



Apollo TriCoat

THREE STEPS AHEAD

BSLL/SEAQ/2018-19

October 17, 2018

To,
The Department of Corporate Services
BSE Limited
Floor 25, P J Towers
Dalal Street, Mumbai-400 001

SCRIP CODE: 538566

Dear Sir/Madam,

Subject: Submission of Annual Report for the Financial Year 2017-18.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed herewith Annual Report of the Company for the financial year 2017-18.

Please note the same has been approved and adopted at the 36th Annual General Meeting of the Company held on Saturday, 29th September, 2018 at the IMA-East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi-110092

Kindly take the above information on your record.

Yours Faithfully
For Apollo Tricoat Tubes Limited


Surbhi Arora
Company Secretary
M. No. A33370



Encl:a/a

Apollo TriCoat Tubes Limited

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THREE STEPS AHEAD

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APOLLO TRICOAT TUBES LIMITED



ANNUAL REPORT 2017-18

Contents

Corporate Overview

01	THREE STEPS AHEAD
02	WE ARE NOW APOLLO TRICOAT TUBES LIMITED
03	OUR STRENGTHS
04	PRODUCT PAR EXCELLENCE
06	SALES STRATEGY
08	ORGANIZATIONAL VALUES
10	FINANCIAL HIGHLIGHTS
12	MANAGING DIRECTOR'S COMMUNIQUE
14	BOARD OF DIRECTORS
15	CORPORATE INFORMATION

Management Reports

16	MANAGEMENT DISCUSSION AND ANALYSIS
22	WE ARE THERE
23	DIRECTORS' REPORT
35	REPORT ON CORPORATE GOVERNANCE

Financial Highlights

44	INDEPENDENT AUDITOR'S REPORT
48	FINANCIAL STATEMENTS



THREE STEPS AHEAD



We are living in exciting times today – with global economy rebounding to the highest growth levels since 2011 and India continuing to reign as the world's fastest growing economy. The excitement continues as India's GDP has been forecasted to take over that of China in 2018 as well as 2019*.

The growth saga continues, with domestic steel industry growing at healthy pace – production of crude steel growing at 4.8% and finished steel at 5.3% and India standing out to be a net exporter of finished steel in FY18. With the Government's thrust on boosting the infrastructural development and 'Make in India' initiative, smart cities, airports, new routes and gas pipelines, the steel industry is all set for rosier days ahead.

For Apollo TriCoat, FY18 was a year of decisive changes – beginning from innovating a TriCoat product and ending the year with the commencement of a new plant setup. Since July 2018, we have come up with a new corporate identity – Apollo TriCoat Tubes Limited and adopted a new tag line – "Three Steps Ahead". This tagline was carefully drafted, after a thoughtful

deliberation and a 360 degree SWOT analysis. The results revealed that we are ahead of our competition in three ways – our products, our selling techniques and our organizational values. Our products are unique in a way that they are introduced for the very first time in the Indian markets. Currently, the Indian market is serviced by products bearing only single layer of coat. A tricoat product would enhance the longevity of the product. Our selling techniques involve steps like creating awareness amongst the customers about the benefits of our products, which would not only give them the urge to buy our products but also further fortify our position in the market. It would further help us premiumise our products rather than pushing for sales at competitive rates. As far as the organisational values are concerned, we have a set of core values that are embedded in our DNA and guide us in day-to-day operations and forms the base of our work culture.

With these steps that have taken us three steps ahead, we envision to create an impeccable value for all our shareholders, who have exhibited their trust and continue to support us in all our endeavours...

*Source: IMF's world Economic Outlook, July 2018

WE ARE NOW APOLLO TRICOAT TUBES LIMITED



Apollo TriCoat

THREE STEPS AHEAD

We are now Apollo TriCoat Tubes Limited – India's first TriCoat tubes manufacturers. In an attempt to rev-up our company, we have rechristened our name, which was initially Best Steel Logistics Limited and changed the nature of our business to Manufacturing of TriCoat tubes.

We have expertise in manufacturing TriCoat Tubes, a steel tube product with combination of three corrosion resistant layers viz. Paint, Zinc and Polyester coat. Our product is eco-friendly and free from Cadmium, lead and hexavalent chromium. TriCoat tubes are widely used for electrical conduits and appliances and green houses in the first world countries like USA, Canada and Australia. India being a developing country is in the need of a revolutionary product like this in the electrical appliances and also in the

greenhouse. This product can bring down the cost of the greenhouses drastically and also increase the longevity at the same time. In case of the Electrical conduits, this product is a more fire resistant and doesn't melt as fast as PVC conduits and hence in case of fire, will not produce toxic smoke which becomes a major reason for life loss.

We have established our first green field state of the art plant in Malur Industrial Area, Near Bengaluru, Karnataka with an installed capacity of 50,000 MT per annum. The TriCoat tubes are made from Galvant Process, which we have procured from USA and the other tube making machineries are from Italy.

We have adopted the ideology of "Three Steps Ahead" which is our Tagline as well.

We have committed our focus on three important elements:

- Product
- Value selling techniques
- Organizational values

We have created a niche for our brand and have perked up our brand-value furthermore, to imbibe these elements in our DNA.

Interestingly, our past experience and learning has helped us create a value chain for the organization and all our stakeholders - be it Shareholders, Buyers, Suppliers, Employees. Moreover, in order to become a long-term winner, we have further leveraged our stance on cost-effectiveness and efficiency.

Our Strengths



LEADERSHIP WITH INTEGRITY

We not only believe in leading the segment but also believe in it by using fair means. We believe with our leadership style, managers and employees, products and customer satisfaction will lead to increase in profits. We lead with developed and refined ideas for the future.



INNOVATIVE ENGINEERING

We believe in applying our technology to manufacture a new product. The new product should not only provide a few additional features but should be also something new. We continuously look forward to come up with these innovations. As the new products are innovative they have a cutting edge over its competitors.



HIGH QUALITY PROFESSIONALS

We believe that work is done best by the professionals. As the professionals have best knowledge of the work they are accomplishing. Apart from knowledge they have codes of conduct, standards of practice and moral obligations. With the efforts of these professionals we would be able to deliver outstanding results.



FOCUS ON OUR CLIENTS

We are client-focused which means believing in the superiority of client relationship strategies over competitor-focused strategies; the medium-and long-term over successive short-terms and truth-telling over spinning. We believe on focusing on our clients since we want to retain our clients. We take care of them by focusing on client needs. We believe that one of the major factors contributing to the success is serving them better than the competitors. We serve our clients by gaining their trust. Once a trust of client is being established it leads to the loyalty.



LEADERSHIP TEAM

We believe a strong leadership plays a key role in the functions of the company. We have benefitted from an experience leadership team. Ours is a strong, active and independent board members team having a rich experience. With our strong leadership team we share common values and common goals. Our team members work cooperatively and supportively to advance its purpose, achieve its goals, address challenges and grow our company.



VISION

- To be amongst India's most reliable tube making companies
- To create a brand, which is known for its trust
- To create an organization with ethical and modern working culture
- To enhance business visibility across newer markets
- To create sustainable value for all stakeholders

**PRODUCT PAR
EXCELLENCE**



"We have launched TriCoat Tubes, a product that is a perfect blend of coating : paint, zinc and polyester."

On January 2018, Sh. Rahul Gupta made an open offer for acquiring shares of Best Steel Logistics Limited and become the Promoter & Managing Director of the Company. Coming with an experience of more than 7 years in Steel market, he has introduced a new business of manufacturing of TriCoat Tubes in three variants - SureCoat, DuraCoat and SuperCoat, with the advanced Galvant technology. This technology and the product has been introduced for the first time in India. The technology has been obtained from the USA, to manufacture tubes with a triple layer of protective coating, i.e., paint, zinc and UV organic coating. It is an eco-friendly product that is free from lead, cadmium and hexavalent chrome. These coatings enhance the life of the product.

Progressing further, we decided to change the nature of business to manufacturing and so changed the name of the company to 'Apollo TriCoat Tubes Limtied'. The company has invested ₹ 100 Crores in setting up a plant in Malur, Bangalore with an initial capacity of 50000 MT per annum and which is expected to be commissioned by October 2019. All the necessary Government approvals are already in place and the work is in full-swing, for timely commencement of commercial production. Being a Greenfield project, the plant is equipped with the best-in-class technologies and state-of-the-art equipment, in order to produce world-class quality products and be both cost-effective and resource-efficient in long term. The Management is working relentlessly, to acquire the

best talent in the industry; and establish the best practices in operations, fundamentals and governance. The Company is working towards launching the product in the market with brand name "Apollo TriCoat", with structured marketing plans and is trying to follow an approach of Value Creation for customers. The brand building activity will majorly done through Below the Line branding techniques initially, focusing more towards personalized interactions with major buyers, which will be followed by other branding activities. We are cognizant of nature and ensure that only the pollution-free processes and sustainable manufacturing practices are undertaken for production, to benefit all the stakeholders.

Corrosion Resistant Zinc Coating

An even layer of 99% zinc with thickness of 185 GSM is applied during manufacturing to provide corrosion resistance. The Galvanization is done on line during the process of manufacturing of the pipe. This process yields a thinner zinc iron alloy layer allowing for a thicker layer of pure zinc giving better and longer lasting protection.

Corrosion resistant Interior Coating

TriCoat has a zinc rich polymer resin paint on the interior surface of the tube which protects the tube from interior corrosion.

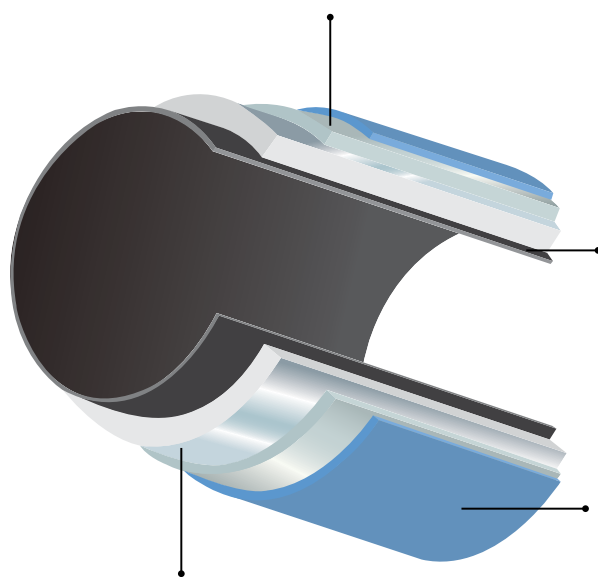
Polymer Coating

Clear polymer coating (12.5 micron thick) is been applied over the zinc layer. This polymer coating provides multiple benefits

- Smooth, lustrous and uniform finish
- The polymer surface finishing allows for the application of various different surface finishing with ease.
- It also helps in extending the life
- to the steel section by providing
- protection to the zinc coating.

Steel Tubing

Our product boasts superior yield and tensile strength of 350 Mpa and 380 Mpa respectively. this gives a better strength to weight ratio.



SALES STRATEGY



We have always taken a serious cognizance of the fact that sales play an important role in making any business a roaring success, therefore, we have always tried to meet our customer's requirement with perfection. In order to serve our customers better, we have kept innovation and technology at the core of our organization and have functioned accordingly.

We have introduced the best of technologies in our product offerings and have tried to earn the trust of the customers by giving them service par excellence. Our selling technique is a perfect amalgamation of value selling and value-realisation. We majorly focus on value selling and avoid the lure of volume selling, as we value quality over quantity.

We firmly believe in not pushing our products into the market at cheap prices, which may lead to creating an unstable market. Rather, we trust in creating awareness about our products in the market and letting the customer know about its immediate and long-run benefits. This exercise would not only help establish our product's premium positioning in the market but also create an awareness amongst the consumer, who would buy our products, thus, recognizing its worth.

Therefore, in the long-run, we would end up creating a premium and niche market for our products. Our commitment

towards excellence has helped us create a value chain for the organization, shareholder, buyers and suppliers. Apart from value selling, we also focus on customer satisfaction, intensifying our BTL activities and adopting the one-on-one approach rather than ATL activities. Our selling techniques also include being cost-effective and building a strong relationship with the customers and portraying our brand as the most customer-friendly brand in the country.



"We have kept innovation and technology at the core of our organization and functioned accordingly."

ORGANIZATIONAL VALUES



Every organization has a set of values, which may or may not be written down. These values guide the prospects of the organization as well as its actions. We are well aware of the fact that the work culture of an organisation decides thoroughly its growth and future prospects. At Apollo TriCoat, we have laid down some commonly-held values, which we abide by. These values have played an important role in determining our success, problem solving aptitude and creating our brand value. Our organisational value stands on the pillars of trust, authenticity and loyalty. We have also put emphasis on creating a better knowledge bank for product enhancement and innovative ideas that our team is skilled at. Our asset has been learnings from the past experience, helping in creating a value chain for our clients, vendors and peers. We pay attention to instilling our organisation's value in our employees that help them function better. We also believe that organizational values are one of the influential marketing tools that aids in the productivity of the employees and quality output, which in turn, encourage the potential buyers to buy or use our company's product. It also has a direct influence on the company's growth and a bad organisational value may lead to a reduced output and slackening in the performance of the employees. Further focusing on the technical competencies, we have the most skilled workforce in place. Our employees are not only culturally fit but also behaviourally competent individuals. We consider that even though the technical capability is



a basic essential for most of the roles, it is the organisational values that align one's ability to contribute and make the organization more capable.

Moreover, organizational values lead to creating a culture that brings all the employees on a common platform. And at Apollo TriCoat, we share the same ideology and passion. We promote an equal opportunity environment wherein there is a feeling of inclusion and oneness. We have the best talents on board and we are well-placed technically with skilled manpower and managers who boast of rich experience and a good knowledge base. For us, our employee is an important asset and we believe in encouraging them. Our company promotes a healthy relationship amongst the employees and help them excel because we consider that our company's growth is directly proportional to their growth.

"We have laid down some commonly-held values, which we abide by. These values have played an important role in determining our success, problem solving aptitude and creating our brand value."

