

43rd
A**NNUAL**
REPORT
2016-2017

APM INDUSTRIES LIMITED

CIN NO.
L21015RJ1973PLC015819

BOARD OF DIRECTORS

R K RAJGARHIA
Chairman

K R GUPTA

S G RAJGARHIA

R R BAGRI

UMA HADA

H R Sharma
Managing Director

AUDITORS
Chaturvedi & Co.,

BANKERS
Punjab National Bank
State Bank of India
IDBI Bank
HDFC Bank

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

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

COMPANY SECRETARY
JYOTI UPADHYAY

WEBSITE
www.apmindustries.co.in

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the **43rd** Annual General Meeting of the Members of **APM Industries Limited** will be held on **Monday the 25th day of September, 2017 at 11.30 A.M.**, at its Registered Office at **SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) – 301019** to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March 2017, together with the Reports of the Directors and Auditors thereon.
2. To declare final dividend of Rs. 0.50 per equity shares of face value of Rs 2.00 each for the Financial Year 2016-17.
3. To appoint a Director in place of Shri R K Rajgarhia (DIN No. 00141766), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E), as Statutory Auditors of the Company in place of retiring Statutory Auditors and to fix their remuneration and in this connection to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**.

“RESOLVED THAT pursuant to the provisions of Section 139 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 thereof, for the time being in force), M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E) be and is hereby appointed as Statutory Auditors of the Company in place of M/s Chaturvedi & Co., Chartered Accountants (Firm Registration No. 302137E), the retiring Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 48th Annual General Meeting of the Company, at such remuneration and terms and conditions as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. **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, 2018, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

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

By Order of the Board

Jyoti Upadhyay
Company Secretary
(Membership No. 37410)

Place: New Delhi
Dated: August 11, 2017

NOTES

1. The relevant Explanatory Statement pursuant to section 102 of the Companies Act, 2013, in respect of Special Business under Item No. 5 is annexed hereto.
2. A statement giving the relevant details of the Directors seeking re-appointment under Item No. 3 of the accompanying Notice, as required by Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard-2 on General Meetings is annexed herewith.
3. The register of members and share transfer books of the Company will remain closed from **September 19, 2017 (Tuesday)** to **September 25, 2017 (Monday)** both days inclusive for payment of Dividend and AGM.
4. 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. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
5. 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.
6. **Dividend and IEPF**

Members who have not yet encashed the dividend warrant(s) from the financial year 2010-11 and onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. The details of the unclaimed dividends are available on the Company's website at www.apmindustries.co.in and Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact Skyline Financial Services Private Limited, the Registrar and Share Transfer Agents of the Company to claim the unclaimed / unpaid dividends.

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under corresponding to Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The Members / claimants whose shares, unclaimed dividend, etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

Members are requested to note that, in order to avoid any loss/interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) they should submit their NECS / ECS details to the Company's Registrar and Share Transfer Agents. The requisite NECS /ECS application form can be obtained from the Company's Registrar and Share Transfer Agents. Alternatively, Members may provide details of their bank account quoting their folio numbers, to the Company's Registrar and Share Transfer Agents to enable them to print such details on the dividend warrants.

7. 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.
8. 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 to the Registrar / Company.
9. Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form.
10. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose email 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. The Annual Report will also be made available on the Company's website at www.apmindustries.co.in.

Members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with Registrar (in case of shares held in physical form).

11. In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, 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, 2017 (Friday)**

End of remote e-voting : Upto 5.00 P.M. on **September 24, 2017 (Sunday)**

E-voting shall not be allowed beyond 5.00 P.M., on **September 24, 2017 (Sunday)**. 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, 2017 (Monday)**. A person who is not a member as on cut-off date should treat this notice for information purpose only.

Contact details of concerned person for e-voting:

Jyoti Upadhyay
Company Secretary
Ph. No. 011-26441015

12. The Company has appointed Shri 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. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

13. 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.

The process and manner for remote e-voting are as under:

- a) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "APM Industries Limited remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "APM Industries Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to info@csrsm.com with a copy marked to evoting@nsdl.co.in.
- b) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the e-voting instructions:

EVEN (Remote e-voting Number)	User ID	Password/Pin

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- (iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free No.: 1800-222-990.
- (iv) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password / PIN for casting your vote.
- (v) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **September 18, 2017**.

14. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. September 18, 2017 (Monday), may obtain the User ID and password from:

*M/s Skyline Financial Services Private Limited
D-153 A, First Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020.
Telephone: 011-64732681-88,
Fax: 011-26812682
Email : admin@skylinerta.com*

15. "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'.
16. "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.
17. The facility for voting through ballot paper shall also be available at the AGM and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.

18. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.apmindustries.co.in and on the website of NSDL i.e. www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

19. The route map showing directions to reach the venue of the 43rd AGM is annexed.

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 No. 5 of the accompanying Notice.

ITEM NO. 5

The Board of Directors of the Company on the recommendation of the Audit Committee approved the re – 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, 2018. 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.45,000/-. 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. 5 of the Notice for approval by the Members.

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

By Order of the Board

Jyoti Upadhyay
Company Secretary
(Membership No. 37410)

Place: New Delhi
Dated: August 11, 2017

ANNEXURE TO ITEM No. 3 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting
[in pursuance of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 & Secretarial Standard 2]

Particulars	Item No. 3
Name of the Director	Shri R K Rajgarhia
Director Identification Number (DIN)	00141766
Date of Birth	14/08/1938
Age	79 Years
Nationality	Indian
Date of Appointment on Board	1 st August, 1994
Qualification	Graduate
Experience	57 Years
Nature of his expertise in specific functional areas	Investment decision, financing activities, strategic planning in capital budgeting and overall decision.
Shareholding in APM Industries Limited	17.81%
Directorships held in other listed companies	Perfectpac Limited
List of Directorships held in other Companies	Rajgarhia Leasing and Financial Services Pvt. Ltd.
Memberships / Chairmanships of Committees in APM Industries Limited	1. Chairman of Corporate Social Responsibility Committee, 2. Member in Nomination and Remuneration Committee
Memberships / Chairmanships of in other Public Companies	Nil
Relationship with other directors	Related to Shri S G Rajgarhia, Non Executive Director of the Company
Number of Board meeting attended during the year	Refer to corporate Governance Report
Remuneration last drawn	Refer to corporate Governance Report

APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the 43rd Annual Report together with the Audited Standalone & Consolidated financial statements for the financial year ended March 31, 2017.

FINANCIAL RESULTS

FINANCIAL RESULTS	(Rs. In lakhs)		
	Standalone		Consolidated
	2016-17	2015-16	2016-17
Gross Revenue	25417	27017	25428
Profit before depreciation and tax	2323	3354	2325
Less: Depreciation	420	296	420
Profit before income tax	1903	3058	1905
Less: Tax	653	1048	653
Net profit for the year	1250	2010	1252
Add: Balance brought forward from the previous year	4825	4226	4825
Add: Transferred from revaluation reserve	100	-	100
Amount available for appropriation	6175	6236	6177
Appropriations:			-
- Total Dividend	324	757	324
- Corporate Dividend Tax	69	154	69
- General reserve	-	500	-
- Balance carried forward to Balance Sheet	5782	4825	5784
Total	6175	6236	6177

The Consolidated Financial Statements have been prepared in accordance with the provisions of Schedule III of the Companies Act, 2013 and Accounting Standards issued by the Institute of Chartered Accountant of India and the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and form part of Annual Report.

OPERATIONS

During the year 2016-17, the production of synthetic blended yarn was marginally lower, i.e., 169 lakh kgs as compared to 176 lakh kgs in 2015-16. The gross revenue also decreased by 5.92% from Rs.270 crores to Rs.254 crores. This was due to a reduction in the sale volume and the prices of finished products. Net profits also reduced from Rs.20.10 crores in 2015-16 to Rs.12.50 Crores in 2016-17, which was mainly due to the effect of demonetisation. The profitability was further effected due to an increase in the power cost.

TRANSFER TO RESERVES

No amount has been transferred to General Reserve for the Financial Year 31st March, 2017.

EXPORTS

The export turnover decreased to Rs.202.00 lakhs from Rs.258.00 lakhs in the previous year due to global recession.

EXPANSION AND MODERNIZATION

The company continues to modernize its plant and machinery and add balancing equipment. The production capacity increased from 52976 to 55584 spindles during the Financial Year 2016-17.

The company has replaced 7632 spindles, along with other balancing machinery for modernization of plant & machinery and completed upgradation of effluent treatment plant to the level of zero liquid discharge in the year 2016-17. This would enable the company to improve productivity as well as quality of its products and fulfill requirement under Rajasthan Pollution Control Act.

The company has a further plan to replace 25 TFO machines, 8 Auto coners and 6 cheese winding machines with energy efficient and high production machines. This would enable the company to reduce cost of production & improve quality of its product.

