

34th

A

ANNUAL

REPORT

2007-2008

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 - 110 019

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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**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 34th Annual General Meeting of the Members of APM Industries Limited will be held on **Tuesday**, the **30th** day of **September, 2008** at **11.30 A.M.**, at the Registered Office & Works of the Company at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri R L Toshniwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Chaturvedi & Co., Chartered Accountants, who are eligible for re-appointment as Auditors of the Company and to fix their remuneration.

Registered Office: By Order of the Board
SP-147, RIICO Industrial Area,
Bhiwadi, Dist. Alwar (Rajasthan)

New Delhi
July 31, 2008

F C GOEL
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from **September 18, 2008 (Thursday)** to **September 25, 2008 (Thursday)** (both days inclusive).
3. Pursuant to Section 205C by the Companies (Amendment) Act, 1999 the Company has already transferred all unclaimed dividends upto the Financial Year 1999 – 2000 to the General Revenue Account of the Central Government and the amount of dividend for the financial year ended 31st March, 2001 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government on due dates.

Members, who have not encashed the dividend warrants, so far for the financial year ended 31st March, 2001 or any subsequent financial years are requested to make their claims. **It may also be noted that once the unclaimed dividend is transferred to the Government, no claims shall lie in respect of such amount.**

4. The Company's share capital had been dematerialized under ISIN "INE170D01017", with both the Depository i.e. NSDL and CDSL. Shareholders who have not dematerialized their shares may opt the same accordingly.

ITEM NO.2

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 50 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
Niral Trading Pvt. Ltd.

Registered Office: By Order of the Board
SP-147, RIICO Industrial Area,
Bhiwadi, Dist. Alwar (Rajasthan)

New Delhi
July 31, 2008

F C GOEL
Company Secretary

APM INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 34th Annual Report and Audited Accounts for the year ended on March 31, 2008.

FINANCIAL RESULTS

	(Rs. In lacs)	
	2007-2008	2006-2007
Gross Turnover	16482	15903
Gross Profit	497	1049
Less: -		
• Depreciation	430	550
• Provision for Tax		
- Current Tax	9	63
- Deferred Tax	(7)	(7)
- Mat credit entitlement	(5)	-
- Income tax related to earlier years	-	(7)
Profit after tax	70	450
Add: -		
• Balance brought forward	2541	2116
Surplus available for appropriation	2611	2566
Appropriations: -		
• Proposed Dividend	-	22
• Corporate Dividend Tax	-	3
• Balance carried forward	2611	2541
	2611	2566

OPERATIONS

During the year under review recessionary condition prevailed in the market and margins were under pressure. In spite of an increase of turnover from Rs.15903 lacs to Rs.16482 lacs, the net profit was only Rs.70 lacs.

EXPORTS

Your Company's exports performance has improved during the year 2007-08. It has achieved an export turnover of Rs.2035 Lacs as against Rs.1608.00 Lacs in the previous year. The company hopes to further increase export turnover in the current year.

During the year 2007-08, Turkey the major importer of the company's yarn has initiated Anti-Dumping Investigation for imports of yarn of man-made staple fibre into Turkey from India. The company has submitted its response to the Anti-Dumping authorities of Turkey.

EXPANSION AND MODERNIZATION

The company has increased its capacity from 45440 to 48320 Spindles and also carried out some balancing-cum-modernization. The original proposal to increase spindles to 53504 was deferred in view of present market conditions.

PROSPECTS

The operating efficiency will be better in the current year. However, it is not possible to comment on the profitability in view of uncertain market condition on account of Crude Oil prices and exchange rate of Rupee.

DIVIDEND

In view of lower profit and the need to conserve financial resources, no dividend has been recommended by the Board of Directors.

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.24,00,000/- (Rupees Twenty Four Lacs only) per annum, if employed for the full year or Rs.2,00,000/- (Rupees Two Lacs only) per month, if employed for a part of the year.

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.
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.

DIRECTORS

Shri R L Toshniwal is liable to retire by rotation 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.

AUDITORS AND THEIR OBSERVATIONS

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. The Company has received a certificate from the Auditors to the effect that their reappointment, if made, would be in accordance with the section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

The Auditors' observations in their Report are self-explanatory and, therefore, do not call for any further comments.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

APPRECIATION

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

For and on behalf of the Board

New Delhi
July 31, 2008

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) RULES, 1988.