FINANCIAL HIGHLIGHTS

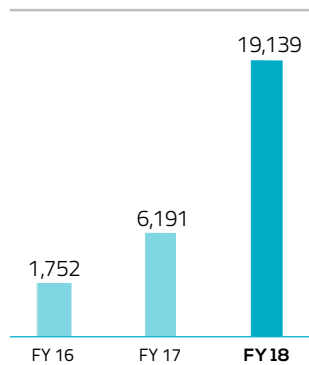
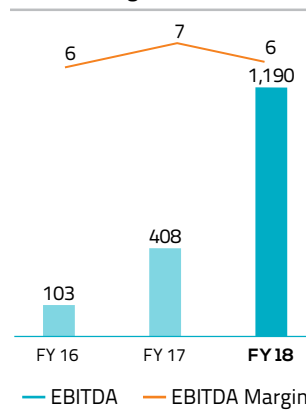
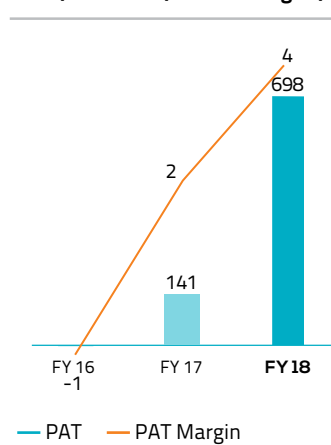
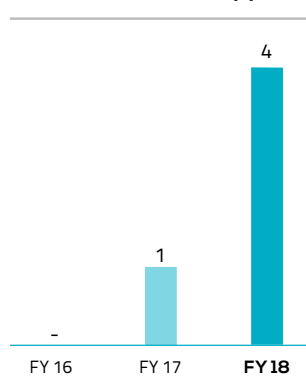
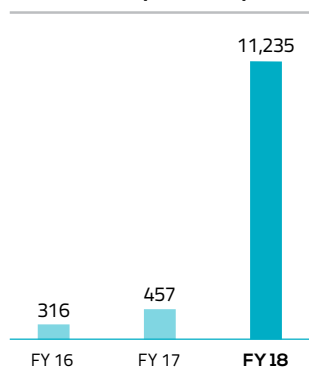
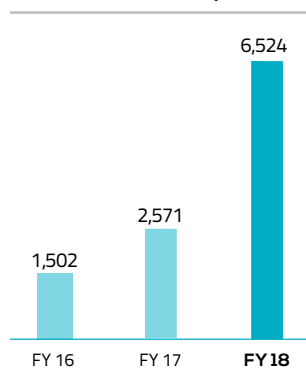
(₹ in lakhs)

Particulars	FY16	FY17	FY18
Key Financials			
Revenue	1,752	6,191	19,139
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	103	408	1,190
Profit Before Tax	3	223	984
Profit After Tax (PAT)	(1)	141	698
Equity Share Capital	370	370	514
Reserves and Surplus/Other Equity	(54)	87	10,721
Net Worth	316	457	11,235
Non-Current Assets	1,502	2,571	6,524
Earnings Per Share (in ₹)	-	1	4
Operating Profit Margin (%)	6	7	6
Net Profit Margin (%)	-	2	4

Note : Figures for FY 2017 and 2018 are as per new Accounting Standard 'Ind AS' where as figures for 2016 are as per previous GAAP

OPERATIONAL HIGHLIGHTS

- We are constructing a plant in Bengaluru since April to cater to the southern markets with a capacity of 50,000 MT per annum. It will tentatively start production in the month of October, this year.
- We are well-prepared as far as the shed, equipment and other auxiliaries are concerned.
- We have applied state-of-the-art technology and have obtained the best equipment-be it the tube manufacturing machines from Italy or the Galvant equipment from the USA.
- We have also sourced the Electricals from ABB Corp , which is equipped with high-precision and finish.
- Our focus is on better outputs and cost effectiveness.
- We plan to implement basics of lean manufacturing in our plant and work towards increasing efficiencies.
- We plan to install 1 more line in the same plant by the mid of FY 19-20 increasing our installed capacity to almost 1 Lac MT per annum.
- We will further plan to set up one more plant either in North or west India to cater the vast demand of western, Central and northern India.
- We should be almost a 2.5 Lac MT per annum company in the next 5 yrs

TOTAL REVENUE (₹ in Lakhs)**EBITDA (₹ in Lakhs) & EBITDA Margin (%)****PAT (₹ in Lakhs) & PAT Margin (%)****EARNING PER SHARE (₹)****NET WORTH (₹ in Lakhs)****Non-Current Assets (₹ in Lakhs)**

MANAGING DIRECTOR'S COMMUNIQUE



Dear Shareholders,

I am really excited to connect with you for the very first time since acquisition. This excitement is amplified by the fact that your Company had a great FY18. The year bygone was an inflection point for the global economy, as it grew by 3.7% in 2017 – its highest levels since 2011. This growth is forecasted to be augmented to 3.9% in 2018 and 2019. However, the caveat being that, it is expected to be lesser even and risks to this forecast are rising, as per the July edition of World Economic Outlook by IMF.

On the domestic front, the Indian GDP grew by 6.7% in 2017 and is expected to grow to 7.3% and 7.5% in 2018 and 2019, respectively, pleasantly surpassing the Chinese growth forecast. The Indian growth numbers are expected to be further accelerated by the reforms and developmental agenda of the Government of India. The expectations of a normal monsoon, strong recovery in demand, combined with rising income levels in rural India and rapid urbanization would add fuel to this growth.

The domestic steel industry has played a vital role in the economic development of India, contributing more than 2% of GDP and employing nearly 25 lakh people in the steel and allied industries. As per the Ministry of Steel Annual Report 2017-18, during April-December 2017-18 (provisional; source: JPC), the production of crude steel was at 75.642 million tonnes, a growth of 4.8% compared to same period of last year. India has proven to be a net exporter of total finished steel this year and the consumption stood at 64.867 million tonnes, a growth of 5.2% compared to last year. Coming to the niche segment – steel pipes and tubes, which is amongst the fastest growing industries across the globe. India is one of the leading ERW steel tubes manufacturing hubs globally, with the domestic demand levels of ~10 MTPA. Going forward, an

increased government impetus to boost infrastructural development and the “Make in India” initiative, smart cities, airports, new routes and gas pipelines are all set to propel this growth in India.

Turning to your Company, it gives me immense pleasure to announce that we had undertaken a 360 degree SWOT analysis and the results reveal that Apollo TriCoat is ahead of any other Tube manufacturers in the country in 3 ways – our products, selling techniques and organizational values. These are the three steps which accelerate us ahead from our competition and establish us as the rising star in the industry. Let me delve into each of the three steps, starting with our products. We are coming up with a unique product, which is industry first initiative in the Indian markets. These Tubes will offer three coats – of paint, zinc and polyester, which would enhance the life of the products. Currently available products in the market offer only single coat – either paint or zinc. We foresee ourselves as not only suppliers of high quality, cutting-edge product suppliers, but as a solutions provider. This way, we would elevate and raise the bar, as the customers would derive a value-add, which no other competitor could supply. Moving to selling techniques, we have a clear focus on value selling, as opposed to volume selling. Rather than pushing our product in the market at competitive prices, we feel that enlightening the customers towards the benefits of the products, would create an inducement towards the product. We would be able to benefit from this hook and establish a niche premium position for your Company in the market. Our organizational values serve as the backbone in our day-to-day functioning and the urge for value creation for all stakeholders is woven into our DNA. These values act as guiding principles in all our decisions and actions. Your Company has a very keen focus

on cost management and relentlessly undertakes numerous efforts, having institutionalized this area. Through deployment of various state-of-the-art technologies like Microsoft Navision and Manufacturing Excellence to name a few, which helps the leadership team to monitor every aspect of manufacturing and carve out new ways of raising productivity levels. Your Company has commenced the construction of new plant in April 2018 and our estimates suggest that this plant would be operational by October 2018. We have selected to install only the best-in-class machineries in order to boost long term efficiencies, which would provide your Company an edge over competition through lower maintenance and manufacturing downtimes. With these developments in progress, I am confident that your Company would be able to deliver unprecedented value growth in the times to come.

I would like to conclude with a vote of thanks to all our Board Members, who have shared their guidance and insights from time to time with the leadership team and steer the Company to newer heights. I am also grateful to all our stakeholders – Our customers, vendors, bankers, all our team members, community, the Government and above all – our most valued shareholders.

Looking forward for your continued faith and support, towards taking Apollo TriCoat another three steps ahead and a stellar FY19...

Yours Sincerely,

Rahul Gupta
Managing Director

BOARD OF DIRECTORS



Sh. Rahul Gupta
Managing Director

Sh. Rahul Gupta has completed B.Com (Hons) from Delhi University. He has also completed executive courses in the field of Management from reputed B-Schools like London School of Economics, Indian Institute of Management, Ahmedabad [IIMA]. He is a promising entrepreneur with an experience of around 5 years in Steel Tubes Manufacturing business and has handled Operational Management, Marketing and Institutional Sales. He is the recipient of 'Young Achiever Award' for Organisation Building at Global HR Summit 2017.



Sh. Anil Kumar Bansal
Director

An ex-executive director of the Indian Overseas Bank, Shri Anil Kumar Bansal, brings with him four decades of rich experience in the banking industry. He supports the organisation in undertaking key financial decisions. His impressive knowledge of banking, Indian economy, corporate affairs and risk and ratings is strongly backed by his rich professional experience. Currently, he is also serving as the Director of CARE Ratings Limited, Vig K Finance Pvt. Ltd., Rockland Finesto Limited, GVFL Trustee Co Pvt. Ltd, APL Apollo Tubes Ltd and NABARD.

Mrs. Megha Gupta
Director

Mrs. Megha Gupta, a designer by Profession, has done her Bachelor in Design from Raffles Millennium, Delhi and Post-Graduation in Design from University of London. With more than 3 years of experience in the construction Industry, she has managed site management, accounts handling, purchase and vendor management.

Sh. Bharat Bhushan Sahny
Director

Sh. Bharat Bhushan Sahny is the Non - Executive Independent Director of the Company. For 27 years, he was a Director on the Board of Delhi Stock Exchange. He has also held the position of Vice President and President in 'DSE' and was instrumental in getting online Trading started in 'Delhi Stock Exchange'. In one of his past roles, he has been the Chairman of "Investors Awareness Committee" for many years. He has also conducted various investor awareness programmes in North India, which in turn, generated an investment culture.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sh. Rahul Gupta

Managing Director
DIN: 07151792
(Appointed w.e.f. May 04, 2018)

Mrs. Megha Gupta

Non-Executive Director
DIN: 07869141
(Appointed w.e.f. June 11, 2018)

Sh. Bharat Bhushan Sahny

Non-Executive Independent Director
DIN: 00014334

Sh. Ani Kumar Bansal

Non-Executive Independent Director
DIN: 06752578
(Appointed w.e.f. June 11, 2018)

CHIEF FINANCIAL OFFICER

Sh. Amresh Kumar Mishra

(Appointed w.e.f. June 11, 2018)

COMPANY SECRETARY

Ms. Surbhi Arora

AUDITORS

Statutory Auditor

M/s VAPS & Co.
Chartered Accountants
C-4 South Extension Part-II
NEW DELHI 110049

Secretarial Auditor

M/s Anjali Yadav & Associates
102 & 104, 18/2, Jain Bhavan
W.E.A. Pusa Lane, Karol Bagh,
New Delhi- 110005

Internal Auditor

M/s Sushil Bansal & Company
Chartered Accountants
47-R, Model Town,
Rohtak, Haryana - 124001

BANKERS

Punjab National Bank
Yes Bank Limited
IDFC Bank Limited

REGISTERED OFFICE

37, Hargobind Enclave,
Vikas Marg, Delhi-110092
Tel. No. +011 - 41070148
Website: www.apollotriccoat.in
CIN: L74900DL1983PLC014972

CORPORATE OFFICE

36, Kaushambi,
Near anand vihar Terminal,
Behind wave cinema, Ghaziabad-201010
Tel. No. +91-120-6401829

REGISTRAR & SHARES TRANSFER AGENTS

Bigshare Services Private Limited

4E/8, First Floor,
Jhandewalan Extension,
New Delhi-110055
Tel. No. +91-11 2352 2373
Fax No. +91-11 2352 2373
Email: bssdelhi@bigshareonline.com

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

A much better Global Economic growth was posted in 2017 to 3.8 percent, compared to 3.1 percent reported in 2016. Investment recovery in advanced economies continued strong growth in emerging Asia, a notable upswing in emerging Europe and growth signs in several commodity exporters are key factors that have driven the growth of global economy in 2017. Going forward, the Global Economic growth is expected to be constant at 3.9 percent in 2018 and 2019 supported by the favourable market sentiment, accommodative financial conditions and the domestic and international repercussions of expansionary fiscal policy in the United States. Within global economies, advanced economies grew by 2.3 per cent in 2017 and is expected to grow by 2.5 percent in 2018 followed by a subdued growth of 2.2 percent in 2019. The economic growth in advanced economies will be led by the USA, which has grown by 2.3 percent in 2017, followed by 2.9 percent in 2018. The USA growth was followed by Euro Area, which has grown at a similar pace of 2.3 percent in 2017 and is projected to grow by 2.4 per cent in 2018. The growth of emerging market and developing economies grew at

4.8 percent in 2017 and are expected to grow by 4.9 per cent and 5.1 per cent in 2018 and 2019, respectively. (Exhibit1)

China and India were the fastest growing economies in 2017 with 6.9 percent and 6.7 percent growth reported, respectively. Going forward, amongst the two Asian economies, India is projected to be the fastest growing economy compared to the growth of world economies in the next two years. India's economy is projected to overtake China in 2018 with a growth of 7.4 per cent followed by 7.8 per cent growth in 2019, much ahead of China's economic growth, which is projected to grow by 6.6 per cent in 2018 and 6.4 per cent in 2019. India's growth shall be driven by structural reform that is expected to raise productivity and incentivise private investment, benefits from demonetisation, specifically, GST in curtailing internal barriers to trade. It shall increase efficiency and curtail barriers to trade. The recent introduction of Insolvency and Bankruptcy Code 2016 (IBC) and subsequent amendments to the IBC code shall not only facilitate towards cleaning banks'



“A much better Global Economic growth was posted in 2017 to 3.8 percent, compared to 3.1 percent reported in 2016. Investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe and growth signs in several commodity exporters are key factors that has drive growth of global economy in 2017.”

balance sheet by improving credit quality, but shall also take care of corporate debt issue that has been a concern for India's overall growth story.

INDUSTRY OVERVIEW

Coal:

Coal is the most abundant fossil fuel resource in the country. India, currently, stands fifth in terms of total world coal resources, whereas it is third from the point of view of identified reserves.

Mining depths in Indian coalfields are quite shallow, barring a few mines in Jharia and Raniganj coalfields. The major share of coal resources lies at a depth of less than 300 metres. About 87 percent of coal resources lie within the depth range of 600 metres. However, in most of the coalfields, exploration work beyond 600 metres depth is yet to be taken up. It is expected that the resource figures will improve considerably, with increased depth of exploration.

Indian Coal seams are prone to spontaneous heating. The incubation period varies widely from 2 to 12 months. However, compared to gas emission in other parts of the world, the coal seams in India are less gassy. Basically, Indian coals have high mineral matter (ash) content unlike Pennsylvanian and Carboniferous coals of America and Europe respectively.

Source: NBMCWSteel:

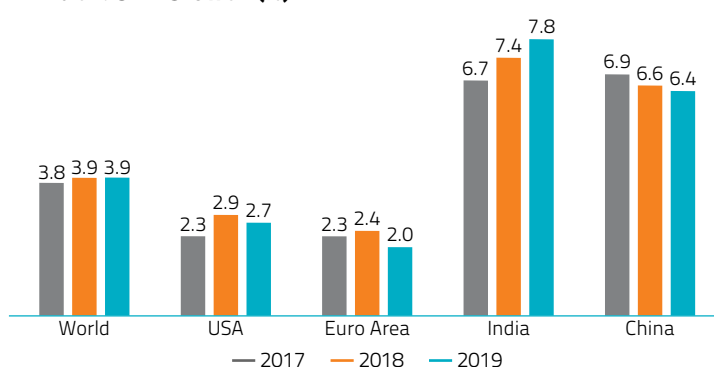
Steel:

India is the third largest producer of crude steel. The total crude steel production in India has increased at a CAGR of 5.43 per cent during FY12–18, with the country's output reaching 102.34 million tonnes per annum (MTPA) in FY18. The country remained the third largest crude steel producer in 2017, as large public and private sector players increased steel production in view of rising demand. Moreover, capacity has increased to 134.6 million tonnes (MT) in 2017-18 while in the coming ten years the figure is anticipated to rise to 300 MT of steel.

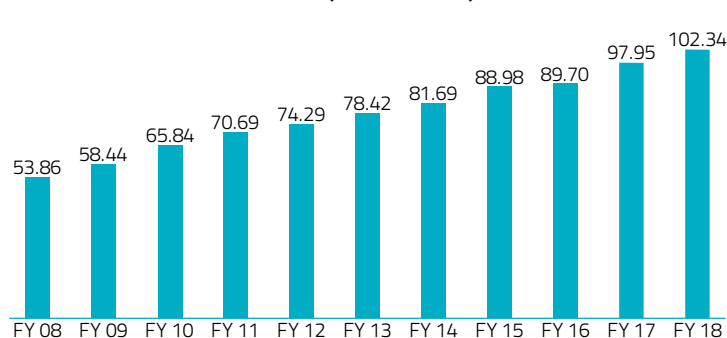
India's comparatively low per capita steel consumption

and expected growth in consumption due to growing infrastructure construction, automobile and railways sectors have offered scope for growth. The National

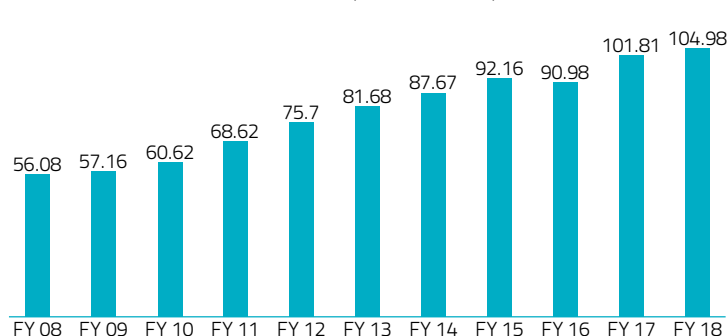
Exhibit 1 : GDP Growth (%)



Total Crude Steel Production (Million Tones)



Total Finished Steel Production (Million Tones)



Mineral Development Corporation is expected to increase the iron ore production of 75 million tonnes per annum (MTPA) until 2021, thus, indicating new opportunities in the sector.