SUBSIDIARY

The Company has one subsidiary i.e. APM Finvest Limited. It is not a material subsidiary in terms of sub-regulation (1)(c) of Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In accordance with Section 129(3) of the Companies Act, 2013 ("Act") and Rule 5 of the Companies (Accounts) Rules, 2014 and relevant Accounting Standards ("AS"), the Company has prepared consolidated financial statements of the Company and its subsidiary company, which form part of the Annual Report. A statement in Form AOC-I containing salient features of the financial statements of the subsidiary

company is annexed as **Annexure - I** to this report. In accordance with provisions of Section 136(1) of the Act, the Annual Report of the Company, containing therein the standalone and consolidated financial statements and audited financial statement of the subsidiary has been placed on the website of the Company, www.apmindustries.co.in.

PROSPECTS

The Government of India has implemented Good & Service Tax (GST) in July, 2017. This is a landmark reform and in the long run will provide significant growth stimulus to business, but may create some short term disruptions.

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

PUBLIC DEPOSIT

Your 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, 2017.

DIVIDEND

Your Directors in its meeting held on 11 November, 2016 had paid an Interim Dividend @ 75% i.e. Rs 1.50 per equity share of face value of Rs 2.00 each. The Board of Directors have now recommended a final dividend of 25% i.e. Rs 0.50 per equity shares of face value of Rs 2.00 each, subject to approval of the shareholders. The total Dividend for Financial Year 2016-17 is 100% i.e. Rs 2.00 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:

- in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards had been followed and there are no material departures from the same;
- 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, 2017 and of the profit and loss of the company for that period;
- 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;
- the Directors had prepared the annual accounts on a going concern basis;
- 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
- 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.

INTERNAL FINANCIAL CONTROLS

The Company uses ERP (Enterprise Resource Planning) system to record data for accounting and to connect 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. The Company Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee reviewed the internal controls and financial reporting issues with Internal Auditors and Statutory Auditors.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- The members in their 42nd Annual General Meeting held on 24.09.2016, approved the change in designation of Shri R K Rajgarhia as Chairman of the Company and Shri Hari Ram Sharma as Managing Director of the Company.
- 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 Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- iii. As per the provisions of Companies Act, 2013, Shri R K Rajgarhia retires by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.
- iv. Pursuant to the provisions of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has carried out evaluation of every Director's performance. The Independent Directors, in a separate meeting, have 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 have 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".

AUDITORS

STATUTORY AUDITORS

In accordance with the provision of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s Chaturvedi & Co., Chartered Accountants (Firm Registration No. 302137E), completes its term as the Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting ("AGM") of the Company.

Your Directors on recommendation of the Audit Committee, seek approval of the Members at the ensuing AGM of the Company, for appointment of M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E), for an initial term of five (5) consecutive years. M/s. Chaturvedi & Partners, Chartered Accountants, have confirmed their eligibility and willingness for appointment as Statutory Auditors of the Company under the provisions of the Companies Act, 2013 and Rules framed thereunder. Accordingly, a resolution, proposing appointment of M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E) as the Statutory Auditors of the Company for a term of five (5) consecutive years, from the conclusion of the 43rd AGM till the conclusion of the 48th AGM of the Company pursuant to Section 139 of the Companies Act and Rules framed thereunder on such remuneration as may be decided by Board of Directors of the Company, is set out in the resolution included in the Notice convening the AGM of the Company. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM.

The Board of Directors places on record its appreciation for the services rendered by M/s Chaturvedi & Co., Chartered Accountants, as the Statutory Auditors of the Company.

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 M/s RSM & Co., Company Secretaries, New Delhi to undertake the Secretarial Audit of the Company for the financial year ended 31.03.2017. The Report of the Secretarial Audit Report is annexed herewith as **ANNEXURE - II** to this Report.

COST AUDITOR

Pursuant to provisions of Section 148 of the Companies Act, 2013, the Board of Directors has re-appointed Shri N K Goel, Cost Accountant, Delhi as Cost Auditor of the Company, for the financial year 2017-18.

INTERNAL AUDITOR

Pursuant to provisions of Section 138 of the Companies Act, 2013, the Board of Directors has re-appointed M/s TN Chaturvedi & Co., Chartered Accountant, Delhi as Internal Auditors of the Company, for the financial year 2017-18.

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.

BOARD MEETINGS

The Board of Directors duly met 5 (Five) times in respect of which proper notices were given and the proceedings were properly recorded and signed. The Board has complete access to all information with the Company. All Board meetings are governed by a structured agenda which is backed by comprehensive background information.