A) CONSERVATION OF ENERGY

Energy Conservation Measures taken:

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

- 1 Inter locking of all Fan Motors with the main Motor to avoid idle running of Fan Motor in speed frame department.
- 2 Installation of Energy Efficient Motors in new TFO Machines.
- 3 Inter locking of Ring Frame Pneumafil Motor with main Motor to avoid idle running.
- 4 Installation of Capacitors on Electric panels by which power factor improved from 0.95 to 0.97.
- 5 Installation of Electronic Chock in place of Copper Blast.
- 6 Installation of two stage compressor in place of single stage screw compressor.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The information in respect of Foreign Exchange earning and outgo is contained in Item 12 (f) & (g) in Schedule - 18 annexed to the Balance Sheet.

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

	Unit	2007-2008	2006-2007
A POWER AND FUEL CONSUMPTION			
1 Electricity			
Purchased unit	Unit in lacs	435.79	107.80
Total amount	Rs. in lacs	1868.14	502.95
Rate	Rs./Unit	4.29	4.67
2 Own Generation			
a) Through Diesel Generator	Unit in lacs	4.51	13.78
Unit per Litre of Diesel/LDO	Unit	3.64	3.67
Cost	Rs./Unit	8.02	8.31
b) Through HFO Generator	Unit in lacs	20.02	304.33
Unit per Litre of Diesel/HFO	Unit	4.05	4.22
Cost	Rs./Unit	5.85	4.71
3 Coal (Grade B, C, D & E)/Pet coke			
Quantity	MT	2281.65	1261.05
Total cost	Rs. in lacs	132.50	59.48
Average rate	Rs./MT	5807.29	4717.04
4 Diesel/LDO			
Quantity	Ltrs. in lacs	1.45	4.08
Total cost	Rs. in lacs	41.65	122.13
Average rate	Rs./Ltrs.	28.63	29.90
5 Furnace Oil			
Quantity	Ltrs. in lacs	4.73	71.82
Total cost	Rs. in lacs	106.67	1391.94
Average rate	Rs./Ltrs.	22.43	19.38
B. CONSUMPTION PER UNIT OF PRODUCTION*			
1 Electricity		365.00	361.00
2 Coal B, C, D & E Grade/Pet coke		18.08	10.70

* 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 fancy yarn, keeping in touch with latest trend of fabrics exports. The company has also developed yarn for direct export to various countries.

Benefits derived as a result of R&D:

- * Product improvement, cost reduction and improvement in customer satisfaction.

Future course of action:

- * To develop new blends 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:

- * Improve the overall performance of the company.

Particulars of imported technology:

- * Not applicable

For and on behalf of the Board

New Delhi
July 31, 2008

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, 2008, 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 2007 – 08 six Board meetings were held on 11.05.2007, 15.06.2007, 25.06.2007, 31.07.2007, 31.10.2007 and 31.01.2008.

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

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

Shri R K Rajgarhia and Shri S G Rajgarhia are related to each other as brothers.

3. Audit Committee

The terms of reference of the Audit Committee, cover areas specified under Clause 49 of the Listing Agreement, such as:-

- To review the operating results and the internal audit reports.
- To suggest internal control measures after discussion with the internal auditors and to oversee their implementation.
- To review the annual financial statements with the management.
- To recommend appointment of auditors and to fix their remuneration.
- And other matters as provided in the clause 49.

During the year 2007 – 08 four Audit Committee meetings were held on 25.06.2007, 31.07.2007, 31.10.2007 and 31.01.2008.

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 R L Toshniwal	Non Executive & Independent	4	2
3	Shri S G Rajgarhia	Non Executive	4	4
4	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.

4. Remuneration Committee (non-mandatory)

Matters of remuneration of Executive Directors are considered by the Board of Directors of the Company, with the interested Executive Director, not participating/ voting. The terms of the remuneration of Executive Directors are approved by the shareholders at the general body meeting. Therefore, no separate Remuneration committee has been constituted.

Only non-executive Directors are paid sitting fees for attending the Board/Committee meetings within the limits prescribed under the Companies Act, 1956.

