

41st
A**NNUAL**
REPORT
2014-2015

APM INDUSTRIES LIMITED

CIN NO.
L21015RJ1973PLC015819

BOARD OF DIRECTORS

R K RAJGARHIA
Chairman & Managing Director

K R GUPTA

S G RAJGARHIA

R R BAGRI

UMA HADA

H R Sharma
Executive Director

AUDITORS
Chaturvedi & Co.

BANKERS
Punjab National Bank
State Bank of Bikaner & Jaipur

CORPORATE OFFICE
910, Chiranjiv Tower,
43, Nehru Place
New Delhi - 110019
Tel : 011 – 26441015 – 17
Fax : 011 – 26441018
E-mail : delhi@apmindustries.co.in

COMPANY SECRETARY
JYOTI UPADHYAY

REGISTERED OFFICE & WORKS
SP-147, RIICO Industrial Area
Bhiwadi, Dist. Alwar
(Rajasthan) - 301019
Tel. : 01493 – 522400
Fax : 01493 – 522413
Email : bhiwadi@apmindustries.co.in

WEBSITE
www.apmindustries.co.in

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 41st Annual General Meeting of the Members of **APM Industries Limited** will be held on **Friday the 25th day of September, 2015 at 11.30 A.M.**, at its Registered Office at **SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan)** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015, the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To confirm the two interim dividends aggregating to Rs 2.70 per equity share as final dividend, already paid for the year ended 31st March, 2015.
3. To appoint a Director in place of Shri S G Rajgarhia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Chaturvedi & Co., Chartered Accountants (Firm Registration No. 302137E), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

5. **To Appoint Smt Uma Hada (DIN: 06463684) as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the Listing Agreement, amended up to the date, **Smt Uma Hada (DIN: 06463684)**, who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office, for five consecutive years for a term up to the conclusion of the 46th Annual General Meeting of the Company in the Calendar Year 2020."

6. **To revise the remuneration of Shri H R Sharma (DIN: 00178632), Whole Time Director in the Company**

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

"RESOLVED THAT in partial modification of the resolution passed at the 38th Annual General Meeting held on 15th September 2012 and pursuant to Section 197, 198 and other applicable provisions and rules and regulations made there under, read with Section II of Part II of Schedule V of the Companies Act 2013 (including any statutory modification or re-enactment thereof, for the time being in force), consent of members of the Company be and is hereby accorded to revise the remuneration of Shri H R Sharma, Whole Time Director in

the Company, with effect from 01st July 2015, at the remuneration, perquisite and other benefit upon the terms and conditions as set out in explanatory statement of this Notice."

7. **Ratification of Remuneration to Cost Auditor**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

- 8.. **Borrowing limits of the Company**

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

"RESOLVED THAT in supersession of the resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on September 30, 2006 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 75 crore."

9. **Creation of charge / Mortgage on the assets of the Company**

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

"RESOLVED THAT in supersession of the resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the Annual General Meeting of the Company held on September 30, 2006 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors to mortgage and/or create charge on all or any of the movable and immovable properties of the Company including the movable current assets viz., stocks, book debts etc., both present and future or the whole of the undertaking or undertakings of the Company for securing any loan, working capital facilities or other facilities obtained or as may be obtained from any financial institutions, banks, Mutual Funds or any corporate body or bodies or any other person from whom the loan is taken, together with interest, costs, charges, expenses and other moneys payable by the Company within the overall borrowing powers delegated to the Board of Directors pursuant to Section 180(1)(a) of the Companies Act, 2013."

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

New Delhi
August 5, 2015

By Order of the Board

Jyoti Upadhyay
Company Secretary

APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

NOTES

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. A statement giving the relevant details of the Directors seeking re-appointment under Item Nos. 3 and 5 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
3. **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. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

A member can opt for only one mode i.e. through remote e-voting or voting at Annual General Meeting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and the voting at Annual General Meeting shall be treated as invalid.

4. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.
5. The Company has transferred the unpaid or unclaimed dividends declared up to financial year 2006-07, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company www.apmindustries.co.in as also on the website of the Ministry of Corporate Affairs.
6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
7. The company sub-divided the face value of equity shares from Rs.10 to Rs.2. Members were advised 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 ISIN Code **INE170D01025** pursuant to change in face value.

8. 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:

delhi@apmindustries.co.in

The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

9. (a) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of National Securities Depository Limited (NSDL) to provide remote e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this remote e-voting facility is optional. This facility will be available at the link www.evoting.nsdl.com during the following voting period:

Commencement of remote e-voting : From **9.00 A.M.** on **September 22, 2015 (Tuesday)**

End of remote e-voting : Upto **5.00 P.M.** on **September 24, 2015 (Thursday)**

E-voting shall not be allowed beyond 5.00 P.M., on **September 24, 2015 (Thursday)**. During the E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for e-voting is **September 18, 2015 (Friday)**

Contact details of concerned person for e-voting:

Jyoti Upadhyay
Company Secretary
Ph. No. 011-26441015

- (b) The company has engaged the services of Skyline Financial Services Private Limited as the Authorized Agency to provide e-voting facilities.
- (c) The company has appointed Mr Ravi Sharma (FCS 4468), a Practicing Company Secretary, CP No. 3666, as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
- (d) The login ID and password for remote e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (e) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.
- (f) "remote e-voting" means the facility of casting vote by a member using an electronic voting system from a place other than venue of a general meeting;

It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.

10. The results shall be declared after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.apmindustries.co.in and communicated to the Stock Exchanges.

11. The register of members and share transfer books of the Company will remain closed from **September 19, 2015 (Saturday)** to **September 22, 2015 (Tuesday)**, both days inclusive.

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

The following Explanatory Statements, as required under Section 102 (1) of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 5 to 9 of the accompanying Notice.

ITEM NO. 5

The Nomination and Remuneration Committee of the Board has recommended the appointment of Smt Uma Hada as an Independent Director under the Act and Clause 49 of Listing Agreement to hold office for a term of five consecutive years for a term up to the conclusion of the 46th Annual General Meeting of the Company in the Calendar Year 2020. Smt Uma Hada (DIN: 06463684), aged 67 years, is a B.A. graduate. She joined the Board of the company on 08.04.2015 as a Woman Director; whose term of office expires at this Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing the Candidature of Smt Uma Hada for the Office of Independent Director of the Company.

In the opinion of the Board, Smt Uma Hada fulfills the conditions specified in the Companies Act, 2013 for such an appointment and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director. Smt Uma Hada, has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act.

The Board recommends the passing of ordinary resolution in relation to the appointment of Smt Uma Hada as an Independent Director not liable to retire by rotation.

Except Smt Uma Hada, being an appointee, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in item No. 5.

ITEM NO. 6

The Board of Directors of the Company at their meeting held on August 5, 2015, revised the remuneration being paid to Shri H R Sharma, as Executive Director (whole time) of the Company for the remaining period of his tenure i.e. upto 28th February, 2017 on mutually agreed terms, subject to the consent of shareholders at a general meeting.

The principal terms and conditions governing the payment of remuneration as recommended by the Nomination and Remuneration Committee of Shri H R Sharma are as under:

a) Salary

- i. Basic salary – in the range of Rs. 3,00,000/- to Rs. 5,00,000/- per month w.e.f. 01.07.2015 Rs. 3,00,000/- per month will be paid, thereafter the Board shall fix increments within the above ceiling till his tenure. 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 shall not exceed one month salary per year.

v. Club fees

Fees of clubs subject to a maximum of two clubs. This will not include admission and life member-ship 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.

Minimum remuneration: Where, in any financial year, the company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Shri H R Sharma, subject to the applicable provisions of Schedule – V of the Companies Act, 2013.