COMMITTEES OF THE BOARD

Currently the Board has five committees, they are:

- 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 three members. Shri R K Rajgarhia is the Chairman and the other members of the Committee are Shri R R Bagri and Shri H R Sharma. The Annual Report on CSR activities is annexed herewith marked as **ANNEXURE - III** to this Report.

- NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of four members. Shri K R Gupta is the Chairman and the other members of the Committee are Shri R K Rajgarhia, Shri R R Bagri and Smt Uma Hada. The policies of the Company are attached herewith marked as **ANNEXURE - IV** to this Report.

- STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee comprises of three members. Shri K R Gupta is the Chairman and the other members of the Committee are Shri R R Bagri and Shri H R Sharma. The Committee looks into the mechanism of redressal of grievances of shareholders.

- RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of three members. Shri R R Bagri is the Chairman and the other members of the Committee are Shri H R Sharma and Shri C S Vijay. The Committee is analyzing and managing the opportunity and threats faced by the company.

COMPANY POLICIES

i) CORPORATE SOCIAL RESPONSIBILITY

The Policy on Corporate Social Responsibility may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-CSR.pdf>

ii) 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. The Risk Management Policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-RM.pdf>

iii) 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://apmindustries.co.in/Annual%20Reports/Policy-WBM.pdf>

iv) RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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 2016-17 are disclosed in Form No. AOC - 2 in **ANNEXURE - V**. 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://apmindustries.co.in/Annual%20Reports/Policy-RPT.pdf>

v) PREVENTION OF SEXUAL HARASSMENT

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for prevention of sexual harassment of its women employees.

The policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-PSH.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.

APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

vi) **NOMINATION AND REMUNERATION POLICY**

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 policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-NCR.pdf>

vii) **POLICY FOR DETERMINING MATERIALITY FOR DISCLOSURES**

This policy applies to disclosure of events affecting APM Industries limited. The policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-DME.pdf>

viii) **DOCUMENTS RETENTION AND ARCHIVAL POLICY**

This policy deals with retention and archival of corporate records of APM Industries Limited. The policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-POD.pdf>

ix) **POLICY - DETERMINING MATERIAL SUBSIDIARY**

The Objective of this Policy is to determine the "Material Subsidiaries of the Company" and to provide the Governance Framework for Subsidiaries. The policy may be accessed on the Company's website at the link <http://apmindustries.co.in/Annual%20Reports/Policy-DMS.pdf>

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 - VI** 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 - VII** 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 - VIII**.

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 - IX** to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year 2016-17 under review, as stipulated under Regulation 34(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

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]

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the company to which the financial statements relate, i.e. Change in nature of business No changes has been made in nature of business carried out by 31st March, 2017 and the date of the Board's Report.

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

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

The Directors express their appreciation for the support received from Associates of the Company, Shareholders, Vendors, Customers and other Stakeholders.

For and on behalf of the Board

R K Rajgarhia
Chairman
DIN : 00141766

Place : New Delhi
Dated : August 11, 2017

ANNEXURE – I TO DIRECTORS' REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part A- Subsidiaries

Sl. No.	Particulars	Details (Amount in Rs)
1	Name of the subsidiary	APM Finvest Limited
2	The date since when subsidiary was acquired/incorporated	13.05.2016
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	13.05.2016-31.03.2017
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
5	Share capital	20,000,000.00
6	Reserves and surplus	100,527.00
7	Total assets	20,612,650.00
8	Total Liabilities	20,612,650.00
9	Investments	-
10	Turnover	974,238.00
11	Profit before taxation	145,480.00
12	Provision for taxation	44,953.00
13	Profit after taxation	100,527.00
14	Proposed Dividend	-
15	Extent of shareholding (in percentage)	100.00%

Part B- Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures- NA

For and on behalf of the Board

R K Rajgarhia
Chairman
DIN : 00141766

Place : New Delhi
Dated : August 11, 2017

ANNEXURE – II TO DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members

APM Industries Limited

CIN: L21015RJ1973PLC015819

Registered Office: SP-147, RIICO Industrial Area

Bhiwadi, Dist. Alwar

Rajasthan- 301019

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **APM INDUSTRIES LIMITED** (hereinafter called the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance – Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2017 according to the provisions of:-