Several companies are attempting coal gasification and gas-based Direct-Reduced Iron (DRI) production. Other alternative technologies such as Hismelt, Finex and ITmk3 being adopted to produce is hot metal. The Ministry of Steel has issued necessary direction to the steel companies to frame a strategy for taking up more R&D projects by spending at least 1 per cent of their sales turnover on R&D to facilitate technological innovations in the steel sector.

India's finished steel consumption grew at a CAGR of 5.69 per cent during FY08-FY18 to reach 90.68 MT. Finished steel consumption during Apr-June 2018 stood at 23.42 million tonnes. Steel consumption is expected to grow 5.7 per cent year-on-year to 92.1 MT in 2018.

It is expected that consumption per capita would increase supported by rapid growth in the industrial sector and rising infra expenditure projects in railways, roads and highways, etc. India's per capita consumption of steel grew at a CAGR of 3.96 per cent from 46 kgs in FY08 to 68 kgs in FY17. The figure stood at 68 kgs (P) during Apr 2017-Feb 2018.

The domestic players' investments in expanding and upgrading manufacturing facilities are expected to reduce reliance on imports. In addition, the entry of international players would provide benefits in terms of capital resources, technical know-how and more competitive industry dynamics.

GLOBAL PIPE COATING MARKET SCENARIO

Global Pipe Coating Market Outlook



Source: businesswire.com

APAC Market

The pipe coating market in APAC is growing at a CAGR of 5.71%

Competitive vendor landscape

- The global pipe coating market is fragmented by the presence of several vendors. Although, the market is dominated by global vendors many regional vendors are also present in the market, especially in the developing regions of APAC. Growing industrialization in developing regions has spurred the entry and growth of domestic vendors.
- The prominent players in the market are keenly focusing on M&As to shield themselves from the threat of rivalry. The competitive environment in the market will further intensify over the next five years with the increase in product extensions in terms of innovation in technology. Successful and long-term incumbency can be achieved with optimized production that generates economies of scale through penetration into multi-regional markets as per lead paints and coating analysis from Technovia.
- The global pipe coating market is witnessing high growth in developing economies such as India, China, Brazil, Russia, and Indonesia. Many OEMs of pipe coatings are shifting their manufacturing operations to these countries, due to the availability of land, inexpensive labor, low transportation costs, and lenient government regulations.

Source: Technovia

TriCoat Tubes

- TriCoat is a product that provides corrosion resistance through its triple coating.
- Its manufacturing process uses Galvant Technology to ensure that the corrosion resistance offered is top of the line and provides maximum benefit to the user.
- It has three layers of coating on the outer surface for maximum protection and a zinc rich polymer resin paint on the inner surface.

Exterior Surface

- The exterior TriCoat coating shall have a demonstrated ability to resist 1200 hours or more of exposure to salt fog with a maximum of 5% red rust. Tests shall be conducted in accordance with ASTM B117.

Interior Surface

- The interior zinc-rich surface coating shall withstand no less than 850 hours of exposure to

salt fog with a maximum of 5% red rust. Tests shall be conducted in accordance with ASTM B117

PERFORMANCE REVIEW

- A 360 Degree SWOT ANALYSIS
- Ahead from any other Tube Manufacturing Company in 3 ways, i.e., product, selling techniques and organizational values.
- Company's Tagline as 'Three Steps Ahead'
- Constructing a Greenfield plant to manufacture TriCoat tubes. which is basically a product with a combination of the three : Coating Paint, Zinc and Polyester. However, the competitive products are only of one type; either paint or zinc. This will help add life to the product.
- The Company believes in value selling The USP of the product caters to the customers satisfaction and aims at benefitting them to a greater extent.

FINANCIAL REVIEW

Revenue

The total income increased by 212% to ₹ 19110.27 lakhs in FY18 compared to ₹ 6124.43 lakhs in FY17

Cost of materials and components

The cost of materials and components expense increase by 214% to ₹ 17469.24 lakhs in FY18 compared to ₹ 5569.69 lakhs in FY17.

Employee benefits expense

Employee benefits expense decreased by 6% to ₹ 54.91 lakhs in FY18, compared to ₹ 58.52 lakhs in FY17.

EBITDA

EBITDA increased by 192% to ₹ 1189.83 Lakhs in FY18, compared to ₹ 407.79 Lakhs in FY17. EBITDA margins stood at 6.22% in FY18 as compared to 6.51 % in FY17.

Depreciation

Depreciation increased by 110% in FY18 to ₹ 17.10 Lakhs, as compared to ₹ 8.16 Lakhs for FY17.

Interest

Interest charges decreased by 9% in FY18 to ₹ 188.24 Lakhs as compared to ₹ 172.43 Lakhs for FY17.

Profit Before Tax

Profit Before Tax increased by 333% to ₹ 984.49 Lakhs in FY2018, compared to ₹ 227.20 Lakhs in FY17.

Income Tax

Income Tax expenses increased by 245% for FY18 were ₹ 286.52 Lakhs, as compared to ₹ 82.97 Lakhs for FY17.

Profit After Tax

Profit After Tax increased by 384% to ₹ 697.97 Lakhs in 2018 compared to ₹144.23 Lakhs in FY17. PAT margins stood at 3.7% in FY18 as compared to 2.3 % in FY17.

EPS

EPS for the FY18 was ₹ 3.71 per share compared to ₹ 0.76 a year ago.

RISK MANAGEMENT

The Company operates in an environment that is volatile and extremely sensitive to fluctuating prices. As a result, the Company is often exposed to a number of risks, namely strategic, operational, and financial as well as statutory compliance risks. In the view of these risks and to counter them, the Company has developed a detailed procedure to monitor its risk management plans and to undertake steps to mitigate risks.

Raw Material Price Fluctuation: The availability and cost of the required grade of raw material (iron, ore, coal & gas) are affected by the movement and parity of landed cost, price, freight and demand-supply gap and tariff and exchange rates.

Mitigation: Any increase/decrease in price is directly passed on to the consumers.

Logistics and Infrastructure: Various factors can affect the movement of raw materials & outbound goods, such as transportation cost, rail connectivity, storage, transportation & material handling and risks, causing an exposure to weather, hence, affecting their metallurgical properties.

Mitigation: As part of its strategy, the Company has established its presence across the country, in close vicinity to distributors, dealers and suppliers. This



helps the Company reduce its transportation cost and increase profit margin. The Company also looks for an optimum utilisation of infrastructure spend, evenly spread evacuation of the plant and material handling costs.

Innovation, Technology and operations: With the changing times, there is a need to develop innovative solutions and technology based on the changing customer needs and preferences. A timely decision on technology up-gradation, innovation, product development and patent products, automation systems and operational training & maintenance are needed.

Mitigation: The Company invests in research and development to create a diversified product offering. The Company also takes various initiatives, such as effective management of vendors, operating procedures, training, equipment maintenance and Risk Policy insurance.

Capacity Utilisation: Lower consumption and decreased demand may result in low capacity utilisation.

Mitigation: In a scenario where demand is low, the Company would explore new market territories and also expand its existing market share in the India and OEMs as well as its export destinations.

Environment Health & Safety: The Company can face the problem of excess emissions, discharge of waste,

occupational disease, structural instability or operator negligence causing, accidents, and security risks that can affect the life, property, operations, environment & regulatory compliances.

Mitigation: To mitigate the risk, the Company takes the various initiatives, such as Compliance with norms, tracking changes in technology and future norms to plan in advance, preserving the biodiversity, safety training, fire prevention processes, medical facilities and insurance policy for employees, security arrangements, etc.

Reputation: The Company runs the risk of not meeting stakeholders' expectations in terms of performance, quality products & services, social responsibility & values; and not aligning with the stakeholders.

Mitigation: The Company has focused on adhering to the standards of Governance, Policy, Business responsibility & code of conduct, extending them even to the business partners and communication, thus, aligning perceptions with reality.

HUMAN RESOURCE

At Apollo TriCoat, employees are considered as the most important asset. The main objective of the 'People Team' is to keep all the employees engaged and motivated towards achieving the Company's strategic objectives. The Company's HR Policies and



processes encompass the entire organizational life-span of its employees. With a view to ensure smoother and reliable HR services, all the systems, including HR master database, leave and time management as well as payroll has been IT-enabled.

HR INITIATIVES:

- a) **Employee Safety:** Apollo TriCoat puts tremendous importance on Employee safety. The Company follows a rigorous employee safety policy with regular safety audits conducted by external professionals.

In addition, the Company has also formed safety committees to oversee safety-related issues at its various plants. The company regularly holds training session on Fire and Safety.

- b) **Employee Engagement:** Employee engagement programs help in boosting employee morale and enhance productivity. Through recreational activities, the employees are able to get rid of work-related stress and build a better bond with other team members and motivate themselves to achieve higher results.

Apollo TriCoat conducts various leisure activities to enhance employee engagement and improve the team relationships. These activities include birthday, anniversary celebrations, festivals and other parties, etc. for its employees.

INTERNAL CONTROLS

In line with its size and operations, Apollo TriCoat has put in place an effective and robust internal control system, which not only conforms to the highest global standards and practices, but also meets the local statutory requirements. The Company's internal control systems are backed with management reviews and verification by internal as well as statutory auditors. Moreover, an audit committee appointed by the Company's Board of Members undertakes periodic review of the internal audit plan, verifies the adequacy of the internal control system, marks its audit observations and monitors the sustainability of the remedial measures.

Apart from this, the Company's internal control system are able to undergo self-assessment of all the applicable regulatory compliances and internal controls, including controls pertaining to the adherence of the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy

and completeness of the accounting records, and timely preparation of reliable financial information. After each such self-assessment by the process owner, the same is approved by his immediate superior, and is periodically reviewed and assessed by the Senior Management. The Company also conducts period internal audits to verify the accuracy of sample self-assessments.

OPPORTUNITIES AND CHALLENGES

Opportunities

- The Government of India's initiative, 'Make In India' will create more opportunities for us.
- With a huge investment in infrastructure projects by the Central Government there is an accelerated demand for our products.
- The Main focus on rural infrastructure via projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojna, Pradhan Mantri Awaas Yojna, Make in India etc would provide more opportunities for us.
- A decrease in the cost of production due to cheap labour and power will help us to be cost effective.
- As per National Steel Policy 2017 the policy reforms are made in order to boost the sector.
- Increase in market share of the Company from the smaller unorganized players and this trend is expected to continue.

Challenges

- Change in the price of the end-product due to a fluctuation in the availability of raw materials.
- Delay in infrastructure projects.

OUTLOOK

The Global Pipe Coating Market is expected to Reach USD 12,781 Million by 2024. Pipe coating is a cost-effective method to prolong pipes' reliability. The global pipe coating market includes powder pipe coating and liquid pipe coating. A huge demand is forecasted for powder pipe coating as it is more preferred and has multiple usages. India, China and Indonesia are forecasted to emerge as one of the fastest growing countries in the global pipe coating market. The increasing chemical processing industrial activities, construction and building sectors is anticipated to create the demand. With the requirement of high-quality infrastructure in developing countries such as India and China, this will drive the market in the next few years.

WE ARE THERE

Roof Top Sheds

In India, there is a huge market for Roof Top Sheds in Kerala. Kerala is a market of almost 30000 MT per month of only galvanised steel tubes. 5% of market is held by TATA Tubes which is of a high end hot dip galvanised product which has a life almost half of the TriCoat tubes. As there is a high literacy rate in Kerala the people are eager to buy a product which has a better corrosion resistance. We will influence them to use our product. Our product has better strength compared to other products apart from the corrosion resistance.



Green House

In India Green House is an emerging market. With the understanding of industry we have concluded that green house manufactures or farmers both require a product which is better in terms of corrosion resistance and strength. Henceforth we shall provide a pre fabricated green house solution to green house supplying or contracting companies. Our product should be approved by NHB and NHM board as far as government guidelines are concerned. For application of these pipes there is a great future in Green house market.

Electrical Conduit

Globally it is compulsory to use steel tubes for an exposed conduiting in all high rise buildings. TriCoat tubes are being used for electrical conduiting purpose. In countries like USA, Canada and Australia there is a huge demand and scope. Also there is demand in developing markets. The company shall explore opportunities to export as well.



DIRECTORS' REPORT

To the Members of,

Apollo TriCoat Tubes Limited

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or 'Apollo TriCoat') along with audited financial statements for the financial year ended March 31, 2018.

1. Financial Performance

The summarized financial results of your Company are given in the table below:

(₹ in Lakhs)		
Particulars	F.Y. 2017-18	F.Y. 2016-17
Income from Operations	19,110.27	6,124.43
Other income	28.38	66.38
Total revenue	19,138.65	6,190.81
Earning before Depreciation, Int., Tax (EBIDTA)	1,189.83	407.79
Depreciation	17.10	8.16
Profit Before Interest & Tax	1,172.73	399.63
Interest	188.24	172.43
Profit before Tax	984.49	227.20
Taxation	286.52	82.97
Profit for the year	697.97	141.10

The Transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 'First Time Adoption of Indian Accounting Standard' with April 1, 2016 being the transition date and accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

Consequent to the introduction of Goods and Service Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been replaced by GST.

2. Dividend

The Company has not declared any Dividend during the financial year 2017-18.

3. Performance Review

The Company has posted impressive performance during the current financial year under review. The revenue from operations grew by staggering 212% from ₹ 6,124.43 Lakhs in financial year 2017 to ₹ 19,110.27 Lakhs in the financial year 2018. Total EBIDTA grew by 192%, from ₹ 407.79 Lakhs in financial year 2017 to ₹ 1,189.83 Lakhs in financial year 2018. PAT (net profit after tax) stood at ₹ 697.97 Lakhs in financial year 2018.

4. Projects & Expansion Plans

The Company is in the process of setting up a manufacturing plant at Malur Industrial Area, Bangalore for manufacturing

of TriCoat Tubes in three variants SureCoat, DuraCoat and SuperCoat with the advanced Galvant Technology for the first time in India having total capacity of 50,000 MT. The Galvant technology has been obtained from USA to manufacture tubes with triple layer of protection coating i.e. paint, zinc and UV organic coating with total capital outlay upto ₹ 100 crores. It is an ecofriendly product which is free from lead, cadmium and hexavalent chrome. This product is used worldwide as a substitute of PVC electrical Conduit Pipes.

5. Management's Discussion and Analysis Report

The detailed report on the Management's Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

6. Share Capital

During the year under review, the Authorized Share Capital of the Company was increased to ₹ 6.50 Crore from ₹ 4 Crore

Further, consequent to allotment of 72,00,000 Equity Shares on preferential basis to Sh. Rahul Gupta, the Paid Up Share Capital of the Company was increased to ₹ 2.57 Crore from ₹ 1.85 Crore

Further, the Company has issued 48,00,000 Fully Convertible Warrants, being convertible into equity shares of ₹ 2/- each, at an issue price of ₹ 120/- each share. The Company has not issued shares with differential voting rights nor sweat equity or bonus shares.

7. Deposits

Your Company has neither accepted nor renewed any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, there are no unclaimed or unpaid deposits lying with the Company for the year under review.

8. Change in the nature of business, if any

The Company is pleased to announce that to improve the performance and expanding the business in new verticals, the Company in financial Year 2017-18 changed to the business of manufacturing tubes in three variant SureCoat, DuraCoat and SuperCoat as its main business.

Owing to the Change in the Object clause, the Company has changed its name from M/s Best Steel Logistics Limited to M/s Apollo TriCoat Tubes Limited, as approved by the members through Postal Ballot on August 04, 2018.

9. Internal Financial Controls

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud and completeness of the accounting standards and the timely preparation of reliable financial disclosures. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

10. Credit Rating

The Company continues rating of [ICRA]A-(SO) for its long term facilities and [ICRA]A2+(SO) for its short term facilities received from ICRA Limited (ICRA).