Accordingly, the Board recommends the special resolution for the approval by the shareholders of the company.

APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

Except Shri H R Sharma, being an appointee, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in item No. 6.

ITEM NO. 7

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of Shri Naresh Kumar Goel, Cost Accountant (Membership No. 9876), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2016. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors is Rs. 40,000/-. The remuneration has to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution. The Board of Directors recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

ITEM NO. 8 & 9

At the Annual General Meeting of the Company held on September 30, 2006, the Members had, by way of Ordinary Resolutions and in pursuance of the provisions of Section 293(1)(a) and (d) of the Companies Act, 1956, approved of:

- (i) borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 75 crore at any point of time;

- (ii) creation of a mortgage or charge for the said borrowings, as security by way of mortgage / hypothecation on the Company's assets in favour of lending agencies and trustees for the amounts borrowed i.e. upto Rs. 75 crore, including interest, charges, etc. payable thereon, as the documents for the said purpose could contain the power to take over the management of the Company, in certain events.

Under Section 180 of the Act, the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014. The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Directors commend the Special Resolution at Item Nos. 8 and 9 of the accompanying Notice for the approval of the Members of the Company. None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item Nos. 8 and 9.

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

New Delhi
August 5, 2015

By Order of the Board

Jyoti Upadhyay
Company Secretary

ANNEXURE TO ITEM 3 & 5 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Shri S G Rajgarhia	Smt Uma Hada
Director Identification Number (DIN)	00002245	06463684
Date of Birth	21/08/1946	14/07/1948
Age	69 Years	67 Years
Nationality	Indian	Indian
Date of Appointment on Board	26th July, 2000	08 th April, 2015
Qualification	B. Tech. (Hons.) and S.M. (MIT)	B.A.
Experience	45 Years	20 Years
Shareholding in APM Industries Limited	2.66%	NIL
List of Directorships held in other Companies	1. Rajgarhia Leasing and Financial Services Pvt. Ltd. 2. Orient Abrasives Limited 3. Madhushree Properties (P) Ltd 4. Autometers Alliance Limited 5. Sheevam Comfort Hotels Private Limited 6. Rovo Marketing Private Limited	Uma Properties & Traders Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees in other Public Companies	NIL	NIL
Relationship with other directors	Related to Shri R K Rajgarhia	Not related to any Director

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the 41st Annual Report together with the audited accounts for the financial year ended March 31, 2015.

FINANCIAL RESULTS

	(Rs. In lacs)	
	2014-15	2013-14
Gross Revenue	31601	30744
Profit before depreciation and tax	3171	3792
Less: Depreciation	296	465
- Profit before income tax	2875	3327
- Less: Income Tax	990	1185
- Net profit for the year	1885	2142
Add: Balance brought forward from the previous year	4041	3407
Amount available for appropriation	5926	5549
Appropriations:		
- Dividend:		
- Interim Dividend	583	216
- Final Dividend	-	216
- Total Dividend	583	432
- Corporate Dividend Tax	117	76
- General reserve	1000	1000
- Balance carried forward to Balance Sheet	4226	4041
Total	5926	5549

OPERATIONS

During the year 2014-15, the production of Synthetic Blended Yarn was marginally lower i.e. 184 lac kg as compared to 185 lac kg in 2013-14 and the gross revenue increased by 3% from Rs.307 crores to Rs.316 crores in 2014-15.

Your company achieved a net profit Rs.18.85 crores in 2014-15, which is marginally lower than last year which was due to uncertainty in the market because of decreasing trend in the prices of the Petroleum Products.

The earnings per share for the year 2014-15 was Rs.8.72, as compared to the previous year's Rs.9.91.

EXPORTS

The export turnover increased to Rs.477 lacs from Rs.266 lacs in the previous year.

EXPANSION AND MODERNIZATION

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

PROSPECTS

The company's performance in the current year is expected to be satisfactory.