1. The Companies Act, 2013("the Act") and Rules made thereunder as amended/modified;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period);**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, **(Not applicable to the Company during the audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable to the Company during the audit period);**
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar and Transfer Agent during the audit period);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period);**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not applicable to the Company during the audit period). and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. We further report that, we relied on the representation made by the Company and its officer for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
7. We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

8. We have also examined the compliances with the applicable clauses of the following:-

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

9. We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

Adequate notice is given to all Directors to schedule the Board Meetings, agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and Majority of decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

10. We further report that during the audit period, there were no instances of:-

- (i) Public / Rights / Preferential Issue of Shares / Debenture / Sweat Equity;
- (ii) Redemption / Buy-back of Securities;
- (iii) Merger / Amalgamation / Reconstruction etc.;

This report is to be read with our letter of even date which is annexed as "Annexure-A" and form an integral part of this report.

For RSM & CO.
Company Secretaries

RAVI SHARMA
PARTNER

FCS NO.4468, C. P. NO. 3666

Dated: August 8, 2017

Place: New Delhi

Annexure-A

The Members

APM Industries Limited

CIN: L21015RJ1973PLC015819

Registered Office: SP-147, RIICO Industrial Area

Bhiwadi, Dist. Alwar

Rajasthan- 301019

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, rule and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For RSM & CO.
Company Secretaries

RAVI SHARMA
PARTNER

FCS NO.4468, C. P. NO. 3666

Dated: August 8, 2017

Place: New Delhi

APM INDUSTRIES LIMITED

CIN No. L21015RJ1973PLC015819

ANNEXURE – III TO DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2016 -2017

A brief outline of the Company's CSR policy:

For your Company, CSR means Corporate Sustainable Responsibility and this means embedding CSR into its business model. The CSR activities and programs are initiated towards the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company towards socio-economic development. Web-link to the CSR policy and projects / programs- <http://apmindustries.co.in/Annual%20Reports/Policy-CSR.pdf>.

Composition of CSR Committee:-

Shri R K Rajgarhia : Chairman
Shri R R Bagri : Member
Shri Hari Ram Sharma : Member

Particulars

Average net profit of the Company for the last three Financial years	3077.50
Prescribed CSR Expenditure (2% of Average Net Profit as computed above)	61.55
Unspent amount carry forward from previous Financial year 2015-16	21.89
Total CSR Expenditure to be spent in the Financial year 2016-17	83.44

Details of CSR spent during the financial year:

- Total amount spent for the financial year	74.38
- Amount unspent, if any	9.06

Details of Amount spent on CSR activities during the Financial Year 2016-17

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		Cumulative Expenditure upto the reporting period	Amount spent direct or through implementing agency
					Direct Expenditure on projects or programmes	Overheads		
1	Promoting education	Clause (ii) promoting education	Bhiwadi, Tijara & Delhi	57.50	55.40	-	-	Direct/Rotary Vidya Kendra (A unit of Delhi South Central Charitable Trust)
2	Promotion of Healthcare	Clause (i) promoting health care including preventive health care	Bhiwadi, Distt. Alwar (Rajasthan)	15.94	10.25	-	-	Direct/Ram Lal Rajgarhia Memorial Trust
3	Promoting special education and employment enhancing vocational skill among women	Clause (ii) promoting education	Delhi	1.00	0.47	-	-	Servants of the People Society (A trust founded by Lala Lajpat Rai)
4	Contribution for Running old age home for senior citizens	Clause (iii)	Delhi	2.00	2.00	-	-	Sant Hardayal Education & Orphanage Welfare Society (old Age home-Guru Vishram Vridh Ashram)
5	Conservation of Natural resources	Clause (IV) Conservation of natural resources	Bhiwadi, Distt. Alwar (Rajasthan)	5.00	5.00	-	-	Mukhya Mantri Jal Swavlamban Yojna
6	Animal Welfare	Clause (iv)	Bhiwadi, Distt. Alwar (Rajasthan)	2.00	1.26	-	-	Baba Mohan Ram Goshala
Total Expenditure				83.44	74.38	-	-	

Reason for unspent amount

The projects undertaken under Sl. No 2 above could not be incurred fully because late start of the Dispensary i.e. from November, 2016. Further the contribution to Registered organized Trust also incurred on lower side. The unspent amount of Rs 9.06 Lakhs will be incurred in 2017-18.

Responsibility Statement

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

R K Rajgarhia
Chairman in CSR Committee
DIN : 00141766

Hari Ram Sharma
Managing Director
DIN: 00178632

Place : New Delhi
Dated : August 11, 2017