid General Circular of Ministry of Corporate Affairs has been attached with the financial statements.
- (c) The Company shall provide a copy of the Annual Accounts and related information / reports for the year 2010-2011 of the subsidiary Companies as required under Section 212 of the Act to the shareholders on their request, free of cost, at any point of time. Further, the annual accounts of subsidiary Companies shall be available for inspection at the Registered Office and Corporate Office of the Company and that of the respective subsidiary Company.
11. The required Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business is annexed hereto, forming part of the Notice.
12. The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices / documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL / CDSL will be deemed to be your email address for serving notices / documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website [www.apar.com](http://www.apar.com) of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are, therefore, requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by sending email to [investorservices@apar.com](mailto:investorservices@apar.com) quoting their folio number. The Shareholders can register their email address, by sending an Email at [investorservices@apar.com](mailto:investorservices@apar.com) (email ID) quoting their Folio No. / DP ID – Client ID in order to facilitate the Company to service the documents through electronic mode.



## Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

### ITEM NO. 6 :

The agenda item no. 6 of the Notice relates to the appointment of Mr. Rajesh Sehgal as an Investor Director not liable to retire by rotation.

In terms of the Subscription and Investor Rights Agreement dated 31st March, 2011 entered into between the Company and M/s. Templeton Strategic Emerging Markets Fund III, L.D.C., (Templeton), the allottee of 3,636,363 Equity Shares of Rs. 10/- each, and Article Nos. 133A and 136 of the Articles of Association of the Company, the Board of Directors of the Company has appointed Mr. Rajesh Sehgal, as an Additional Director of the Company w.e.f. 27th June, 2011 upon receipt of his nomination from Templeton.

In terms of Section 260 of the Companies Act, 1956, Mr. Rajesh Sehgal shall hold office of Director upto the date of ensuing Annual General Meeting (AGM). The Company has received valid notice and requisite deposit from a member of the Company under Section 257 of the said Act, proposing the candidature of Mr. Rajesh Sehgal for the office of Director.

Mr. Rajesh Sehgal is a Senior Executive Director in Templeton organisation since 1999. He has research responsibilities for companies in India, Africa, and the Middle East and is involved in managing the Templeton Strategic Emerging Markets Fund.

Mr. Sehgal earned his M.B.A. in business management with specialisation in finance and marketing from XLRI (India) and a B.S. with specialisation in physics. He received his CFA charter in 2005. He was awarded a post-graduate diploma in securities law from the Government Law College in Mumbai. He has earlier been awarded the International Capital Markets Qualification by the Securities Institute, London.

The Board, therefore, commends the Resolution for approval by the Members. The copy of Subscription and Investor Rights Agreement dated 31st March, 2011 and Articles of Association of the Company are available for inspection at the Registered Office of the Company on all working days except Sundays, between 11:00 A.M. and 4:00 P.M. upto the date of meeting and at the meeting, during the meeting hours.

None of the Directors of the Company, except Mr. Rajesh Sehgal, is in any way concerned or interested in the resolution.

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

**By Order of the Board,  
For Apar Industries Ltd.**  
**Sanjaya Kunder**  
*Company Secretary*

Place: Mumbai  
Date: 27th June, 2011.

**Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting.**  
(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of Director	Shri F. B. Virani	Shri Kushal N. Desai	Shri Rajesh Sehgal
Date of Birth	26.06.1945	21.02.1967	16.02.1971
Date of Appointment	27.07.2001	24.03.1999	27.06.2011
Expertise in specific functional areas	Chemical Engineering	Electrical Engineering	Investment/ Business Management
Qualifications	B.E.(Chem. Engg.) M.S.(Chem. Engg.) (USA) M.B.A. (USA)	B.Sc. (Hons.), (Elect.Engg.), USA B.S. in (Econ.) (Hons.), Wharton, USA.	PGDBM, CFA.
List of other Companies in which Directorship held as on 31.03.2011.	1. Dyna Cybertech Services Pvt. Ltd. 2. Uniflex Cables Ltd.	1. Apar Masat Conductors Ltd. 2. Apar ChemateK Lubricants Ltd. 3. Apar Corporation Pvt. Ltd. 4. Apar Technologies Pvt. Ltd. 5. Scope Pvt. Ltd. 6. Catalis World Pvt. Ltd. 7. Uniflex Cables Ltd. 8. Marine Cables & Wires Pvt. Ltd. 9. Petroleum Specialities Pte. Ltd., Singapore 10. Quantum Apar Speciality Oils Pty.Ltd., Australia 11. Apar Investment INC. 12. Apar Investment (Singapore) Pte. Ltd. 13. Apar Technologies Pte. Ltd., Singapore	1. HPL Additives Limited
Chairman / Member of the Committee of other Public Companies on which he is a Director as on 31.03.2011.	<b>1. Uniflex Cables Limited</b> - Audit Committee	<b>1. Uniflex Cables Limited</b> - Remuneration Committee - Shareholders/Investors Grievance Committee - Sub-Committee	<b>1. HPL Additives Limited</b> - Audit Committee - Compensation Committee
No. of Shares held in the Company	6,500	66,85,216	Nil
Relationship between directors inter se	Nil	<b>Related to –</b> Dr. N. D. Desai, (Father) and Shri C. N. Desai, (Brother)	Nil



# Directors' report

To,  
The Shareholders,

Your Directors have pleasure in submitting the 22nd Annual Report of the Company together with the audited annual accounts showing the financial position of the Company for the year ended 31st March, 2011.

## 1. A) Financial results

(Rs. in million)

Particulars	Company		Consolidated *	
	2010-11	2009-10	2010-11	2009-10
Sales turnover (after deduction of excise duty)	27,184.69	19,980.54	30,283.00	22,355.45
Other income	70.51	166.39	61.86	160.00
Profit for the year before interest, depreciation / amortisation, taxation and exceptional items	1,701.65	1,385.11	1,878.25	1,532.76
Deducting there from:				
- Depreciation / amortisation	137.09	118.79	205.16	185.13
- Interest	-32.06	195.60	134.65	331.99
<b>PROFIT BEFORE ADJUSTMENT OF EXCEPTIONAL ITEMS, TAXATION, AND MINORITY INTEREST</b>	<b>1,596.62</b>	<b>1,070.72</b>	<b>1,538.44</b>	<b>1,015.64</b>
Exceptional items	1.97	22.61	-	11.56
<b>PROFIT BEFORE TAXATION FOR THE YEAR</b>	<b>1,594.65</b>	<b>1,048.11</b>	<b>1,538.44</b>	<b>1,004.08</b>
Deducting there from:				
- Provision for taxation	536.12	186.74	578.03	223.86
Net profit for the year after taxation and before minority interest	1,058.53	861.37	960.41	780.22
Adjustment of :				
- Minority interest (profit)/loss	-	-	(7.15)	67.21
<b>NET PROFIT AFTER TAXATION AND ABOVE ADJUSTMENTS</b>	<b>1,058.53</b>	<b>861.37</b>	<b>953.26</b>	<b>847.43</b>
Extraordinary items – impairment loss on investments #	-	555.54	-	603.08
<b>Balance profit</b>	<b>1,058.53</b>	<b>305.83</b>	<b>953.26</b>	<b>244.35</b>
Add: Balance of profit brought forward from the previous year	1,027.96	998.17	948.63	980.32
<b>Amount available for appropriations</b>	<b>2,086.49</b>	<b>1,304.00</b>	<b>1,901.89</b>	<b>1,224.67</b>
<b>Appropriations made by the Board of Directors</b>				
- General reserve	110.00	87.50	110.00	87.50
<b>Dividends on equity shares</b>				
- Interim dividend at Rs 2.50 (25%) per share	80.84	-	80.84	-
- Income tax on Interim dividends	13.43	-	13.43	-
- Proposed dividend at Rs. 3.50 (35%) per share	125.90	161.68	125.90	161.68
- Income tax on dividends	20.91	26.86	20.91	26.86
Leaving balance of profit carried to balance sheet	1,735.41	1,027.96	1,550.81	948.63
<b>Earnings per equity share (EPS)</b>				
- Basic and diluted before extraordinary items	32.74	26.64	29.48	26.21
- Basic and diluted after extraordinary items	32.74	9.46	29.48	7.56