11. Extract of the Annual Return

The extract of the Annual Return pursuant to Section 134 (3) (a) of the Companies Act, 2013 in Form no. MGT-9 is annexed hereto as Annexure-‘A’ and forms part of this Report.

12. Directors and Key Managerial Personnel

a. All the Independent Directors have given declarations that they meet the criteria of Independence as laid down in Section 149 of the Act and Listing Regulations. Based on the disclosure provided by Directors, none of them are disqualified from being appointed as Directors under Section 164 of the Companies Act, 2013.

b. Appointment

Mrs. Megha Gupta and Sh. Anil Kumar Bansal, who were appointed as Additional Directors by the Board of the Directors of the Company with effect from June 11, 2018 in terms of Section 161 of Companies Act, 2013 and Articles of Association of the Company, holds office until the date of ensuing Annual General Meeting. Your Company has received notices under Section 160 of the Companies Act, 2013 from shareholders of your Company, signifying their intention to propose the names of Mrs. Megha Gupta and Sh. Anil Kumar Bansal, for appointment as a Director of your Company.

Further, Sh. Rahul Gupta was appointed as Managing Director of the Company w.e.f May 4, 2018 for a term of 5 years, subject to approval of Shareholders in ensuing AGM.

c. Resignation

Sh. Saket Agarwal, Mrs. Gunjan Agarwal and Sh. Rajeev Kohli, Directors of the Company, resigned with effect from June 12, 2018.

d. Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are – Sh. Rahul Gupta (Managing Director), Ms. Surbhi Arora (Company Secretary) and Sh. Amresh Kumar Mishra (Chief Financial Officer). Sh. Amresh Kumar Mishra was appointed as Chief Financial Officer of the Company w.e.f June 11, 2018.

13. Auditors and Auditor's Report

a. Statutory Auditors: M/s VAPS & Co., Chartered Accountants, Delhi (FRN 003612N) as Auditors of the Company to hold the office from the conclusion of the 33rd Annual General Meeting held on September 28, 2015 until the conclusion of the 37th Annual General Meeting, subject to ratification of the appointment by the members at each AGMs.

The Requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by Ministry of corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 28, 2015.

The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self explanatory.

Auditors' Report for the year under review does not contain any qualification or adverse remarks.

b. Secretarial Auditors: Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s Anjali Yadav & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit for financial year 2017-18. The Secretarial Audit Report is annexed to this report as Annexure 'B'. There are no qualifications, reservation or adverse remark in the report.

14. Related Party Transaction

All Related Part Transaction (RPTs) entered during the financial year were on an arm's length basis and in the ordinary course of business. In Compliance with applicable provisions of Companies Act 2013 and SEBI (LODR) Regulations, 2015, for RPTs which are foreseen and repetitive in nature, Omnibus Approval of the Audit Committee is obtained at the beginning of the financial year, as per RPT policy. All the RPTs affected during the year are disclosed in the notes to Financial Statements.

There are no materially significant RPTs made by the Company which have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required. The Board has approved and adopted the policy on Related Party Transaction and same is uploaded on the Company's website <http://www.apollotriccoat.com/Policies/RELATED-PARTY-TRANSACTION-POLICY-POTENTIAL.pdf>.

15. Managerial Remuneration and particulars of employees

Disclosure of ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company and other requisite details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed to this report as Annexure 'C'. Further Particulars of employees pursuant to Rule 5(2) & 5(3) of the above rules form part of this report. However in terms of provisions of section 136 of the said Act, the report and accounts are being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company. The said information is available for inspection at the Registered Office of the Company during working hours.

16. Loans, Guarantees and Investments

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

17. Vigil Mechanism

The Company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and Directors to report genuine concerns, unethical behavior and irregularities, if any, in the Company noticed by them which could adversely affect Company's operations to the Audit Committee Chairman. The

same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported till date.

18. Directors Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm:

- a) In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
- b) That 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 at the end of the financial year ended March 31, 2018 and of the profit and loss of the Company for the year.
- c) That proper and sufficient care has been taken 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) That the annual accounts/financial statements have been prepared 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 were adequate and were operating effectively.
- 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.

19. Disclosure under Section 134 (3) (m) of the Companies Act, 2013

■ Conservation of Energy

The Company continues to give the highest priority for conservation of energy by using a mix of technology changes, process optimization methods and other conventional methods, on an ongoing basis.

■ Technology Absorption

The Company continues to lay emphasis on development and innovation of in-house technological and technical skills to meet the specific customer requirements. Efforts are also being made to upgrade the existing standards and to keep pace with the advances in technological innovations.

■ Foreign Exchange Earnings and Outgoing

Expenditure in foreign currency	:	Nil
Earnings in foreign currency	:	Nil

20. Corporate Governance

Including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism:

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report and the Auditors' Certificate regarding compliance of conditions of Corporate Governance are annexed to this report (Annexure 'D'). The Corporate Governance Report which forms part of this Report, also covers the following:

- a. Particulars of the 6 (six) Board Meetings held during the financial year under review.
- b. Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.
- c. The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- d. The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- e. Details regarding Risk Management.

21. Disclosure as per Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

At Apollo TriCoat, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age. Every individual is expected to treat his/her colleagues with respect and dignity. This is enshrined in values and in the Code of Ethics & Conduct of Apollo TriCoat. The Whistle-Blower & Protection Policy also provides a platform to all employees for reporting unethical business practices at workplace without the fear of reprisal and help in eliminating any kind of misconduct in the system.

The Company also adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the year, no complaint has been received for sexual harassment of women at work place by the Company.

22. CORPORATE SOCIAL RESPONSIBILITY

The requirement of Corporate Social Responsibility (CSR) in terms of Section 135 of the Companies Act, 2013 and the rules made thereunder is not applicable to the Company.

23. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

24. OTHER DISCLOSURES AND REPORTING

Your Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Any remuneration or commission received by Managing Director of the Company, from any of its subsidiary.
- c. Significant or material orders passed by the Regulators or courts or Tribunal which impacts the going concern status and Company's operations in future.
- d. Transfer to Investors Education and Investors Fund.
- e. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

25. Gratitude & Acknowledgements

Yours Directors place on record their gratitude to the Central Government, State Government, Statutory Authorities and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of customers, vendors, dealers, business associates, and employees in ensuring an excellent all around operational performance.

By the order of the Board

Date: August 22, 2018
Place: Delhi

Sd/
Rahul Gupta
Managing Director

ANNEXURE -'A'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN	L74900DL1983PLC014972
2	Registration Date	12.01.1983
3	Name of the Company	Apollo TriCoat Tubes Limited (Formerly known as Best Steel Logistics Limited)
4	Category/Sub-Category of the Company	Public Company/Limited by Shares
5	Address of the Registered office and contact details	37, Hargobind Enclave, Vikas Marg, Delhi-110092
6	Whether listed Company	Yes at BSE Limited
7	Name, Address and Contact details of Registrar and Transfer Agent	M/s Bigshare Services Private Limited E-2 & 3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai-400072 Tel. No. +91-22-4043 0200 Fax No. +91-22-2847 5207 E-mail: investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and description of main services	NIC Code of the service	% of total turnover of the Company
1.	Trading in Steel and steel relating products	24311	98.40%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : N.A.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)*

i. Category-wise Shareholding

Category of Shareholder	No. of shares held at the beginning of the year As on April 1, 2017				No. of shares held at the end of the year As on March 31, 2018				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
(1) Indian									
(a) Individuals/HUF	72,22,910	-	72,22,910	39.04	65,63,973	-	65,63,973	25.54	(13.50)
(b) Central Government/ State Govt.(s)	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e) Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	72,22,910	-	72,22,910	39.04	65,63,973	-	65,63,973	25.54	(13.50)
(2) Foreign									
(a) Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-	-
(d) Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	-	-	-	-	-	-	-	-	-

Category of Shareholder	No. of shares held at the beginning of the year As on April 1, 2017				No. of shares held at the end of the year As on March 31, 2018				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2)	72,22,910	-	72,22,910	39.04	65,63,973	-	65,63,973	25.54	(13.50)
(B) Public shareholding									
(1) Institutions									
(a) Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
(b) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(c) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-	-	-
(f) FIs	-	-	-	-	-	-	-	-	-
(g) Foreign Portfolio Investors	1,10,000	-	1,10,000	0.59	1,18,000	-	1,18,000	0.46	(0.13)
(h) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	1,10,000	-	1,10,000	0.59	1,18,000	-	1,18,000	0.46	(0.13)
(2) Non-institutions									
(a) Bodies Corporate	9,17,232	-	9,17,232	4.96	12,23,052	-	12,23,052	4.76	(0.20)
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs 1 lakh	24,16,493	1,13,000	25,29,493	13.67	48,82,820	17,250	49,00,070	19.06	5.39
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	57,45,256	-	57,45,256	31.05	1,23,46,808	-	1,23,46,808	48.04	16.99
(c) Any Other (specify)						-			
(i) Clearing Members/ House	19,74,109	-	19,74,109	10.68	2,64,046	-	2,64,046	1.03	(9.65)
(ii) NRI (Rept & Non Rept)	1,000	-	1,000	0.01	2,59,051	-	2,59,051	1.01	1.00
(iii) Trust	-	-	-	-	25,000	-	25,000	0.10	0.10
Sub-Total (B)(2)	1,10,54,090	1,13,000	1,11,67,090	60.37	1,90,00,777	17,250	1,90,18,027	74.00	13.63
Total Public Shareholding (B)= (B) (1)+(B)(2)	1,11,64,090	1,13,000	1,12,77,090	60.96	1,91,18,777	17,250	1,91,36,027	74.46	13.50
TOTAL (A)+(B)	1,83,87,000	1,13,000	1,85,00,000	100.00	2,56,82,750	17,250	2,57,00,000	100.00	-
(C) Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Sub-Total (C)	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	1,83,87,000	1,13,000	1,85,00,000	100.00	2,56,82,750	17,250	2,57,00,000	100.00	-

* The paid up equity shares increased from 1,85,00,000 to 2,57,00,000 shares during the year consequent to issue of 72,000 equity shares on preferential basis to Sh. Rahul Gupta.

ii. Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2017			Shareholding at the end of the year As on March 31, 2018			% of Change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered of total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered of total shares	
1.	Sh. Saket Agarwal	7,222,910	39.04	-	65,63,973	25.54	-	(13.50)
	Total	7,222,910	39.04	-	65,63,973	25.54	-	(13.50)

iii. Change in Promoter's Shareholding

S. No.	Shareholder's Name	Shareholding at the beginning of the year As on April 1, 2017		Shareholding at the end of the year As on March 31, 2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sh. Saket Agarwal	7,222,910	39.04	65,63,973	25.54
	Total	7,222,910	39.04	65,63,973	25.54

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year As on April 1, 2017		Shareholding at the end of the year As on March 31, 2018	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	M/s. Share India Securities Limited*	16,76,354	9.06	86,636	0.33
2	Ms. Sonia Jyoti~	10,00,000	5.41	3,28,000	1.28
3	Ms. Sangeeta Pareekh~	11,00,403	5.95	7,50,829	2.92
4	Sh. Vikash Gupta~	7,73,698	4.18	2,83,698	1.10
5	Sh. Gurmeet Singh~	5,00,000	2.70	5,00,000	1.95
6	Sh. Rahul Gupta~	10,00,000	5.41	80,30,000	31.25
7	Sh. Arihant Capital Mkt. Ltd. *	2,14,983	1.16	3,092	0.01
8	Ms. Premlatha*	1,27,000	0.69	100	-
9	Sh. Davos International Fund~	1,10,000	0.59	10,3000	0.40
10	Ms. Nitu Bansal*	1,10,000	0.59	-	-
11	Motilal Oswal Financial Services Limited~	-	-	1,32,500	0.52
12	Mangal Keshav Capital Limited~	-	-	1,31,000	0.51
13	Jyotivardhan Jaipuria~	-	-	1,31,750	0.51
14.	Atul Saluja~	-	-	1,30,120	0.51

*Ceased to be in the list of top ten shareholders as on March 31, 2018.

~The same is reflected above as these shareholders are in the list of top ten shareholders as on March 31, 2018.

v. Shareholding of Directors and Key managerial Personnel (KMPs)

S. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on April 1, 2017)		Shareholding at the end of the year (as on March 31, 2018)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Sh. Rahul Gupta, Managing Director	10,00,000	5.41	80,30,000	31.25
2.	Sh. Saket Agarwal, Director*	7,222,910	39.04	65,63,973	25.54

Note: *Sh. Saket Agarwal resigned from the post of Director on June 12, 2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,300	-	-	3,300
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29.43	-	-	29.43
Total (i+ii+iii)	3,329.43	-	-	3,329.43
Change in Indebtedness during the financial year				
Addition				
Reduction	(3,329.43)	-	-	(3,329.43)
Net Change	(3,329.43)	-	-	(3,329.43)
Indebtedness at the end of the financial year				
i) Principal Amount as on March 31, 2018				
ii) Interest due but not paid				
iii) Interest accrued but not due as on March 31, 2018				
Total (i+ii+iii)				

VI. DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

B. Remuneration to other directors:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Sh. Rajeev Kohli* (Independent Director)	Sh. Bharat Bhushan Sahny (Independent Director)	Mrs. Gunjan Agarwal * (Non-Executive Director)	Sh. Saket Agarwal* (Executive Director)
1	Fees for attending the Board/committee meetings	0.25	0.25	0.25	0.25
2	Commission	-	-	-	-
3	Others	-	-	-	-
	Total	0.25	0.25	0.25	0.25

* Sh. Rajeev Kohli, Sh. Saket Agarwal & Mrs. Gunjan Agarwal resigned from the Board on June 12, 2018.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Ms. Surbhi Arora* Company Secretary	Total
1	Gross Salary		
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.78	6.78
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option/Sweat Equity/Commission	-	-
3	Others, please specify	-	-
	Total (A)	6.78	6.78
	Ceiling as per the Act		

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,
The Members,
Apollo TriCoat Tubes Limited
(Formerly known as M/s. Best Steel Logistics Limited)
37, Hargobind Enclave, Vikas Marg,
East Delhi- 110092

I, Anjali Yadav, Proprietor of Anjali Yadav & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices Apollo TriCoat Tubes Limited (CIN: L74900DL1983PLC014972) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 and made according to the provisions of:

- i. The Companies Act, 2013 (as amended) ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (as amended) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. 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; Not applicable for the period under review.
- v. 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(as amended);
 - 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 (as amended);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable for the period under review).
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable for the period under review).
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as amended): Not applicable for the period under review)..
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable for the period under review).
- vi. I further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:
 - a) Environment (Protection) Act, 1986
 - b) Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - c) Payment of Wages Act, 1936

- d) Payment of Gratuity Act, 1972
- e) Contract Labour (Regulation & Abolition) Act, 1970
- f) Minimum Wages Act, 1948
- g) Payment of Bonus Act, 1965
- h) Industrial Employment (Standing Orders) Act, 1946
- i) Workmen Compensation Act, 1923

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard 1 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

I further report that:

1. During the period under review, the Company has made a preferential Issue of 4800000 fully Convertible Warrants at an Issue price of ₹ 120/- (Rupees One Hundred and Twenty Only) per warrant, convertible into Equity shares at the option of Warrant holder.
2. During the period under review, the Company has Issued 7200000 Equity shares on Preferential basis at an issue price of ₹ 120/- (Rupees One Hundred and Twenty Only) per Equity shares.
3. During the period under review, the Authorized share capital of the company has been increased from ₹ 4,00,00,000/- (Rupees Four Crores only) divide into 20000000 (Two Crore) Equity shares of ₹ 2/- (Rupees Two) each to ₹ 6,50,00,000/- (Rupees Six Crore fifty Lakhs Only) divided into 3,25,00,000 (Three Crore Twenty Five Lakhs Only) equity shares of ₹ 2/- (Rupees Two Only) each.

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 notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through while the dissenting member's views, if any, were captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with my letter of even date which is annexed as Annexure 1 and forms an integral part of this Report.