PUBLIC DEPOSIT

Our company has not accepted any public deposits during the Financial Year and as such, no amount of principal or interest was outstanding as on March 31, 2015.

DIVIDEND

Your Directors in its meetings held on November 7, 2014 and April 8, 2015 had paid interim dividends @ 50% i.e. Re.1.00 per equity share and @ 85% i.e. Rs.1.70 per equity share respectively. The total dividend for financial year 2014-15 is 135% i.e. Rs.2.70 per equity share.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3) (c) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

(a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards had been followed and there are no material departures from the same;

- (b) the Directors had 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 as at March 31, 2015 and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link <http://www.apmindustries.co.in/Annual%20Reports/csr.pdf>. The Annual Report on CSR activities is annexed herewith marked as **ANNEXURE - I** to this Report.

The Company aims to achieve through CSR programmes one or more of the following –

1. Supporting rural development, promoting education, providing healthcare including preventive health care, providing sanitation and drinking water, creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India, preserving and promoting sports.
2. To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development.
3. To engage in affirmative action, interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society.
4. To pursue CSR Programmes primarily in areas that falls within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact.
5. To carry out CSR Programmes in relevant local areas to fulfill commitments arising from requests by government / regulatory authorities and to earmark amounts of monies towards "Corporate Social Responsibility (CSR)" activities and to spend such monies through CSR Cells of such administrative bodies of the government and / or directly by way of developmental works in the local areas around which the Company operates.

RISK MANAGEMENT POLICY

Risk Management is continuous process of analyzing and managing the opportunities and threats faced by the Company in its efforts to achieve its goals and to ensure the continuity of the business.

During the year, your Directors have constituted a Risk Management Committee. The Risk Management Committee has formulated and recommended to the Board, a Risk Management Policy which has been approved by the Board. The Risk Management Policy may be accessed on the Company's website at the link <http://www.apmindustries.co.in/Annual%20Reports/rmp.pdf>.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable Financial and Operational information, complying with applicable statutes, safeguarding assets from authorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies.

APM INDUSTRIES LIMITED

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The Company uses ERP (Enterprise Resource Planning) system to record data for accounting and connects to different locations for efficient exchange of information. The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- i. In accordance with the provisions of the Act and the Article of association of the Company, Smt Uma Hada was appointed as an Additional Director of the Company w.e.f. 08.4.2015 in order to comply with the requirement of having a woman director in the Board. She holds office as a Director up to the date of the ensuing Annual General Meeting and is eligible for appointment as an independent Non-executive Director.
- ii. Shri R L Toshniwal retires by rotation and has not offered himself for reappointment because of indifferent health. Your Directors place on record their sincere appreciation for the services rendered by him, during his tenure on the Board.
- iii. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- iv. Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Nomination and Remuneration Committee has carried out evaluation of every Director's performance. The Independent Directors, in a separate meeting, has also carried out the performance evaluation of the Non-Independent Directors and the Board as a whole and of the Chairman of the company and has reviewed the performance of the Secretarial Department. The performance evaluation of all the Independent Directors has been done by the entire Board, excluding the Director being evaluated. The Directors expressed their satisfaction with the evaluation process".
- v. The Board has, on the recommendation of Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The policies of the Company in this regard are attached herewith marked as Annexure - II to this Report.

AUDITORS

STATUTORY AUDITORS

At the Annual General meeting held on 25th September, 2014, M/s Chaturvedi & Co., Chartered Accountant, were appointed as Statutory Auditors of the Company to hold the office till the conclusion of the 43rd Annual General Meeting, subject to annual ratification by the members at the Annual General Meeting in accordance with the provisions of Section 139 of the Companies Act, 2013 and rules there under. Accordingly, the appointment of M/s Chaturvedi & Co., Chartered Accountant as statutory auditors of the Company is placed for ratification by the shareholders. In this regard the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shri Pradip Kumar Muduli, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as **ANNEXURE - III** to this Report.

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. The Auditor's Report does not contain any qualification, reservation or adverse remark.