The details of remuneration paid to Directors in the Financial Year 2007 - 2008 are given below: -

Sl. No.	Name of the Directors	Salary	Perquisites and other benefits	Performance Bonus/ Commission	Sitting Fee	Total
1	Shri R K Rajgarhia	18,62,167	-	43,000	-	19,05,167
2	Shri R L Toshniwal	-	-	-	12,000	12,000
3	Shri K R Gupta	-	-	-	33,000	33,000
4	Shri S G Rajgarhia	-	-	-	27,000	27,000
5	Shri R R Bagri	-	-	-	30,000	30,000
6	Shri H R Sharma	11,90,703	9,360	-	-	12,00,063

APM INDUSTRIES LIMITED**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 and designation of Compliance Officer - Shri V K Singhal, Dy. Company Secretary.

13 Shareholders' complaints were received during the year 2007 - 2008 and all of them have been resolved.

There were no pending share transfers as on 31.03.2008.

6. General Body Meeting

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
2007	SP-147 RIICO Industrial Area,	29.09.2007	11.30 A.M.
2006	Bhiwadi	30.09.2006	11.30 A.M.
2005	Dist. Alwar (Rajasthan)	30.09.2005	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/CFQ Certification

Shri R K Rajgarhia, Chairman & Managing Director and Shri H R Sharma, Executive Director have given the above certificate pertaining to financial year 2007 - 08 to the Board of Directors which was taken note of at the Board meeting.

9. Disclosures

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

10. Compliance with mandatory/Non-mandatory Requirements

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

11. Means of Communication

The quarterly Financial Statements are normally published in Financial Express (Delhi Edition) and Seema Sandesh (Jaipur Edition).

12. General Shareholder Information**A. Annual General Meeting: -**

Date : September 30, 2008 (Tuesday)
Time : 11.30 A.M.
Venue : SP - 147 RIICO Industrial Area, Bhiwadi Dist. Alwar (Rajasthan)

B. Financial Calendar for 2008-09

Adoption of Quarterly Results Ended	In the Month of
30 th June, 2008	July, 2008
30 th September, 2008	October, 2008
31 st December, 2008	January, 2009
31 st March, 2009 (Audited Annual Accounts)	April, 2009 (June 2009)

C. Date of Book Closure

From September 18, 2008 to September 25, 2008 (both days inclusive).

D. Listing on Stock Exchange at: -

Bombay Stock Exchange Limited
Scrip Code 523537

The voluntary delisting of equity shares from The Calcutta Stock Exchange Association Limited has been granted by the exchange. The Listing fees for the year 2008 - 2009 have been paid to the above Stock Exchange. Demat ISIN No. in NSDL and CDSL for equity shares INE-170D01017

APM INDUSTRIES LIMITED**E. Shareholding Pattern of the Company as on 31st March, 2008.**

Category	No. of Shares held	%age of share-holding
a) Promoters/persons acting in concern	2712982	62.77
b) Banks, Financial Institutions, Insurance Companies	250	0.01
c) NRIs/OCBs	3953	0.09
d) Other Corporate bodies	181307	4.19
e) Indian Public	1423780	32.94
Total	4322272	100.00

F. Distribution of shareholding as on 31st March, 2008.

Range		Shareholders		Shares	
No. of shares		Number	% to Total Holders	Number	% to Total Capital
Upto 500		10597	96.41	769395	17.80
501 1000		207	1.88	168033	3.89
1001 2000		93	0.85	139325	3.22
2001 3000		24	0.22	62845	1.45
3001 4000		9	0.08	31164	0.72
4001 5000		8	0.07	38415	0.89
5001 10000		13	0.12	94680	2.19
10001 And above		41	0.37	3018415	69.84
Total		10992	100.00	4322272	100.00

G. 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.

H. Dematerialization of shares

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

I. Share Dematerialized record

The following data indicates the extent of dematerialization of Company's shares as on 31st March 2008.

No. of shares dematerialized	1533163	35.47% of the total share capital
No. of shareholders in D-mat Form	3154	28.69% of the total No. of shareholders

J. Market Share Price Data (Rs.)

Month		Bombay Stock Exchange Limited	
		High	Low
April	2007	34.85	28.30
May	2007	34.00	29.00
June	2007	37.50	28.00
July	2007	38.00	29.00
August	2007	33.90	28.60
September	2007	37.00	27.30
October	2007	37.20	27.10
November	2007	35.30	24.35
December	2007	41.55	25.50
January	2008	63.05	26.40
February	2008	30.00	22.90
March	2008	25.25	15.10