For **Anjali Yadav & Associates**
Practising Company Secretary

Anjali Yadav
Proprietor
FCS No.: 6628
C P No.: 7257

Place: Ghaziabad
Date: August 22, 2018

Annexure 1

To,
The Members,
Apollo Tricoat Tubes Limited
(Formerly known as M/s. Best Steel Logistics Limited)
37, Hargobind Enclave, Vikas Marg,
East Delhi- 110092

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records, Cost Records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Anjali Yadav & Associates**
Practising Company Secretary

Anjali Yadav
Proprietor
FCS No.: 6628
C P No.: 7257

Place: Ghaziabad
Date: August 22, 2018

A. DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2017

- i. The ratio of remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2017-18 : Nil
- ii. The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18 : Nil
- iii. In the Financial Year, there was no increase in the median remuneration of employees;
- iv. There was 16 permanent employees on the rolls of the Company as on March 31, 2018;
- v. Average percentage increase made in the salaries of employees other than the managerial personnel and increase in remuneration of the managerial personnel in financial year 2017-18 was NIL.
- vi. We affirm that the remuneration paid in the financial year 2017-18 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

REPORT ON CORPORATE GOVERNANCE

Philosophy of Corporate Governance

The Board of Directors are committed to maintaining highest standards of corporate governance practices in their management of the Company's affairs and accountability to their shareholders. The Board of Directors believe in maximizing long term shareholder value without compromising on regulatory compliances and encompassing good corporate governance practices and standards. The Company aims to achieve transparency and accountability across all facets of operation and in all interaction with the stakeholders.

Board of Directors

As on date the Board of Directors of the Company comprises of Four (4) directors. Apart from the One Executive Director, all the Directors are Non-Executive Directors of which two (2) are Independent Directors. The Directors bring in considerable professional expertise and experience. The composition of the Board of Directors satisfies the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

Details, as on date, of the composition of the Board and category of the Directors and their attendance at Board meetings and the last

Annual General Meeting, number of their other Directorships and Committee Memberships / Chairmanships is given below:

Name of the Director	Category of Directorship ¹	Number of Board meetings attended out of six held during the year 2017-18	Attendance at the last AGM (27.09.2017)	No. of Directorships in other Public limited companies	No. of Committee position held in other public limited companies ²	
					Chairman	Member
Sh. Saket Agarwal ⁴	ED	6	Yes	-	-	-
Sh. Rajeev Kohli ⁴	NED(I)	6	Yes	-	-	-
Mrs. Gunjan Agarwal ⁴	NED(NI)	6	Yes	-	-	-
Sh. Rahul Gupta ⁶	MD	-	N.A.	1	-	-
Mrs. Megha Gupta ^{3,5}	NED(NI)	-	N.A.	-	-	-
Sh. Bharat Bhushan sahnay	NED(I)	6	Yes	1	1	1
Sh. Anil Kumar Bansal ⁵	NED(I)	-	N.A.	2	1	1

NOTES:

- Category of Directorship:
ED – Executive Director
NED (NI) – Non-Executive Director and Non-Independent
NED (I) – Non-Executive Director and Independent
MD – Managing Director
- As required by Regulation 26 of Listing Regulations, only Membership / Chairmanship of the Audit Committee and Stakeholders Relationship Committee have been considered. None of the Directors of the Company is a Member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he/she is a Director.
- Mrs. Megha Gupta is wife of Sh. Rahul Gupta.
- Sh. Saket Agarwal, Mrs. Gunjan Agarwal and Sh. Rajeev Kohli ceased to be Director with effect from June 12, 2018
- Sh. Anil Kumar Bansal and Mrs. Megha Gupta were appointed as director on June 11, 2018.
- Mr Rahul Gupta was appointed as Managing Director w.e.f May 4, 2018
- All the Independent Directors fulfill the requirements stated in the Regulation 25(1) of SEBI (LODR) Regulations, 2015.
- No Equity share held by any Non-Executive Director of the Company as on March 31, 2018.

Number of Board Meetings

Six Board meetings were held during the year ended on March 31, 2018. These were on May 23, 2017, September 5, 2017, October 12, 2017, January 29, 2018, February 13, 2018 and March 15, 2018. The gap between any two Board meetings did not exceed one hundred twenty days as required by Regulation 17 (2) of Listing Regulation.

Familiarization Programme

The details of the familiarization programme imparted to Independent Directors are available on the website of the Company (www.apollotriccoat.com).

Meeting of Independent Directors

One meeting of Independent Directors was held during the year 2017-18 without the presence of the Executive and Non Executive Non Independent Directors.

Board Induction and Training

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required

from him under the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his affirmation on the Code of Conduct is taken with respect to the same. The Chairman also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfil his/her role as a Director of the Company

Board Evaluation Mechanism

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out its own performance evaluation. The Nomination and Remuneration Committee assessed and discussed the performance of the Board. The Independent Directors of the Company at their meeting (without the attendance of Non Independent Directors and members of Management), reviewed the performance of the Board as a whole and the Board Committees and also evaluated the performance of Non Independent Directors and the Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors and based on attendance record and intensity of participation at meetings,

Quality of interventions, Special contributions and Inter-personal relationships with other Directors and management.

Audit Committee

The Audit Committee comprises of three Directors of which two are Independent Directors.

The members of the Audit Committee are:

1. Sh. Bharat Bhushan Sahny – Chairman of the Committee – Independent Director
2. Sh. Anil Kumar Bansal – Independent Director
3. Sh. Rahul Gupta – Director

Four Audit Committee meetings were held during the financial year ended March 31, 2018. The dates on which the Audit Committee Meetings were held are as follows: May 23, 2017, September 5, 2017, October 12, 2017 and January 29, 2018.

Attendance of the Audit Committee members at the meetings was as below:

S. No.	Name of Member	No. of meetings attended
1	Sh. Bharat Bhushan Sahny	4
2	Sh. Rajeev Kohli*	4
3	Sh. Anil Kumar Bansal**	-
4	Sh. Saket Agarwal*	4
5	Sh. Rahul Gupta**	-

*Ceased to be Director with effect from June 12, 2018

** Committee Membership with effect from June 11, 2018.

The representatives of the Statutory Auditors and Internal Auditors also attended the meeting. The Company Secretary of the Company acts as the Secretary to the Audit Committee. Necessary quorum was present at the above meetings. Audit Committee is governed by terms of reference which is in accordance with the regulatory requirements mandated under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference are as follows:

1. Oversee our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Discuss with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
3. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
4. Regular review of accounts, changes in accounting policies and reasons for the same etc.
5. Review of the major accounting entries, based on exercise of judgment by management.
6. Review of significant adjustments arising out of audit.
7. Review of qualifications in the draft audit report.
8. Examination of the financial statements and auditors' report thereon.

9. Establishing and reviewing the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
10. Review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. The Committee shall have post audit discussions with the Independent auditors to ascertain any area of concern.
12. Establish the scope and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems, evaluation of internal financial controls and risk management systems.
13. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department and reporting structure coverage.
14. Look into the matters pertaining to the Director's Responsibility Statement with respect to compliance with Accounting Standards and accounting policies.
15. Review, with the management, prior to submission to the board for approval, disclosure of any related party transactions, or any subsequent modification of transactions of our Company with related parties.
16. Scrutiny of inter-corporate loans and investments.
17. Valuation of undertakings or assets of our Company, wherever it is necessary.
18. Compliance with Stock Exchange and other legal requirements concerning financial statements, to the extent applicable.
19. Review with the management, performance of statutory and internal auditors.
20. Recommending to the Board the Appointment, terms of appointment, reappointment, replacement or removal and fixing of audit fees of statutory auditors and internal auditors.
21. Approval of payment to the statutory auditors for any other services rendered by them.
22. Look into the reasons for substantial defaults in the payment to the depositories, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
23. Look into the functioning of the Whistle Blower mechanism.
24. Monitoring the end use of funds raised through public offers and related matters.
25. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee.

The Company Secretary acts as Secretary of the committee. The Audit Committee Meetings invitees such of the executives to be present at its meeting as it deem fit.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of 3 (three) directors of which two are Independent Directors. The members of the Nomination and Remuneration Committee are:

Sh. Anil Kumar Bansal – Chairman of the Committee – Independent Director

Sh. Bharat Bhushan Sahny - Independent Director

Ms. Megha Gupta – Non- Independent Director

1 (One) Nomination and Remuneration Committee Meetings was held during the financial year ended March 31, 2018. i.e. on May 23, 2017.

Attendance of the Nomination and Remuneration Committee members at the meeting was as below:

S. No.	Name of the Member	No. of meetings attended
1	Sh. Rajeev Kohli**	1
2	Sh. Bharat Bhushan Sahny	1
3	Ms. Gunjan Agarwal**	1
4	Ms. Megha Gupta*	-
5	Sh. Anil Kumar Bansal*	-

*Committee membership w.e.f. June 11, 2018.

**Ceased to be Director with effect from June 12, 2018.

Presently Company does not pay any remuneration to its Non-executive director other than sitting fees for attending Board meeting. Details of remuneration and sitting fees paid to the executive directors of the Company for the year April 1, 2017 to March 31, 2018 is as under:

S. No.	Name of the Director	Sitting Fees (In lakhs)	Term of Appointment
1	Sh. Saket Agarwal (ceased to be Director w.e.f. June 12, 2017)	0.25	-
2	Sh. Rahul Gupta	-	5 years w.e.f. May 4, 2018

Nomination and Remuneration Committee is governed by terms of reference which is in accordance with the regulatory requirements mandated under Companies Act, 2013. The terms of reference are as follows:

- Formulate criteria to determine and evaluate qualifications, positive attributes and independence of a Director and recommend to Board policy relating to remuneration to Directors, Key Managerial personnel and other employees. The policy should ensure that the remuneration is reasonable and sufficient to attract, retain and motivate directors of a quality required to run the company successfully, the remuneration and performance are suitably benchmarked and the remuneration is a balance of fixed pay and incentives required to achieve the periodic performance objectives.
- Identify persons qualified to be Directors / Senior Management as per the criteria and recommend their appointment / removal to Board and evaluate every Director's performance (including Independent Directors).

- Devising policy on Board diversification.
- Remuneration / commission payable to directors.
- Managerial remuneration.
- Grant of stock options under the Employees Stock Option Scheme.
- Frame policies to attract, motivate & retain personnel.
- Other functions of a Nomination & Remuneration Committee as required / recommended in the Listing Agreement.

Stakeholders Relationship Committee

The Stakeholders' Relationship Committee comprises of 3 (three) directors.

The members of the Stakeholders relationship Committee are:

- Mrs. Megha Gupta – Chairman of the Committee –Director
- Sh. Anil Kumar Bansal – Independent Director
- Sh. Rahul Gupta- Managing Director

1 (One) Stakeholders Relationship Committee Meetings were held during the financial year ended March 31, 2018. The meeting of Stakeholders Relationship Committee was held on January 29, 2018.

Attendance of the Stakeholders Relationship Committee members at the meetings was as below:

S. No.	Name of the Member	No. of meetings attended
1	Sh. Bharat Bhushan Sahny***	1
2	Sh. Rajeev Kohli**	1
3	Ms. Gunjan Agarwal**	1
5	Mrs. Megha Gupta*	-
6	Sh. Rahul Gupta*	-

*Committee membership w.e.f. June 11, 2018.

** Ceased to be Director w.e.f. June 12, 2018.

***Ceased to be committee chairman w.e.f June 11, 2018

Terms of references are as follows:

- Review the existing investor redressal system and suggest measures for improvement.
- Resolution of investor grievances / complaints.
- Suggest improvement in investor relations.
- Propose to the Board of Directors, the appointment / re-appointment of the Registrar and Share Transfer Agent, including the terms and conditions, remuneration, service charge / fees.

Compliance Officer

Ms. Surbhi Arora, company Secretary is the Compliance Officer

Investor Grievances

The Company has designated an e-mail id viz. info@apolotriccoat.com to enable investors to register their complaints, if any. The Company

strives to reply to the complaints within a period of 3 working days.

• Complaints

During the period under review, no Complaint has been received by the Company. There were no Share Transfer pending as on March 31, 2018.

Independent Directors' Meeting:

During the year 1 (one) meeting of the Independent Directors was held on January 29, 2018 inter-alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors, as a whole.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

General Body Meetings

Annual General Meetings: Details of Annual General Meetings held during the last 3 years are as follows:

Financial Year	AGM No.	Day, Date & Time	Venue	Special Resolution passed
2016-17	35	Wednesday, September 27, 2017 at 1:00 PM	IMA-East Delhi, Building 35-X, Institutional Area, Karkardooma, Delhi-110092	-
2015-16	34	Saturday, August 27, 2016 at 3:30 PM	IMA-East Delhi, Building 35-X, Institutional Area, Karkardooma, Delhi-110092	- Keeping Registers/records at the Corporate office of the Company - Increase in borrowing powers. - Creation of charges in movable/immovable properties.
2014-15	33	Monday, September 28, 2015 at 11:00AM	A-3, NDSE, Part-I, New Delhi-110049	- Increase in borrowing powers. - Creation of charges in movable/immovable properties.

Extra Ordinary General Meeting: Special resolution was passed through EGM during the financial year 2017-18, are as follows:

Day, Date & Time	E-voting period	Special Resolution passed
Wednesday, February 28, 2018 at 1:00 PM	February 25, 2018 (9.00 P.M.) to February 27, 2018 (5.00 P.M.)	- Issuance of 49,00,000 fully convertible warrants on preferential basis to Promoter and non-Promoter Category - Issuance of 72,00,000 shares on Preferential basis

- In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, and in compliance with the provisions of Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, Members were provided with the facility to cast their vote electronically through the e-voting services provided by CDSL on all resolutions set forth in the Notice. Members were also given an option to vote by Postal Ballot.
- The Company has appointed Sh. Deepak Kumar Lath proprietor Lath Deepak & Associates, Practicing Company Secretary as Scrutinizer to conduct the Postal Ballot/e-voting process in fair and transparent manner.

Means of Communication

- The quarterly and annual financial results of the Company are being published in leading newspapers to provide accessibility to the Shareholders and are also displayed on the Company's website www.apollotriccoat.com

The financial results during 2017-18 are published in The Pioneer. The results are simultaneously uploaded on the Company's website.
- Official Press releases and presentation as and when made to the media and analysts are made available on the Company's website www.apollotriccoat.com.

General Shareholders' Information

S. No.	Salient items of Interest	Particulars
1	AGM Date	September 29, 2018
2	AGM Time	04:00 P.M.
3	AGM Venue	IMA-East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi-110092
4	Financial Calendar	April 1, 2017 - March 31, 2018
	Results for the Quarter ending (Tentative & subject to change)	
	June 30, 2018	On or before August 14, 2018
	September 30, 2018	On or before November 14, 2018
	December 31, 2018	On or before February 14, 2019
	March 31, 2018	On or before May 30, 2019
5	Date of Book Closure	September 22, 2018 – September 29, 2018
6	Listing on Stock exchange	BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Phone:+91 22 2272 1233; Fax: +91 22 2272 1919 Website: www.bseindia.com
7	Depositories	National Securities Depository Limited Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 013 Phone: +91 22 2499 4200; Fax: +91 22 24976351 Email: info@nsdl.co.in Website: www.nsdl.co.in Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai - 400 001 Phone: +91 22 2272 3333; Toll free: 1800-200-5533 Fax: +91 22 2272 3199 E-mail: helpdesk@cdslindia.com Website: www.cdslindia.com
8	Stock code	BSE : 538566
9	ISIN Code	INE919P01029
10	Registrar & Share Transfer Agent	M/s Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059 Maharashtra Tel. No. +91-22-6263 8200 Fax No. +91-22-6263 8299 E-mail: investor@bigshareonline.com
11	Share Transfer System	Share transfer and related operations for Apollo TriCoat Tubes Limited are conducted by M/s Bigshare Services Private Limited, which is registered with the SEBI as Category I Registrar. Share transfer is normally affected within stipulated period, provided all the required documents are submitted.
12	Dematerialization of Shares (Equity)	As at March 31, 2018, 2,56,82,750 shares aggregating 99.99% of total holding are in dematerialized mode
13	Outstanding ADRs/GDRs	There were no outstanding GDRs/ADRs as on March 31, 2018.
14	Warrants and other Convertible documents	There were 48,00,000 warrants outstanding for conversion as on March 31, 2018.