DISCLOSURES

AUDIT COMMITTEE

The Audit Committee meets at due intervals to conduct the required business. The Committee comprises of Independent Directors, namely, Shri K R Gupta (Chairman), Shri R R Bagri, Shri S G Rajgarhia and Smt Uma Hada, as other members.

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.

CSR COMMITTEE

The Corporate Social Responsibility Committee comprises of Shri R K Rajgarhia, (Chairman). The other members of the Committee are Shri R R Bagri and Shri H R Sharma.

VIGIL MECHANISM

The Company has a Whistle Blower Policy to deal with instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct. The Policy on Vigil Mechanism / Whistle Blower may be accessed on the Company's website at the link <http://www.apmindustries.co.in/Annual%20Reports/vbm.pdf>.

BOARD MEETINGS

The Board of Directors duly met 4 (Four) times in respect of which proper notices were given and the proceedings were properly recorded and signed.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

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

The prescribed details as required under Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are annexed as **ANNEXURE - IV** to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of remuneration paid to the employees as required to be disclosed under section 197(12) of the Act read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, are set out in **ANNEXURE - V** attached hereto and form part of this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **ANNEXURE - VI**.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. All related party transactions during the year 2014-15 are disclosed in Form No. AOC - 2 in **ANNEXURE - VII**. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the link <http://www.apmindustries.co.in/Annual%20Reports/rptp.pdf>.

CORPORATE GOVERNANCE

The Company has implemented Corporate Governance practices. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance as **ANNEXURE - VIII** to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year 2014-15 under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

APM INDUSTRIES LIMITED
CIN No. L21015RJ1973PLC015819

CREDIT RATING

The Company's credit rating impute by rating agency as given below:

Facilities	Rating ¹
Long Term Bank Facilities	CARE BBB+ [Triple B Plus]
Short Term Bank Facilities	CARE A2 [A TWO]

STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

GENERAL

The Company has formulated a policy on Prevention of Sexual Harassment approved by the Board. The policy may be accessed on

the Company's website at the link <http://www.apmindustries.co.in/Annual%20Reports/shp.pdf>. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

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 5, 2015

R K RAJGARHIA

Chairman & Managing Director

ANNEXURE – I TO DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

Section 135 of the Companies Act, 2013 and rules made there under prescribe that every Company having a net worth of Rs 500 crores or more, or turnover of Rs 1000 crores or more or a net profit of Rs 5 crores or more during any financial year shall ensure that the Company spends, in every financial year, at least 2% of average net profits made during the three immediately preceding financial year, in pursuance of its Corporate Social responsibility Policy. The Financial details as sought by the Companies Act, 2013 are as follows:

Particulars

Average net profit of the Company for the last three Financial years

Amount (in lacs)
2844.29

Prescribed CSR Expenditure (2% of Average Net Profit as computed above)

56.89

Details of CSR spent during the financial year:

- Total amount spent for the financial year
- Amount unspent, if any

57.21
NIL

Details of Amount spent on CSR activities during the Financial Year 2014-15

Amount (in lacs)

S. No	CSR Activity or activity identified	Sector in which the project is covered Clause no. of Schedule VII of Companies Act, 2013	Project or Program (1) Local area or other; (2) Specify the State and district where projects of program was undertaken	Amount outlay or (Budget) Project or program wise	Amount spent on the projects or programs- Sub-head (1) Direct Expenditure On projects or programmes, (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent direct or through implementing agency
1	Promoting education The Company has adopted 2 Government Primary and Upper Primary Schools	Clause(ii) promoting education	Saidpur and Bhiwadi Village of Distt. Alwar (Raj)	10.00	8.27	8.27	Amount spent Directly
2	Promotion of Healthcare including Preventive Healthcare	Clause(i) promoting preventive healthcare	Bhiwadi Distt. Alwar (Raj)	5.00	4.87	4.87	Amount spent Directly
3	Company together with Trust organized Shivr for artificial foot (Jaipur foot) to needy persons	Clause(i) promoting preventive healthcare	Delhi	0.21	0.21	0.21	Implementing agency - Manav Kalyan Foundation (Regd.) Trust
4	Construction of Toilets and other facilities like tube wells for drinking water, and water tanks in schools	Clause(i) sanitation and making available safe drinking water	Bhiwadi and nearby areas of Bhiwadi Distt. Alwar (Raj)	45.00	43.86	43.86	Amount spent Directly
Total Expenditure				60.21	57.21	57.21	