\* Consolidated results include the results of –

- a) Petroleum Specialities Pte. Ltd, Singapore (PSPL) and ## Poweroil Speciality Products FZE, Sharjah, wholly-owned subsidiaries (WOS) of the Company;

- b) Uniflex Cables Ltd (UCL), a subsidiary company  
c) Apar ChemateK Lubricants Ltd., a joint venture company  
d) Marine Cables & Wires Private Limited (MCWPL), WOS of UCL and  
e) Quantum Apar Speciality Oils Pty. Ltd., subsidiary of PSPL  
# Non-cash loss on impairment of equity investment in UCL & MCWPL  
## Since Closed.

1. B) Financial positions of the Company after considering the effect of draft scheme of the amalgamation (DRS) of UCL with the Company are as under. DRS has been submitted to BIFR for it’s final approval. (refer para 3(c)) (Rs. in million)

Particulars	Standalone (as at 31st March, 2011)		Consolidated (as at 31st March, 2011)	
	Pre-amalgamation	Post-amalgamation	Pre-amalgamation	Post-amalgamation
Sales (net of excise duty)	27,184.69	29,206.24	30,283.00	30,283.00
Profit before tax	1,594.65	1,311.83	1,538.44	1,538.44
Profit after tax	1,058.53	1,174.23	953.26	1,351.78
Earnings per share	32.74	33.71	29.48	38.81
Share Capital	323.36	348.34	323.36	348.34
Reserve and Surplus	3,423.93	3,468.47	3,190.85	3,589.37

2. Dividend:

a. Your Company has paid an interim dividend @ Rs. 2.50 (25%) per share on 32,336,031 Equity Shares of the face value of Rs. 10/- each, amounting to Rs. 80.84 Million for the financial year 2010-2011.

The members are requested to confirm the above interim dividend at the ensuing Annual General Meeting (AGM) of the Company.

b. Final Dividend:

Considering the improved financial results achieved during the year under review as compared to the previous year, the Board of Directors has recommended the final dividend for financial year 2010-11 on 35,972,394 Equity Shares of the face value of Rs.10/-each fully paid @ Rs. 3.50 (35 %) per share.

Total dividend for the financial year 2010-11 including interim dividend already paid aggregating to Rs 6.00 (60%) per equity share.

This final dividend amounting to Rs. 125.90 Million is payable after declaration by shareholders at the ensuing Annual General Meeting (AGM) and you are requested to declare the same.

3. Management discussion and analysis/outlook

a) Industry structure, development, opportunities, threats, outlook and risk and concerns

The rapid economic growth in infrastructure in India has witnessed noticeable and prominent growth in the power sector. However, there is still a substantial gap between the targets and achievements, primarily due to implementation issues. The Eleventh Plan power generation achievement in 2010-11 was 12.2 GW which was approximately 60% of the target. In order to improve the achievement in future years, a number of strategic measures are being taken up – Ultra Mega Power Projects (UMPP), unbundling of state utilities, power trading exchanges, etc. To facilitate greater private sector participation in transmission segment through the competitive route, the Central Electricity Regulatory Commission has issued regulations for grant of transmission licenses through competitive bidding. Power Grid Corporation, the country’s central transmission utility, has planned for Rs. 81000 crore in 2010 that will be laid over the next eight years to set up transmission networks, including the evacuation of power from upcoming projects in some neighboring countries. This is in addition to the Rs. 55,000 crore that it would be investing in the current five-year plan, ending 2012, to set up a national grid of 37000 MW.

The Company’s Transformer Oil & Conductors divisions are amongst the leaders in their respective fields, and are expected to benefit significantly from the investments that are being planned in the power sector.

Margins from the manufacturing activities during FY 2010-11