15 Address for Correspondence

Registered Office

37, Hargobind Enclave, Vikas Marg, New Delhi-110092

Corporate Office

36, Kaushambi, Near Anand Vihar Terminal, Ghaziabad-201010

Registrar and Share Transfer Agents

M/s Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building, Opposite Vasant

Oasis Makwana Road, Marol, Andheri East,

Mumbai-400059 Maharashtra

Tel. No. +91-22-6263 8200 Fax No. +91-22-6263 8299

E-mail Id: investor@bigshareonline.com

Disclosures

1. Related Party Disclosure

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements), 2015 during the financial year were in the ordinary course of business and on arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the Note no.32 to the Financial Statements.

2. Management Discussion And Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is presented in a separate section forming part of the Annual Report.

3. Disclosure on accounting treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

4. This Corporate Governance Report of the Company for the financial year ended March 31, 2018 are in compliance with the requirements of Corporate Governance under the listing regulations, as applicable.

5. Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations:

- There are no audit qualifications on the financial year 2017-18.
- The internal auditor reports directly to the Audit Committee of the Board.
- Appointment of separate post of Chairman and CEO.

6. Detail of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges, SEBI or any Statutory Authority on any matters related to Capital Markets:

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchange as well as regulations and guidelines of SEBI. No penalties or strictures were imposed by SEBI, Stock Exchanges or any statutory authority on matters relating to Capital Markets during the last three years.

7. Risk Management

The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which was presented to the Audit Committee and reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework.

8. Vigil Mechanism / Whistle Blower policy

In compliance with provisions of Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company has framed a Vigil Mechanism / Whistle Blower Policy and the same has also been placed on the website of the Company. None of the employees of the Company has been denied access to the Audit Committee.

9. Subsidiary Companies: As on March 31, 2018, Company has no subsidiary.

10. Disclosures with respect to demat suspense account/ unclaimed suspense account:

There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2017-18.

11. Distribution of Shareholding as on March 31, 2018

Category (Nominal value of shares)		Shareholders		Shares	
From	To	Number	%	Number	%
Up to 500		2,565	84.36	11,88,663	4.62
501-1000		197	6.48	7,43,335	2.89
1001-2000		121	3.98	9,01,712	3.50
2001-3000		45	1.48	5,62,232	2.18
3001-4000		20	0.66	3,51,940	1.36
4001-5000		23	0.76	5,40,503	2.10
5001-10000		33	1.09	11,98,571	4.66
10001 & above		36	1.19	2,02,13,044	78.69
TOTAL		3,040	100.00	2,57,00,000	100.00

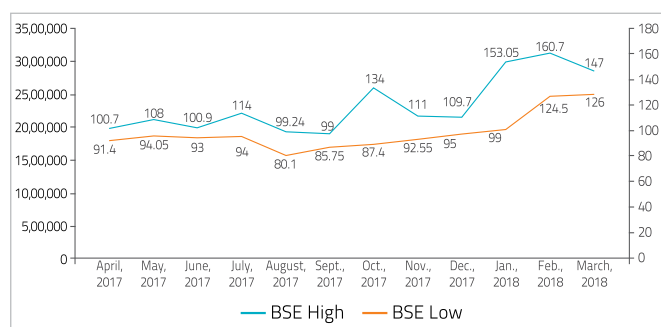
12. Shareholding Pattern as on March 31, 2018

S. No.	Category	No. of shares held	Percentage of shareholding
1	Promoters	65,63,973	25.54
2	Foreign Portfolio Investors	1,18,000	0.46
3	Bodies Corporate	12,23,052	4.76
4	Individuals	1,72,46,878	67.10
5	NRI/OCBs	2,59,051	1.01
6	Clearing Member	2,64,046	1.03
7	Trusts	25,000	0.10
	Total (1+2+3)	2,57,00,000	100

13. Stock Price Data

1. The monthly high and low quotations during the financial year 2017-18 is given below:

Month & Year	Stock Market price on BSE (In ₹ Per Share)		
	High	Low	Traded Quantity
April, 2017	100.7	91.4	9,10,972
May, 2017	108	94.05	28,97,749
June, 2017	100.9	93	6,57,074
July, 2017	114	94	17,06,429
August, 2017	99.25	80.1	4,55,562
September, 2017	99	85.75	2,58,712
October, 2017	134	87.4	8,48,361
November, 2017	111	92.55	8,20,611
December, 2017	109.7	95	10,75,659
January, 2018	153.05	99	25,84,377
February, 2018	160.7	124.5	15,76,322
March, 2018	147	126	5,87,276



(Source: www.bseindia.com)

2. Shares traded during April 1, 2017 to March 31, 2018

Particulars	On BSE
No. of Shares traded	1,43,79,104
Highest Share Price	160.70
Lowest Share Price	80.10
Closing Share Price as on March 31, 2018	130.90
Market Capitalization as on March 31, 2018 (in Cr)	346.69

14. CEO and CFO Certification:

The concern have provided certification on financial reporting and internal controls to the Board as required under Regulation 17(8) read with Schedule II of Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

15. Reconciliation of Share Capital Audit

In terms of Regulation 40(9) of the Listing Regulations, certificates, on half-yearly basis, have been issued by the Company Secretary in practice with respect to due compliance of share and security transfer formalities by the Company. The Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') (collectively 'Depositories') and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories) respectively.

16. Code of Conduct for prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulation, 2015, the Board of Directors of the Company has adopted (i) the code of practices and procedures for fair disclosure of unpublished price sensitive information and (ii) the code of conduct to regulate, monitor and report trading by insiders, in terms of the said Regulations. The Company believes that these Codes will help in ensuring compliance of the SEBI Regulations.

A declaration signed by the Managing Director is attached and forms part of the Annual Report of the Company.

17. The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

18. Compliance Certificate of the Practicing Company Secretary

Certificate from the Practicing Company Secretaries M/s Anjali Yadav and Associates, confirming compliance with conditions of Corporate Governance as required under Regulation 34(3) Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and Senior Management Personnel of the Company. The same has also been posted on the Company's website. It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2018 as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

For the purpose of this declaration, senior management personnel means the members of the Management one level below the Managing Director of the Company as on March 31, 2018.

For **Apollo TriCoat Tubes Limited**,

Rahul Gupta
Managing Director

Date: August 22, 2018

Place: Delhi

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Apollo TriCoat Tubes Limited,

(Formerly Known as M/s. Best Steel Logistics Limited)

We have examined the compliance of conditions of Corporate Governance by the Apollo TriCoat Tubes Limited ("the Company") for the year ended March 31, 2018 as stipulated in Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility for compliance with the conditions of Listing regulations

1. The Compliance of conditions of Corporate Governance is the responsibility of the Management.

Auditor's Responsibility

2. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2018.
4. We have examined the relevant records of the Company in accordance with Guidance Note on Reports or Certificates for Special Purpose (Revised) 2016 issued by the Institute of Chartered Accountants of India.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned regulations.
6. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

7. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Anjali Yadav & Associates**
Practising Company Secretary

Place: Ghaziabad
Date: August 22, 2018

Anjali Yadav
FCS No.: 6628
C P No.: 7257

INDEPENDENT AUDITOR'S REPORT

To the Members of Best Steel Logistics Limited Report on the Ind AS Financial Statements

1. We have audited the accompanying financial statements of Best Steel Logistics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. In conducting our audit, we have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control

relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Financial information of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unqualified opinion May 23, 2017 and May 28, 2016, respectively. The adjustments to those Ind AS financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give considered appropriate and according to the information and explanations given to us, we give in Annexure B a statement on the matters specified in paragraphs 3 and 4 of that Order.
11. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) the Ind AS Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash

Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our

information and according to the explanations given to us:

- i. The Company does not have any pending litigations which could affect the financial position in its Ind AS financial statements
- ii. The Company has long term contracts as at March 31, 2018 for which there were no material foreseeable losses. There are no long term derivative contracts as at March 31, 2018.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. – not applicable

For VAPS & COMPANY

Chartered Accountants
ICAI Firm Registration No-003612N

Praveen Kumar Jain

Partner

Membership Number: 082515

New Delhi
May 29, 2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the Members of Best Steel Logistics Limited on the Ind AS Financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Best Steel Logistics Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VAPS & COMPANY

Chartered Accountants

ICAI Firm Registration No-003612N

Praveen Kumar Jain

Partner

Membership Number: 082515

New Delhi
May 29, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the Members of Best Steel Logistics Limited on the Ind AS Financial statements for the year ended March 31, 2018

- | | |
|--|---|
| <p>i. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such physical verification.</p> <p>(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the Ind AS financial statements, are held in the name of the Company.</p> <p>ii. As explained at us, the physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on physical verification.</p> <p>iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.</p> <p>iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.</p> <p>v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.</p> <p>vi. The company is not required to maintain cost records as per section 148(1) of the Act, hence this clause is not applicable to the company.</p> <p>vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, there had been no delays in depositing undisputed statutory dues, including Income Tax, Employees' State Insurance, Provident Fund, Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax Duty of Customs, Duty of Excise, Cess and other material statutory dues, as applicable, with the appropriate authorities</p> <p>(b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Goods and Services Tax, Customs Duty and Excise Duty, Service Tax, Value Added Tax, Cess etc. were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.</p> <p>viii. According to the records of the Company examined by us and the information and explanation given to us, the company</p> | <p>has not defaulted in repayment of loans or borrowings to any bank. Further, there were no dues payable to financial institution or Government or debenture holders as at Balance Sheet date.</p> <p>ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3(ix) of that Order are not applicable to the Company.</p> <p>x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management. The Company has not given any guarantee for loans taken by others from bank or financial institutions.</p> <p>xi. The Company has not paid/ provided for managerial remuneration during the year. Hence the provisions of Section 197 read with Schedule V to the Act are not applicable to the company.</p> <p>xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.</p> <p>xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).</p> <p>xiv. According to the information and explanations given to us and as per our verification of the records of the company, the company has made a preferential allotment of 72,00,000 equity shares of ₹ 2/- each at a premium of ₹ 118/- per share and the proceeds of the same have been utilized for the purpose for which it has been raised.</p> <p>xv. The Company has not entered into any non-cash transactions with its Directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.</p> <p>xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.</p> |
|--|---|

For VAPS & COMPANY
Chartered Accountants
ICAI Firm Registration No-003612N

Praveen Kumar Jain
Partner
Membership Number: 082515

New Delhi
May 29, 2018

BALANCE SHEET

As at MARCH 31, 2018

(₹ in lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	2,465.62	2,464.72	1,502.14
Capital Work in Progress		706.77	16.89	-
Intangible Assets	4	-	0.01	0.05
Financial Assets				
Other financial assets	5	1.03	89.39	-
Other Non current assets	6	3,350.66	-	-
Deferred tax assets(net)	7	-	-	10.14
Total non-current assets		6,524.08	2,571.01	1,512.33
Current Assets				
Inventories	8	79.34	-	-
Financial Assets				
(i) Trade Receivables	9(a)	683.96	246.10	211.50
(ii) Cash and Cash Equivalents	9(b)	759.76	81.44	1.35
Other current assets	10	5,230.49	1,045.15	160.04
Total current assets		6,753.55	1,372.69	373.19
Total Assets		13,277.63	3,943.70	1,885.52
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	11	514.00	370.00	370.00
Other Equity	12	10,721.21	87.17	(53.93)
Total equity		11,235.21	457.17	316.07
Non-current liabilities				
Financial Liabilities				
Borrowings	13	-	3,176.25	1,092.47
Provisions	14	0.47	6.68	-
Deferred Tax Liabilities (Net)	7	15.72	14.16	-
Total non-current liabilities		16.19	3,197.09	1,092.47
Current Liabilities				
Financial Liabilities				
(i) Borrowings	15	-	-	470.45
(i) Trade Payables	16	48.99	46.96	-
(ii) Other Financial Liabilities	17	-	153.18	-
Provisions	18	0.04	0.22	-
Other Current Liabilities	19	1,708.68	47.37	6.53
Current tax liabilities (net)	20	268.52	41.71	-
Total current liabilities		2,026.23	289.44	476.98
Total Liabilities		2,042.42	3,486.53	1,569.45
Total Equity and Liabilities		13,277.63	3,943.70	1,885.52

The above balance sheet should be read in conjunction with the accompanying notes

This is the Balance Sheet referred to in our report of even date.

For VAPS & Co.

Firm Reg. No. 003612N

Chartered Accountants

For and On Behalf of the Board

Praveen Kumar Jain

Partner

Membership No. 082515

Rahul Gupta

Managing Director

DIN: 07151792

Saket Agarwal

Director

DIN: 00203084

Surbhi Arora

Company Secretary

Place : New Delhi

Date : May 29, 2018

STATEMENT OF PROFIT OR LOSS

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	21	19,110.27	6,124.43
Other income	22	28.38	66.38
Total Income		19,138.65	6,190.81
Expenses:			
Cost of Revenue Operations	23	17,469.24	5,569.69
Employee Benefits Expenses	24	54.91	58.52
Finance Costs	25	188.24	172.43
Depreciation and Amortization Expenses	26	17.10	8.16
Other Expenses	27	424.67	154.81
Total expenses		18,154.16	5,963.61
Profit before Tax		984.49	227.20
Tax expense:	29		
Current tax		284.97	67.27
Deferred tax		1.55	15.70
Total Tax Expense		286.52	82.97
Profit for the period		697.97	144.23
Other Comprehensive Income(OCI) (net of tax)			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligation		-	(3.13)
Total Comprehensive Income for the year		697.97	141.10
Earnings per share (Refer note 29)			
Nominal Value per share: ₹ 2/- (Previous Year: ₹ 2/-)			
Basic		3.71	0.76
Diluted		3.66	0.76

The above statement of profit and loss should be read in conjunction with the accompanying notes

This is the statement of profit and loss referred to in our report of even date.

For VAPS & Co.

Firm Reg. No. 003612N

Chartered Accountants

For and On Behalf of the Board

Praveen Kumar Jain

Partner

Membership No. 082515

Rahul Gupta
Managing Director
DIN: 07151792

Saket Agarwal
Director
DIN: 00203084

Surbhi Arora
Company Secretary

Place : New Delhi

Date : May 29, 2018

STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash Flow from operating activities		
Profit before exceptional item and tax	984.57	227.20
Adjustments For		
Depreciation and amortisation expense	17.10	8.16
Finance Cost	188.23	172.42
Interest Income on FD with banks	(28.38)	-
Operating Profit before working capital changes	1,161.52	407.78
Adjustment for Working Capital Changes		
Decrease/(Increase) in Trade receivables	(437.86)	(39.22)
Decrease/(Increase) in other receivables	(7,447.58)	(964.10)
Decrease/(Increase) in inventories	(79.34)	-
(Decrease)Increase in Provisions	(6.46)	6.90
(Decrease)Increase in Trade and other payables	1,736.98	(187.77)
Cash generated from Operations	(5,072.74)	(776.41)
Taxes paid	(284.97)	(67.27)
Net Cash flow from operating activities	(5,357.71)	(843.68)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property,Plant and equipment	(707.86)	(987.59)
Interest received	28.38	-
Net cash flow from investing Activities	(679.48)	(987.59)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long term Borrowings (Secured)	(3,176.25)	2,083.78
Proceeds from Short term Borrowings (Secured)	-	-
Proceeds on issue of share capital	8,640.00	-
Proceeds on issue of Share Warrant	1,440.00	-
Interest paid	(188.23)	(172.42)
Net Cash from financing Activities	6,715.52	1,911.36
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT	678.32	80.09
Opening balance of Cash & Cash equivalents(April 1, 2017/April1, 2016)	81.44	1.35
Closing balance of Cash & cash equivalent	759.76	81.44
Cash and cash Equivalents comprises		
Cash in Hand	4.73	4.18
Balance with Scheduled Banks		
-In current Accounts	755.03	77.26
-In Fixed Deposit Accounts with original maturity of less than 3 months	-	-
Total Cash and Cash Equivalents	759.76	81.44

i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard 7, "Statement of Cash flows"

ii) Figures in Bracket indicate cash outgo

The above statement of cash flows should be read in conjunction with the accompanying notes.
This is the statement of cash flows referred to in our report of even date.