Responsibility Statement

'The implementation and monitoring of Corporate Social Responsibility Policy is in compliance with CSR objectives and Policy of the Company.'

Shri R K Rajgarhia
Chairman of CSR Committee

Shri H R Sharma
Member

Date: **August 5, 2015**

APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

ANNEXURE – II TO DIRECTORS' REPORT

A) POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

This policy set out the guiding principles for the Nomination and Remuneration Committee and Human Resources for identifying persons who are qualified to become Directors and to determine the Independence of Directors, in case of their appointment as Independent Directors of the Company.

In this policy the following terms shall have the following meanings:

"Director" means a Director appointed to the Board of a Company.

"Nomination and Remuneration Committee" means committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

"Independent Director" means an Independent Director referred to in sub section (6) of section 149 and clause 49(II) (B) of the Equity Listing Agreement.

1. Policy for selection of Directors

Appointing Directors that are able to demonstrate, to the satisfaction of the Board, the following attributes, skills and abilities:

- a reputation for high standards of personal and professional ethics and integrity;
- the ability to form an independent view of matters before the Board using his/her own skills and experience;
- the ability to interpret financial statements;
- general understanding of the Company's business dynamics;

1.1. The proposed appointee shall also fulfill the following requirements

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his/her written consent to act as a Director;
- Shall abide by code of conduct for Board Members and Senior Management;
- Shall disclose his/her concern or interest in any Company or Companies or Bodies Corporate, firms or other association of individuals including his shareholding at the first meeting of the Board in every Financial Year and thereafter whenever there is a change in the disclosures already made
- Such other requirements as may be prescribed from time to time, under the Companies Act, 2013, Listing Agreements and other relevant laws.

2. Criteria of Independence

The criteria of independence, as laid down in Companies Act, 2013 and clause 49 of the Listing Agreement, is as below:

An Independent Director in relation to a company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director,-

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) i. who is or was not a promoter of the company or its holding, subsidiary or associate company;
- ii. who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount

as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives:

i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:

A. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

B. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

iii. holds together with his relatives two per cent. or more of the total voting power of the company; or

(f) who possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business

(g) who is not less than 21 years of age.

(h) The Independent Directors shall abide by the provisions specified in Schedule IV of the Companies Act, 2013.

3. Other Directorships

- A Director shall not serve as Director in more than 20 Companies of which not more than 10 Companies shall be Public Limited Companies.
- A Director shall not serve as Independent Director in more than 7 Listed Companies and 3 listed companies in case he is serving as a Whole-time Director in any Listed Company.
- A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which he holds Directorship.

B) REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES.

This policy set out the guiding principles for the Nomination and Remuneration Committee and Human Resources for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

In this policy the following terms shall have the following meanings:

"Director" means a Director appointed to the Board of a Company.

"Key Managerial Personnel" means

- i. the Chief Executive Officer or the managing director or the manager;
- ii. the company secretary;
- iii. the whole-time director;
- iv. the Chief Financial Officer; and
- v. such other officer as may be prescribed under the Companies Act, 2013

"Nomination and Remuneration Committee" means committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

1. Remuneration to Non-executive Directors

Non-Executive Directors are paid remuneration in the form of sitting fees for attending the Board Meetings and Committee Meetings as fixed by the Board of Directors from time to time, subject to statutory provisions.