For **VAPS & Co.**

Firm Reg. No. 003612N
Chartered Accountants

For and On Behalf of the Board

Praveen Kumar Jain
Partner
Membership No. 082515

Rahul Gupta
Managing Director
DIN: 07151792

Saket Agarwal
Director
DIN: 00203084

Surbhi Arora
Company Secretary

Place : New Delhi
Date : May 29, 2018

STATEMENT OF CHANGES IN EQUITY

As at March 31, 2018

a) Equity share capital

Particulars	Amount
As at April 1, 2016	37,000,000
Changes in equity share capital	-
As at March 31, 2017	37,000,000
Changes in equity share capital	14,400,000
As at March 31, 2018	51,400,000

b) Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Securities Premium Reserve	Money received against Share Warrant	Retained Earnings	Actuarial Loss on Defined Benefit Plan	
Balance as at April 1, 2016	-	-	(53.93)	-	(53.93)
Profit for the year	-	-	144.23	(3.13)	141.10
Balance as at March 31, 2017	-	-	90.30	(3.13)	87.17
Issue of Shares Capital	8,496.00	-	-	-	8,496.00
For the year	-	1,440.00	-	-	1,440.00
Profit for the year	-	-	697.97	-	697.97
Balance as at March 31, 2018	8,496.00	1,440.00	788.27	(3.13)	10,721.14

The accompanying notes form an integral part of these financial statements.

This is the statement of changes in equity referred to in our report of even date.

For VAPS & Co.

Firm Reg. No. 003612N
Chartered Accountants

For and On Behalf of the Board

Praveen Kumar Jain
Partner
Membership No. 082515

Rahul Gupta
Managing Director
DIN: 07151792

Saket Agarwal
Director
DIN: 00203084

Surbhi Arora
Company Secretary

Place : New Delhi
Date : May 29, 2018

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

1. General Information

Best Steel Logistics Limited (formerly known as Potential Investments and Finance Limited) incorporated on January 12, 1983 is engaged in the Trading of Steel and Related Products and Warehousing & Storage Services. The Company is a public company listed on Bombay Stock Exchange (BSE). The registered office of the Company is in New Delhi.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The Financial statements (FS) of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements.

For all periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind-AS.

The Company has consistently applied the accounting policies used in the preparation of its opening IND-AS Balance Sheet at April 1, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2016 and March 31, 2017 and on the net profit and cash flows for the year ended March 31, 2017 is disclosed in Note No. 34 to these financial statements.

2.2 Use of Estimates

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as at the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period/year.

The difference between the actual results and estimates are recognised in the year in which the results are known/materialise.

All Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities

2.3 Significant Accounting Policies

i) Current v/s Non Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities

ii) Fair Value Measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The fair value of plants and equipments as at transition date have been taken based on valuation performed by an independent technical expert. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

iii) Property, Plant & Equipment

On transition to IND AS, the Company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently, Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Depreciation

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates which are different from one specified in Schedule II of the Companies Act, 2013. Asset's depreciation methods, residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Intangible Asset under development includes cost of development of new intangible assets to complete the assets as at the balance sheet date.

Capital Expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

iv) Intangible Assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses (if any). Costs include expenditure that is directly attributable to the acquisition of the intangible assets.

(i) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(ii) Amortization of intangible assets with finite useful lives

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Computer Softwares are amortised over the estimated useful lives of 5 years.

v) Impairment of Non Financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment and additionally whenever there is a triggering event for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount of cash generating units exceeds its recoverable

amount. The recoverable amount of a cash generating unit is the higher of cash generating unit's fair value less cost of disposal and its value in use.

vi) Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials, Stores, Spare Parts, Chemicals: are valued at cost, computed on weighted average basis.
- Finished goods and work in progress: are valued at cost or net realisable value, whichever is lower. In the case of finished goods and work in process cost comprises of material, direct labour and applicable overhead expenses. The cost of finished goods also includes applicable excise duty.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

vii) Financial Instruments-Initial Recognition, Subsequent Measurement and Impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

(a) Initial recognition and measurement:

All financial assets are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- : Financial assets at fair value
- : Financial assets at amortised cost

(c) Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(d) Financial assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

terms of the asset give rise on specified dates to cash flows that are solely for payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

(e) Financial assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

(f) Financial assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

(g) Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

(h) Derecognition of Financial assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset, if an entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it shall recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation shall be recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

(i) Impairment of Financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

Financial Liabilities

(a) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(b) Classification & Subsequent measurement:

If a financial instrument that was previously recognised as a financial asset is measured at fair value through profit or loss and its fair value decreases below zero, it is a financial liability measured in accordance with IND AS. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(c) Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. After initial recognition Gain and Liabilities held for Trading are recognised in statement of profit and Loss Account.

(d) Derecognition of Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

Subsequent recoveries of amounts previously written off are credited to Other Income.

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

viii) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

ix) Provisions, Contingent Liabilities, Contingent Assets and Commitments

(a) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, the amount of a provision shall be the present value of expense expected to be required to settle the obligation. Provisions are therefore discounted, when effect is material. The discount rate shall be pre-tax rate that reflects current market assessment of time value of money and risk specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

(b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised, but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

x) Share capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

xi) Revenue Recognition

(a) Sale of goods

Revenue from the sale of goods is recognised, when the significant risks and rewards of ownership of the goods have passed to the buyer, as per the terms of Company and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods, usually on delivery of the goods. Revenue is recognized at the fair value of consideration received or receivable, net of returns and allowances trade discounts, volume rebates and outgoing sales tax and are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of excise duty.

(b) Other Income

- Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

- Dividends

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

xii) Taxes

(a) Income tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

xiii) Earnings per Share

As per Ind AS 33, Earning Per Share, Basic earnings per share are computed by dividing the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments. Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

2.4) Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions

and judgements, which have significant effect on the amounts recognised in the financial statement:

(i) Property, plant and equipment

On transition to Ind AS, the Company has adopted optional exemption under IND AS 101 for fair valuation of property, plant and equipment. The Company appointed external adviser to assess the fair value, remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned fair value, useful lives and residual value are reasonable.

(ii) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(iv) Allowance for uncollectable accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 3: Property, Plant and Equipment

(₹ in lakhs)

Particulars	Freehold Land	Freehold Buildings	Furniture and Fixtures	Plant & Machinery	Office Equipment	Vehicle	Total
Year Ended March 31, 2017							
Gross Carrying Amount							
Deemed Cost as of April 1, 2016	1,501.70	-	-	-	0.36	0.08	1,502.14
Additions	523.44	328.72	18.21	100.33	-	-	970.70
Disposals	-	-	-	-	-	-	-
Closing Gross carrying amount	2,025.14	328.72	18.21	100.33	0.36	0.08	2,472.84
Accumulated Depreciation	-	-	-	-	-	-	-
Depreciation charge during the year	-	5.04	0.50	2.31	0.22	0.05	8.12
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation	-	5.04	0.50	2.31	0.22	0.05	8.12
Net carrying value as on March 31, 2017	2,025.14	323.67	17.71	98.02	0.14	0.03	2,464.72
Year ended March 31, 2018							
Gross Carrying Amount	-	-	-	-	-	-	-
Opening Gross carrying amount	2,025.14	328.72	18.21	100.33	0.36	0.08	2,472.84
Additions	-	10.00	7.72	-	0.26	-	17.98
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Closing Gross carrying amount	2,025.14	338.72	25.93	100.33	0.62	0.08	2,490.82
Accumulated Depreciation	-	-	-	-	-	-	-
Opening accumulated depreciation	-	5.04	0.50	2.31	0.22	0.05	8.12
Depreciation charge during the period	-	10.49	1.71	4.66	0.19	0.03	17.08
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation	-	15.53	2.21	6.97	0.41	0.08	25.20
Net carrying value as on March 31, 2018	2,025.14	323.19	23.72	93.36	0.22	-	2,465.62

Note 4: Intangible Assets

(₹ in lakhs)

Particulars	Software
Year Ended March 31, 2017	
Gross Carrying Amount	
Deemed Cost as of April 1, 2016	0.05
Additions	-
Disposals	-
Closing Gross carrying amount	0.05
Accumulated Depreciation	-
Depreciation charge during the year	0.04
Disposals	-
Closing accumulated depreciation	0.04
Net carrying value as on March 31, 2017	0.01
Half Year ended September 30, 2017	
Gross Carrying Amount	-
Opening Gross carrying amount	0.05
Additions	-
Disposals	-
Closing Gross carrying amount	0.05
Accumulated Depreciation	-
Opening accumulated depreciation	0.04
Depreciation charge during the year	0.01
Disposals	-
Closing accumulated depreciation	0.05
Net carrying value as on March 31, 2018	-

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 5: Other Financial Assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured considered good, unless otherwise stated)			
Security Deposits	1.03	-	-
Balances in Fixed Deposit accounts with original maturity more than 12 months	-	89.39	-
Total	1.03	89.39	-

Note 6: Other Non current assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances	1,984.71	-	-
Operating lease prepayments	1,365.95	-	-
Total	3,350.66	-	-

Note 7: Deferred Tax Assets/Liabilities(Net)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Assets			
MAT Credit Entitlement	-	-	10.10
Employee Benefits	-	-	-
	-	-	10.10
Deferred Tax Liabilities			
Depreciation	15.72	14.16	(0.04)
	15.72	14.16	(0.04)
Deferred Tax Assets(Net)	-	-	10.14
Deferred Tax Liabilities(Net)	15.72	14.16	-

Note 8: Inventories

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Traded Goods	79.34	-	-
Total	79.34	-	-

Note 9 (a): Trade Receivables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured			
Considered good	683.96	246.10	211.50
Considered doubtful	-	-	-
Less : Provision for doubtful debts	-	-	-
Total	683.96	246.10	211.50

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 9(b) : Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash Equivalents			
Balances with banks			
-Current Accounts	755.03	77.26	0.05
-EEFC Account	-	-	-
-In Fixed deposit accounts with original maturity of less than 3 months	-	-	-
Cash in Hand	4.73	4.18	1.30
Total (A)	759.76	81.44	1.35
Other Bank Balances			
Balances in fixed deposit accounts with original maturity more than 3 months but less than 12 months	-	-	-
Total(B)	-	-	-
Total(A+B)	759.76	81.44	1.35

Note 9(c): Loans

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
-Advance Tax	13.27	-	0.29
Less: Provision for Tax	(13.27)	-	-
Total	-	-	0.29

Note 10: Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured,considered good:			
-Capital Advances	5,000.00	-	-
-Advance to Suppliers	21.36	945.00	155.82
-Employee Advances	0.41	0.57	-
-Balances with Government Authorities	97.42	4.93	4.22
Operating lease prepayments	13.95	-	-
Prepaid Expenses	0.39	0.10	-
Unamortised Expenses	-	68.04	-
Other Receivables	96.96	26.51	-
Total	5230.49	1,045.15	160.04

Note 11: Share Capital

(In ₹)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Authorized, Issued, Subscribed and Paid-up Share Capital			
Authorized:			
32,500,000 (March 31, 2017: 20,000,000, March 31, 2016: 20,000,000)	65,000,000	40,000,000	40,000,000
Equity Shares of ₹ 2 each	65,000,000	40,000,000	40,000,000
Issued, Subscribed & Paid up:			
25,700,000 (March 31, 2017: 18,500,000, March 31, 2016: 18,500,000)	51,400,000	37,000,000	37,000,000
Equity Shares of ₹ 2 each			
Total	51,400,000	37,000,000	37,000,000

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

B. Reconciliation of Number of Shares

Equity Shares:	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Balances as at the beginning of the year	18,500,000	37,000,000	18,500,000	37,000,000	18,500,000	37,000,000
Add: Shares Brought back during the year	-	-	-	-	-	-
Add: Addition during the year	7,200,000	14,400,000	-	-	-	-
Add: Deletion during the year	-	-	-	-	-	-
Balance as at the end of the year	25,700,000	51,400,000	18,500,000	37,000,000	18,500,000	37,000,000

C. Detail of shareholder holding more than 5% shares of the Company :

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Numbers of Shares held	% of holding	Numbers of Shares held	% of holding	Numbers of Shares held	% of holding
Saket Agarwal	6,563,973	25.54	7,222,910	39.04	-	-
Share India Securities Limited	-	-	1,676,354	9.06	1,840,601	9.95
Sangeeta Pareekh	-	-	1,100,403	5.95	1,100,403	5.95
Rahul Gupta	8,030,000	31.25	1,000,000	5.41	-	-
Sonia Jyoti	-	-	1,000,000	5.41	1,800,000	9.73
Integrated Master Securities Private Limited	-	-	-	-	7,100,000	38.38
Vikash Gupta	-	-	-	-	1,000,000	5.41
Kanav Gupta	-	-	-	-	1,500,000	8.11
Surabh Jindal	-	-	-	-	1,525,000	8.24

D. Right, preference and restrictions attached to shares Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion of their shareholding.

Note 12 : Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve	788.27	87.17	(53.93)
Security Premium Reserve	8,496.00	-	-
Share Warrants	1,440.00	-	-
Other Comprehensive Loss	(3.13)	-	-
Total	10,721.21	87.17	(53.93)

Note 13 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Loans			
Loan from Corporate Bodies	-	-	512.00
Term Loans from banks	-	3,300.00	-
Less: Current Maturities transferred to Other financial liabilities	-	(123.75)	-
Unsecured Loans			
Loan from Directors	-	-	88.70
Loans and Advances from Related Parties	-	-	491.77
Total	-	3,176.25	1,092.47

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 14: Provisions

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employee benefits			
-Gratuity	-	5.53	-
-Leave Obligation	0.47	1.15	-
-Accrued Bonus and incentives	-	-	-
Total	0.47	6.68	-

Note 15 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Loans Repayable on demand from Banks	-	-	470.45
Total	-	-	470.45

Note 16: Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Micro,Small and medium Enterprises	-	-	-
Others	48.99	46.96	-
Total	48.99	46.96	-

Note 17: Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities of term loans transferred from long term borrowings	-	123.75	-
Interest accrued but not due on Loans	-	29.43	-
Total	-	153.18	-

Note 18: Provisions

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employee benefits			
-Gratuity	-	0.07	-
-Leave Obligation	0.04	0.15	-
-Accrued Bonus and incentives	-	-	-
Total	0.04	0.22	-

Note 19: Other Current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from Customers and others	1,700.00	-	-
Employee Benefits payable	3.00	5.58	-
Statutory Levies Payable	3.41	9.46	5.23
Expenses Payable	2.27	32.32	1.30
Total	1,708.68	47.37	6.53

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 20: Current Tax Liabilities (Net)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Taxation	281.79	67.27	-
Less: Advance Tax	(13.27)	(25.57)	-
Total	268.52	41.71	-

Note 21: Revenue from Operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products	18,805.19	5,698.96
Sale of Services	305.08	425.47
Total	19,110.27	6,124.43

Note 22: Other Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income from financial assets measured at amortised cost		
- on fixed deposits with bank	28.38	18.62
Liabilities no longer written back	-	0.15
Commission Income	-	26.51
Rental Income	-	20.00
Miscellaneous Income	-	1.10
Total	28.38	66.38

Note 23: Cost of Materials Sold

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Traded Goods		
Opening Inventory	-	-
Purchases	17,538.04	5,569.69
Closing Inventory	79.34	-
Other Expenses	10.54	-
Total	17,469.24	5,569.69

Note 24: Employee Benefit Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Wages & Salary	45.82	51.20
Contribution to Provident and Other Funds	5.09	4.79
Bonus	2.18	-
Gratuity	-	5.60
Leave Encashment	1.16	1.30
Staff Welfare Expenses	0.67	0.26
Total	54.92	63.15

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 25 : Finance Cost

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense on :		
Long Term Borrowings	160.10	158.88
Other Borrowings	-	10.08
Other Borrowing Costs	-	3.38
Other Expenses	28.14	0.09
Total	188.24	172.43

Note 26 : Depreciation and Amortisation

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation	17.10	8.16
Total	17.10	8.16

Note 27 : Other Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Repairs and Maintenance:	2.70	-
Rates, Fees and Taxes	3.03	5.75
Bad debts/ Advances written off	303.48	-
Legal & Professional Charges	11.21	3.39
Director Sitting Fees	1.00	0.15
Postage and Telegram	0.25	-
Lease Rent	4.80	5.40
Amortisation of leasehold prepayments	2.18	-
Printing & Stationery	0.35	1.04
Advertisement and Publicity Expenses	0.59	0.30
Loss on Foreign Currency Transaction and Translation	-	5.77
Seminar Expenses	0.68	-
Communication Expense	0.73	-
Travelling Expense	2.17	-
Office Expenses	0.23	-
Electricity, Power and Fuel	23.84	21.89
Handling Charges	20.85	40.84
Loading and Unloading Charges	26.95	32.36
Security Services	17.63	15.13
Warehouse Expenses	-	10.38
Miscellaneous Expenses	2.00	12.41
Total	424.67	154.81

Note 28 : Tax Expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Tax		
Current Tax on profits for the year	281.79	67.27
Adjustments for current tax of prior periods	3.18	-
Total current tax expense	-	-
Deferred Tax		
(Decrease) / increase in deferred tax liabilities	1.56	14.20
Total Tax Expense	286.53	81.47

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 29 : Earnings Per Share

(In ₹)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Basic		
Net Profit after Tax attributable to shareholders	69,804,041	14,110,547
Equity Shares outstanding at the beginning of the year	18,500,000	18,500,000
Add: Weighted average number of shares issued during the year	335,342	-
Weighted Average number of equity shares used to compute basic earnings per share	18,835,342	18,500,000
Basic Earnings (in rupees) per share of ₹ 2/- each(March 31, 2017: ₹ 2/- each)	3.71	0.76
b) Diluted		
Net Profit after Tax attributable to shareholders	69,804,041	14,110,547
Weighted Average number of equity shares of ₹ 2 each(March 31, 2017: ₹ 2 each) outstanding at the end of the year	1,90,58,904	18,500,000
Diluted Earnings(in Rupees) Per share of ₹ 2 each(March 31, 2017: ₹ 2 each)	3.66	0.76

The company does not have any potential equity shares and thus,weighted average number of shares for computation of basic EPS and diluted EPS remains same.

Note 30 : Disclosure in respect of operating leases as per IND AS 17' Leases'

- The company has entered into long term lease agreement for land. The company does not have an option to purchase the leased land at the expiry of the lease period. The unamortised operating lease prepayments as at March 31, 2018 aggregating ₹ 137,989,981 (as at March 31, 2017: ₹ Nil , as at March 31, 2016 : ₹ Nil) is included in other non current / current assets.
- The Company has entered into lease arrangements for lease of offices generally for a period of 11 months with renewal option on mutual consent,and which can be terminated after lock in period by serving notice period as per the terms of the agreements.

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Information related to leases		
Total of minimum lease payments		
-Not later 1 year	1.33	6.08
-Later than 1 year and not later 5 years	-	-
-Later than 5 years	-	-
(ii) Lease Payment recognised in the statement of profit and loss for the year	4.80	5.40

Note 31: Based on the details regarding the status of the supplier obtained by the company, there is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This has been relied upon by the auditors.

Note 32 : Related Party Transactions

Details of related parties:

Description of relationship	Name of the related parties
(i) Key Management Personnel	Mr. Saket Agarwal Mrs. Ruta Jindal
(ii) Relatives of Key Management Person	Mrs. Gunjan Agarwal
(iii) Enterprises over which any person described in (i) to (ii) above is able to exercise significant influence	APL Infrastructure Private Limited Shree Ganesh Steel Tubes APL Apollo Tubes Limited (w.e.f March 15,2018)
(iv) Person having significant influence over the entity	Rahul Gupta

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Particulars	Relationship	(₹ in Lakhs)
1. Rent Expense		
Saket Aggarwal	Key Management Personnel	0.90
Shree Ganesh Steel Tubes	Enterprises over which any person described above is able to exercise significant influence	0.90
APL Infrastructure Private Limited	Enterprises over which any person described above is able to exercise significant influence	3.00
2. Rental Income		-
APL Apollo Tubes Limited	Enterprises over which any person described above is able to exercise significant influence	54.00
3. Purchase of Goods		-
APL Apollo Tubes Limited	Enterprises over which any person described above is able to exercise significant influence	7.72
4. Advance paid for Supply of Raw Material		-
APL Apollo Tubes Limited	Enterprises over which any person described above is able to exercise significant influence	5,079.90
5. Refund of advance given for supply of raw material		-
APL Apollo Tubes Limited	Enterprises over which any person described above is able to exercise significant influence	5,079.90
6. Finance Arrangement		-
Rahul Gupta	Person having significant influence over the entity	8,640.00
7. Trade Receivables		-
APL Apollo Tubes Limited	Enterprises over which any person described above is able to exercise significant influence	58.32
8. Director Sitting Fees		-
Saket Aggarwal	Key Management Personnel	0.25
Gunjan Aggarwal	Relatives of Key Management Personnel	0.25

Note 33 : Corporate Social Responsibility

The Corporate Social Responsibility is not applicable to the company.

Note 34 : Contingent Liability

Contingent liability of the company for the year ended March 31, 2018 is ₹ Nil (March 31, 2017: Nil, April 1, 2015: Nil)

Note 35 : Employee Benefits Plan

a. General description of the employee Benefit Plan

The company has an obligation towards gratuity, unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days/ one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the company or as per payment of Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

b. Plan typically exposes the company to actuarial risks such as : investment risks, interest rate risk, longevity risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, for the plan in India, it has relatively balanced mix of investments in Insurance related products.

Interest Rate Risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt.

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to the employees.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit of the defined benefit obligation were carried out as at March 31, 2018 by an actuary. The present value of the defined benefit obligation were carried out as at March 31, 2018 by an actuary. The present value of the defined benefit obligation, and the related current service cost and the past service cost, were measured using the projected unit credit method.

Details of defined benefit plan -As per Actuarial valuation are as follows:

(i) Change in present value of obligation (₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Present value of obligation as at the beginning of the period	1.31	-
Acquisition adjustment	-	-
Interest cost	0.10	0.78
Service cost	0.12	-
Past service cost including curtailment Gains/ Losses	-	-
Benefits paid	-	-
Total Actuarial (Gain)/Loss on obligation	(1.02)	0.52
Present value of obligation as at the end of period	0.51	1.30

(ii) Expense recognised in the Statement of Profit and Loss (₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Total service cost	0.12	0.78
Interest cost	0.10	0.52
Remeasurements	(1.02)	-
Expenses recognised in the Statement of Profit & Losses	(0.80)	1.30

(iii) Liability recognised in balance Sheet (₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Liability at the beginning of the period	1.30	-
Expense recognised in statement of Profit and Loss	(0.79)	1.30
Benefits payout	-	-
Liability at the end of the period	0.51	1.30

(iv) Principal Actuarial assumptions

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount Rate per annum	7.86%	7.40%
Salary Escalation rate per annum	8.00%	8.00%
Retirement age	60 Years	60 Years
Mortality tables	IALM (2006 - 08)	IALM (2006 - 08)

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 36: Financial Instruments

Financial Instruments by Category

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Trade receivable	-	-	683.96	-	-	246.10	-	-	211.50
Cash and Bank Balances	-	-	759.76	-	-	81.44	-	-	1.35
Other Financial Assets	-	-	1.03	-	-	89.39	-	-	-
Total Financial Assets	-	-	1,444.75	-	-	416.93	-	-	212.85
Financial Liabilities									
Borrowings	-	-	-	-	-	3,176.25	-	-	1,562.92
Trade Payables	-	-	48.99	-	-	46.96	-	-	-
Other Financial Liabilities	-	-	-	-	-	153.18	-	-	-
Total Financial Liabilities	-	-	48.99	-	-	3,376.39	-	-	1,562.92

Fair Value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2018	Level 1	Level 2	Level 3
Financial Assets			
Financial Investments at FVTPL			
Quoted equity instruments	-	-	-
Financial Investments at FVOCI			
Unquoted equity instruments	-	-	-
Total Financial Assets	-	-	-

As at March 31, 2017	Level 1	Level 2	Level 3
Financial Assets			
Financial Investments at FVTPL			
Quoted equity instruments	-	-	-
Financial Investments at FVOCI			
Unquoted equity instruments	-	-	-
Total Financial Assets	-	-	-

As at April 1, 2016	Level 1	Level 2	Level 3
Financial Assets			
Financial Investments at FVTPL			
Quoted equity instruments	-	-	-
Financial Investments at FVOCI			
Unquoted equity instruments	-	-	-
Total Financial Assets	-	-	-

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Note 37: Capital and Risk Management

37.1) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the company. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The company evaluates the credit worthiness of the customers based on publicly available information and the company's historical experiences. The company's exposure to its counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker(CODM).

Credit period varies as per the contractual terms with the customers. No interest is generally charged on overdue receivables.

The company directly reduces the gross carrying amount of a financial asset when the company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

37.2) Interest Rate Risk Management

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates.

37.3) Liquidity Risk Management

Ultimately responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short term, medium term and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and cash flows, and by matching the maturity profiles of the financial assets and liabilities.

Note 38: First time adoption of Ind AS

These are the company's first financial statements prepared in accordance with Ind AS

The Accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening IndAS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

A) Exemptions applied

Ind -As 101 allows first time adopters certain exemptions from the respective application of certain requirements under Ind AS

The mandatory exemptions include the following:

I. Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 1-9 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

requirements in Ind AS 1--9 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

II. Classification and measurement of Financial assets

IND AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS

III. Estimates

Estimates made in accordance with previous GAAP at the date of transition to Ind AS should be considered unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for Investment in equity instruments carried at FVOCI in accordance with IndAS as at the date of transition as these were not required under previous GAAP.

Consequently, the company has applied the above requirement prospectively.

B) The Company has applied the following optional exemptions:

I. Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

II. Leases

Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

C) Reconciliations from previous GAAP

The following reconciliations provide a quantification of the effect of differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101 whereas the notes explain the significant differences thereto.

- i. Balance sheet reconciliations as of April 1, 2016
- ii. a. Balance sheet reconciliations as of March 31, 2017
- ii. b. Reconciliations of statement of profit and loss for the year ended March 31, 2017
- iii. Notes to the Balance sheet and statement of profit and loss reconciliations.
- iv. Explanation of material adjustments to statement of cash flows

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

i. Balance sheet reconciliation as on April 1, 2016

(In ₹)

Particulars	Notes	Regrouped IGAAP	IND AS Adjustments	IND AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	-	150,214,002	-	150,214,002
Capital Work in Progress	-	-	-	-
Intangible Assets	-	5,488	-	5,488
Other Non current assets	-	-	-	-
Deferred tax assets(net)	-	1,013,980	-	1,013,980
Total non current assets	-	151,233,470	-	151,233,470
Current Assets				
Financial Assets				
(i) Trade Receivables	-	21,150,448	-	21,150,448
(ii) Cash and Cash Equivalents	-	134,940	-	134,940
(iii) Other financial assets	-	-	-	-
Current tax assets(net)	-	28,951	-	28,951
Other current assets	-	16,003,597	-	16,003,597
Total current assets	-	37,317,936	-	37,317,936
Total Assets		188,551,406	-	188,551,406
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	-	37,000,000	-	37,000,000
Other Equity	-	(5,393,300)	-	(5,393,300)
Total equity	-	31,606,700	-	31,606,700
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	-	109,246,857	-	109,246,857
Other financial liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred Tax Liabilities (Net)	-	-	-	-
Total non-current liabilities	-	109,246,857	-	109,246,857
Current Liabilities				
Financial Liabilities				
Borrowings	-	47,044,626	-	47,044,626
Trade Payables	-	-	-	-
Other Financial Liabilities	-	-	-	-
Provisions	-	-	-	-
Other Current Liabilities	-	653,223	-	653,223
Current Tax Liability(net)	-	-	-	-
Total current liabilities	-	47,697,849	-	47,697,849
Total Liabilities		156,944,706	-	156,944,706
Total equity and liabilities		188,551,406	-	188,551,406

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

ii a. Balance sheet reconciliation as on March 31, 2017

(In ₹)

Particulars	Notes	Regrouped IGAAP	IND AS Adjustments	IND AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	-	246,471,761	-	246,471,761
Capital Work in Progress	-	1,689,049	-	1,689,049
Intangible Assets	-	1,888	-	1,888
Other Non current assets	-	8,938,848	-	8,938,848
Deferred tax assets(net)				
Total non current assets		257,101,546		257,101,546
Current Assets				
Financial Assets				
(i) Trade Receivables	-	24,610,365	-	24,610,365
(ii) Cash and Cash Equivalents	-	8,144,071	-	8,144,071
(iii) Other financial assets	-	-	-	-
Current tax assets(net)				
Other current assets	-	104,514,026	-	104,514,026
Total current assets		137,268,462		137,268,462
Total Assets		394,370,008		394,370,008
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	-	37,000,000	-	37,000,000
Other Equity	-	8,717,247	-	8,717,247
Total equity		45,717,247		45,717,247
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	-	317,625,000	-	317,625,000
Other financial liabilities	-	-	-	-
Provisions	-	668,264	-	668,264
Deferred Tax Liabilities (Net)	-	1,416,173	-	1,416,173
Total non-current liabilities		319,709,437	-	319,709,437
Current Liabilities				
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	-	4,696,082	-	4,696,082
Other Financial Liabilities	-	15,317,877	-	15,317,877
Provisions	-	22,156	-	22,156
Other Current Liabilities	-	4,736,521	-	4,736,521
Current Tax Liability(net)	-	4,170,688	-	4,170,688
Total current liabilities		28,943,324	-	28,943,324
Total Liabilities		348,652,761	-	348,652,761
Total equity and liabilities		394,370,008	-	394,370,008

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

ii b. Reconciliations of statement of profit and loss for the year ended March 31, 2017

(In ₹)

Particulars	Notes	IGAAP	IND AS Adjustments	IND AS
Income				
Revenue from operations		612,443,527	-	612,443,527
Other income		6,637,310	-	6,637,310
Total Income		619,080,837	-	619,080,837
Expenses:				
Cost of Revenue Operations		570,699,220	-	570,699,220
Employee Benefits Expenses	2	6,315,334	(462,950)	5,852,384
Finance Costs		17,242,401	-	17,242,401
Depreciation and Amortization Expenses		815,601	-	815,601
Other Expenses		1,750,661	-	1,750,661
Total expenses		596,823,217	(462,950)	596,360,266
Profit for the period		22,257,620		22,720,570
Tax expense:				
Current tax		6,727,300	-	6,727,300
Deferred tax	2	1,419,773	150,204	1,569,977
Total Tax Expense		8,147,073	(150,204)	8,297,277
Profit/(Loss) for the period		14,110,547	(312,746)	14,423,293
Other Comprehensive Income(OCI)(net of tax)				
(A) Items that will be reclassified to profit or loss				
(B) Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefit obligation	1/2	-	(312,746)	(312,746)
Total Comprehensive Income for the year		14,110,547	(312,746)	14,110,547

iii. Notes to the balance sheet and statement of profit and loss reconciliations

As per the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

1 Statement of other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income hence, previous GAAP profit is reconciled to total comprehensive income as per ind AS. Under Ind AS, certain specified items net of related tax impact are required to be presented in other comprehensive income.

2 Re-measurement differences

Under previous GAAP, the remeasurements of the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS, the said remeasurement differences net of the related tax impact are recognised in other comprehensive income.

iv. Explanation of material adjustments to Statement of Cash Flows

There were no material differences between the statements of cash flows presented under Ind AS and the previous GAAP.

These are the notes to accounts to the financial statements.

For VAPS & Co.

Firm Reg. No. 003612N
Chartered Accountants

For and On Behalf of the Board

Praveen Kumar Jain

Partner
Membership No. 082515

Place : New Delhi
Date : May 29, 2018

Rahul Gupta
Managing Director
DIN: 07151792

Saket Agarwal
Director
DIN: 00203084

Surbhi Arora
Company Secretary



Apollo TriCoat

THREE STEPS AHEAD

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